NATIONAL SECURITIES DEPOSITORY LIMITED

Compliance Manual for Depository Participants

27th Edition

March 2021

PREFACE

The Depositories Act 1996, SEBI (Depositories and Participants) Regulations, 2018, the Bye Laws of NSDL, Business Rules of NSDL, Circulars issued by NSDL etc. require the Depository Participants (DPs) to comply with certain procedures relating to functions in depository system. This manual is a compilation of relevant sections of The Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 2018, Bye Laws, Business Rules and circulars issued by NSDL (upto **31.03.2021**) arranged topic wise. A further segregation is made at sub-topic level wherever possible for the convenience of the readers.

A subject wise index based on circulars is given separately to facilitate direct access to the circulars. Additional space is provided at the end of each topic/ sub-topic for manually updating the details of circulars issued after **31.03.2021**.

As per Bye Law 6.2.1 (vi), the depository may make it mandatory for a DP to appoint a Compliance Officer who shall interact with the depository on behalf of the DP for compliance with the Bye Laws and Business Rules. This manual will be particularly useful for the compliance officers of the DPs.

We request the readers to send to us feedback on the usefulness of this manual and enhancement/improvement suggested in future editions of this manual.

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DISCLAIMER

This Manual provides information solely as a reference guide and is meant to supplement the efforts of the Compliance Officer in carrying out his/her duties as a Compliance Officer. While every effort has been made to compile various relevant statues, this manual is not meant to be a substitute to the provisions of The Depositories Act 1996, SEBI (Depositories and Participants) Regulations, 2018, the Bye Laws of NSDL, Business Rules of NSDL and Circulars issued by NSDL. NSDL does not hold out that this compliance manual is exhaustive. Compliance Officers are advised to study original source for the sake of completeness on any compliance related matters.

This Manual includes circulars issued by NSDL up to **31.03.2021**. Compliance Officers should refer the circulars issued after that date to update themselves. The titles given in the manual are meant to draw attention of the reader and does not purport to summarize the contents of the circulars. Compliance Officers are advised to study the circulars thereof.

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1. Account Opening

a. General	
Section 5	Any person, through a participant, may enter into an agreement, in such form as may be specified by the bye-laws, with any depository for availing its services.
Regulation 41	Every participant shall enter into an agreement with a beneficial owner before acting as a participant on his behalf, in a manner specified by the depository in its bye-laws.
Regulation 42 (1)	Separate accounts shall be opened by every participant in the name of each of the beneficial owners and the securities of each beneficial owner shall be segregated, and shall not be mixed up with the securities of other beneficial owners or with the participant's own securities.
Bye Law 6.4.1	No Participant shall conduct business as a Participant with its Clients unless it has entered into an agreement with its Clients.
Bye Law 9.1.2	The Participant shall maintain separate accounts in respect of each Client and its own account. The Participant shall intimate the balances held in its own account and Client account to Depository on a daily basis.
Bye Law 9.1.5	The Client will be required to enter into an agreement with the Participant in accordance with the provisions of Chapter 6 of these Bye Laws.
Bye Law 9.1.6	Once the application has been accepted by the Participant, the applicant will be issued a Client account number.
Rule 12.1.2	The Participant shall ensure that the application form submitted by the Client is completely filled, including the Bank Account particulars of the Client, and properly signed.
Clarifications / guidelines issued after Master circular	
Circular No.: NSDL/POLICY/ 2021/0028 March 22, 2021	***Subject: Clarification on downloading of the KYC Documents of Clients from KRA System*** Participants are advised to refer Regulation 16 (b) of SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011 which inter alia states as mentioned below: *"When the client approaches another intermediary subsequently, the intermediary shall verify and download the client's details from the system of KRA:* *Provided that upon receipt of information on change in KYC details and status of the clients by the intermediary or when it comes to the knowledge of the intermediary, at any stage, the intermediary shall be responsible for uploading the updated information on the system of KRA and retaining the physical documents."* In view of the above, Participants are requested to take note that where the Participant is opening an account online based on download of KYC details from the KRA, the KYC details as downloaded from the KRA shall be displayed to the client at the time of account opening where the client must confirm that there is no change in the particulars as downloaded from KRA and in case of any change, the client must be provided an option to provide latest details along with supporting documentation.

	Further as per Regulation 16 (a) of SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011 which inter alia states as mentioned below: *"The intermediary shall perform the initial KYC/due diligence of the client, upload the KYC information with proper authentication on the system of the KRA, furnish the scanned images of the KYC documents to the KRA, and retain the physical KYC documents."*
Circular No.: NSDL/POLICY/ 2021/0027 March 22, 2021	***Subject: SEBI Circular on rollout of Legal Entity Template*** Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2021/31 dated March 10, 2021 (copy enclosed) regarding rollout of Legal Entity Template
Circular No.: NSDL/POLICY/ 2021/0020 February 26, 2021	***Subject: Amendment to Business Rules of NSDL.*** As all Participants are aware, nomination can be done by an account holder as per the prescribed norms and SEBI has issued frequently asked questions pertaining to nomination for a demat account as given below: **1. Who can nominate?** Nomination can be made only by individuals holding beneficial accounts either singly or jointly. Non-individuals including society, trust, body corporate, Karta of HUF, holder of POA cannot nominate. **2. Who can be a nominee?** Only an individual / natural person can be a nominee. A nominee shall not be an artificial person created/dressed by the law or by a fiction such as body corporate, companies, partnership firm, society, trust, Hindu Undivided Family, etc. **3. Why is it important to nominate?** Nomination is helpful in smooth transmission of shares upon the death of the BO/s. The nomination once made can be changed at a later date as desired by the BO/s. In accordance with the same, the notes part in Form 10 for Nomination/ Cancellation of Nomination, of Business Rules [enclosed at Annexure in track change mode] is revised. Participants are requested to take note of the aforesaid and ensure compliance. Participants may use the existing physical stock of Form 10 till the stocks last and are advised to incorporate the changes while re-printing. For Participants who are providing facility to open the accounts online, may incorporate these changes within 30 days.
Circular No.: NSDL/POLICY/ 2021/0015 February 19, 2021	***Subject: Amendments to Business Rules of NSDL.*** All Participants are hereby informed that consequent to SEBI Circular Nos. SEBI/HO/MIRSD/DOP/CIR/P/2018/153 dated December 17, 2018 and SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, the amendments are made to Business Rule 18.1.1 wherein Sr. no. 38 is inserted to introduce new penalty head for failure to co-operate by the Depository Participant by not submitting all the information/records sought within 45 days from the due date specified in the letter of intimation. The amended Business Rule as mentioned above is enclosed herewith as Annexure A.

Circular No.: NSDL/POLICY/ 2020/0137 October 19, 2020	***Subject: Amendments to Business Rules of NSDL.*** Participants are hereby informed that following amendments have been made in the Business Rules of NSDL: 1. Amendment to Business Rule 12.1.1 [as enclosed at Annexure 1] 2. Deletion of Annexure D of Business Rules i.e. the instructions/check list for filling KYC Form [enclosed as Annexure 2] 3. Revised Form 9 (For Individuals) and Form 11 (for non-individuals) [enclosed as Annexure 3] 12.1.1 Any person desiring to become a Client of the Participant shall make an application as per the KYC Application forms as prescribed by SEBI and forms which have been laid out in FORM 9 and FORM 11 of these Business Rules and instructions/check list for filling KYC Form as prescribed by SEBI from time to time.

Annexure D

INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM

A. IMPORTANT POINTS:

1. Self-attested copy of PAN card is mandatory for all clients, including Promoters/ Partners/Karta/ Trustees and whole time directors and persons authorized to deal in securities on behalf of company/ firm/others.
2. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the below mentioned list.
3. If any proof of identity or address is in a foreign language, then translation into English is required.
4. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
5. If correspondence & permanent address are different, then proofs for both have to be submitted.
6. Sole proprietor must make the application in his individual name & capacity.
7. For non-residents and foreign nationals, (allowed to trade subject to RBI and FEMA guidelines), copy of passport/PIO Card/OCI Card and overseas address proof is mandatory.
8. For foreign entities, CIN is optional; and in the absence of DIN no. for the directors, their passport copy should be given.
9. In case of Merchant Navy NRI's, Mariner's declaration or certified copy of CDC (Continuous Discharge Certificate) is to be submitted.
10. For opening an account with Depository participant or Mutual Fund, for a minor, photocopy of the School Leaving Certificate/Mark sheet issued by Higher Secondary Board/Passport of Minor/Birth Certificate must be provided.
11. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/ military officers, senior executives of state owned corporations, important political party officials, etc.

B. Proof of Identity (POI): - List of documents admissible as Proof of Identity:

1. Unique Identification Number (UID) (Aadhaar)/ Passport/ Voter ID card/ Driving license.
2. PAN card with photograph.
3. Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/ Debit cards issued by Banks.

C. Proof of Address (POA): - List of documents admissible as Proof of Address: (^Documents having an expiry date should be valid on the date of submission.)

1. Passport/ Voters Identity Card/ Ration Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy.
2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
3. Bank Account Statement/Passbook - - Not more than 3 months old.
4. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
5. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/ Scheduled Co-Operative Bank/Multinational Foreign Banks/ Gazetted Officer/Notary public/Elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority.
6. Identity card/document with address, issued by any of the following: Central/ State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.
7. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostiled or consularised) that gives the registered address should be taken.
8. The proof of address in the name of the spouse may be accepted.

D. Exemptions/clarifications to PAN (^*Sufficient documentary evidence in support of such claims to be collected.*)

1. In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
2. Investors residing in the state of Sikkim.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary.

E. List of people authorized to attest the documents:

1. Notary Public, Gazetted Officer, Manager of a Scheduled Commercial/ Co-operative Bank or Multinational Foreign Banks (Name, Designation & Seal should be affixed on the copy).
2. In case of NRIs, authorized officials of overseas branches of Scheduled Commercial Banks registered in India, Notary Public, Court Magistrate, Judge, Indian Embassy /Consulate General in the country where the client resides are permitted to attest the documents.

F. In case of Non-Individuals, additional documents to be obtained from non-individuals, over & above the POI & POA, as mentioned below:

Types of entity	Documentary requirements
Corporate	• Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the company secretary/Whole time director/MD (to be submitted every year).

	• Photograph, POI, POA, PAN and DIN numbers of whole time directors/two directors in charge of day to day operations. • Photograph, POI, POA, PAN of individual promoters holding control – either directly or indirectly. • Copies of the Memorandum and Articles of Association and certificate of incorporation. • Copy of the Board Resolution for investment in securities market. • Authorised signatories list with specimen signatures.
Partnership Firm	• Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Certificate of registration (for registered partnership firms only). • Copy of partnership deed. • Authorised signatories list with specimen signatures. • Photograph, POI, POA, PAN of Partners.
Trust	• Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Certificate of registration (for registered trust only). • Copy of Trust deed. • List of trustees certified by managing trustees/CA. • Photograph, POI, POA, PAN of Trustees.
HUF	• PAN of HUF. • Deed of declaration of HUF/ List of coparceners. • Bank pass-book/bank statement in the name of HUF. • Photograph, POI, POA, PAN of Karta.
Unincorporated association or a body of individuals	• Proof of Existence/Constitution document. • Resolution of the managing body & Power of Attorney granted to transact business on its behalf. • Authorized signatories list with specimen signatures.
Banks/ Institutional Investors	• Copy of the constitution/registration or annual report/balance sheet for the last 2 financial years. • Authorized signatories list with specimen signatures.
Foreign Institutional Investors (FII)	• Copy of SEBI registration certificate. • Authorized signatories list with specimen signatures.
Army/ Government Bodies	• Self-certification on letterhead. • Authorized signatories list with specimen signatures.
Registered Society	• Copy of Registration Certificate under Societies Registration Act. • List of Managing Committee members. • Committee resolution for persons authorised to act as authorised signatories with specimen signatures. • True copy of Society Rules and Bye Laws certified by the Chairman/Secretary.

FORM 9

ACCOUNT OPENING FORM

(FOR INDIVIDUAL S)

Participant Name (DP ID ____) Address (Pre-printed)	**Client–ID** (To be filled by Participant)

I/We request you to open a depository account in my/our name as per the following details: (*Please fill all the details in CAPITAL LETTERS only*) **Date** D D M M Y Y Y Y

A) Details of Account holder(s):

Account holder(s)	Sole/ First Holder		Second Holder		Third Holder	
Name						
PAN						
Occupation *(please tick any one and give brief details)*	☐ Private Sector	☐ Agriculturist	☐ Private Sector	☐ Agriculturist	☐ Private Sector	☐ Agriculturist
	☐ Public Sector	☐ Retired	☐ Public Sector	☐ Retired	☐ Public Sector	☐ Retired
	☐ Government Service	☐ Housewife	☐ Government Service	☐ Housewife	☐ Government Service	☐ Housewife
	☐ Business	☐ Student	☐ Business	☐ Student	☐ Business	☐ Student
	☐ Professional	☐ Others (Please specify; _____	☐ Professional	☐ Others (Please specify; _____	☐ Professional	☐ Others (Please specify; _____
Brief details:						

B) For Association of Persons (AOP), Partnership Firm, Unregistered Trust, etc., although the account is opened in the name of the natural persons, the name & PAN of the Association of Persons (AOP), Partnership Firm, Unregistered Trust, etc., should be mentioned below:

a) Name | b) PAN

C) Type of account

☐ Ordinary Resident ☐ NRI-Repatriable ☐ NRI-Non Repatriable

☐ Qualified Foreign Investor ☐ Foreign National

☐ Margin ☐ Others (Please specify) _____ ☐ Promoter

D) Gross Annual Income Details

Income Range per annum (please tick any one)

☐ Below ` 1 lac ☐ ` 1- 5 lac ☐ ` 5- 10 lac

☐ ` 10- 25 lac ☐ More than ` 25 lac

E) In case of NRIs/ Foreign Nationals

RBI Approval Reference Number	
RBI Approval date	D D M M Y Y Y Y

F) Bank details

1	Bank account type	☐ Savings Account ☐ Current Account ☐ Others (Please specify)_____
2	Bank Account Number	
3	Bank Name	

	4	Branch Address											
			City/town/village				PIN Code						
			State				Country						
	5	MICR Code											
	6	IFSC											

G)	Please tick, if applicable: ☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)

H)	**Standing Instructions**		
	1	I/We authorise you to receive credits automatically into my/our account.	☐ Yes ☐ No
	2	Account to be operated through Power of Attorney (PoA)	☐ Yes ☐ No
	3	**SMS Alert facility:** *(Mandatory if you are giving Power of Attorney (PoA). Ensure that the mobile number is provid the KYC Application Form)*	

Sr. No.	Holder	Yes	No
1	Sole/First Holder	☐	☐
2	Second Holder	☐	☐
3	Third Holder	☐	☐

	4	Mode of receiving Statement of Account [*Tick any one*]	☐ Physical Form ☐ Electronic Form [*Read Note 8 and ensure that email ID is provided in KYC Application Form*]

I)	**Guardian Details** *(where sole holder is a minor)* [For account of a minor, two KYC Application Forms must be filled i.e. one for the guardian and another for the minor (*to be signed by guardian*)]												
	Guardian Name												
	PAN												
	Relationship of guardian with minor												

J)	**Nomination Option**	
	☐ I/We wish to make a nomination. ***[Details are provided at FORM 10]***	☐ I/We do not wish to make a nomination.

Declaration

The rules and regulations of the Depository and Depository Participants pertaining to an account which are in force now have been read by me/us and I/we have understood the same and I/we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. I/we hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/ we are aware that I/we may be held liable for it. In case non-resident account, I/we also declare that I/we have complied and will continue to comply with FEMA regulations. I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".

Name(s) of holder(s)		Signature(s)of holder
Sole/ First Holder/ Guardian (in case sole holder is minor) (Mr./Ms.)		X
Second Holder (Mr./Ms.)		X
Third Holder (Mr./Ms.)		X

Notes :

1. All communication shall be sent at the address of the Sole/First holder only.
2. Thumb impressions and signatures other than English or Hindi or any of the other language not contained in the 8th Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate.
3. For receiving Statement of Account in electronic form:
   I. Client must ensure the confidentiality of the password of the email account.
   II. Client must promptly inform the Participant if the email address has changed.
   III. Client may opt to terminate this facility by giving 10 days prior notice. Similarly, Participant may also terminate this facility by giving 10 days prior notice.

4. Strike off whichever is not applicable.

= =

Acknowledgement

Participant Name, Address & DP ID

Received the application from Mr/Ms______________________________ as the sole/first holder alongwith ______________________________ and ________________________________ as the second and third holders respectively for opening of a depository account. Please quote the DP ID & Client ID allotted to you in all your future correspondence.

Date: | D | D | M | M | Y | Y | Y | Y | **Participant Stamp & Signature**

FORM 11

ACCOUNT OPENING FORM

(FOR NON-INDIVIDUAL S)

Participant Name (DP ID ____) Address (Pre-printed)	**Client–ID** (To be filled by Participant)

We request you to open a depository account in our name as per the following details: (*Please fill all the details in CAPITAL LETTERS only*)	**Date**	D	D	M	M	Y	Y	Y	Y

A) Details of Account holder(s):

	Name	PAN
Sole/ First Holder		
Second Holder		
Third Holder		

B) Type of account

- ☐ Body Corporate
- ☐ Qualified Foreign Investor
- ☐ Bank
- ☐ FI
- ☐ Mutual Fund
- ☐ CM
- ☐ FII
- ☐ Trust
- ☐ HUF
- ☐ Other (Please specify) _____

C) For Partnership Firm, Unregistered Trust, Association of Persons (AOP) etc., although the account is opened in the name of the partner(s), trustee(es) etc., the name & PAN of the Partnership Firm, Unregistered Trust, Association of Persons (AOP) etc., should be mentioned below:

a) Name		b) PAN	

D) Income Details (please specify)

Income Range per annum		Networth
☐ Below ` 20 Lac	and	Amount (`)_____
☐ ` 20 – 50 Lac		As on (date) D D M M Y Y Y Y
☐ ` 50 Lac – 1 crore		(Networth should not be older than 1 year)
☐ Above ` 1 crore		

E) In case of FIIs/Others (as may be applicable)

RBI Approval Reference Number	
RBI Approval date	D D M M Y Y Y Y
SEBI Registration Number (for FIIs)	

F) Bank details

1	Bank account type	☐ Savings Account ☐ Current Account ☐ Others (Please specify) _____ _____
2	Bank Account Number	
3	Bank Name	
4	Branch Address	

City/town/ village		PIN Code	
State		Country	

	5	MICR Code										
	6	IFSC										

G)	Please tick, if applicable, for any of your authorized signatories/Promoters/Partners/Karta/Trustees/whole time directors:	☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)

H)	**Clearing Member Details** (to be filled up by Clearing Members only)		
	1	Name of Stock Exchange	
	2	Name of Clearing Corporation/ Clearing House	
	3	Clearing Member ID	
	4	SEBI Registration Number	
	5	Trade Name	
	6	CM-BP-ID **(to be filled up by Participant)**	

I)	**Standing Instructions**		
	1	We authorise you to receive credits automatically into our account.	☐ Yes ☐ No
	2	Account to be operated through Power of Attorney (PoA)	☐ Yes ☐ No
	3	**SMS Alert facility**	

Sr. No.	Holder	Yes	No
1	Sole/First Holder	☐	☐
2	Second Holder	☐	☐
3	Third Holder	☐	☐

	4	Mode of receiving Statement of Account [Tick any one]	☐ Physical Form ☐ Electronic Form [*Read Note 8 and ensure that email ID is provided in KYC Application Form*].

J) **List of family members (Separate Annexure may be used in case number of members is higher)**

Sr No.	Name of Coparcener/Member	Gender	Date of Birth	Relation with Karta	Whether Coparcener/ Member (please specify)

Declaration

The rules and regulations of the Depository and Depository Participants pertaining to an account which are in force now have been read by us and we have understood the same and we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. We hereby declare that the details furnished above are true and correct to the best of our knowledge and belief and we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, we are aware that we may be held liable for it. I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".

Authorised Signatories (Enclose a Board Resolution for Authorised Signatories. In case of HUF details of Karta to be given)

Sole/First Holder	Name	Signature(s)
First Signatory/Karta of HUF		X
Second Signatory		X
Third Signatory		X
Other Holders		
Second Holder		X
Third Holder		X

Mode of Operation for Sole/First Holder (In case of joint holdings, all the holders must sign. In case of HUF this is not applicable)	
☐ Any one singly	
☐ Jointly by	
☐ As per resolution	
☐ Others (please specify)	

Notes

1. In case of additional signatures, separate annexures should be attached to the application form.
2. Thumb impressions and signatures other than English or Hindi or any of the other language not contained in the 8th Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate.
3. For receiving Statement of Account in electronic form:
   I. Client must ensure the confidentiality of the password of the email account.
   II. Client must promptly inform the Participant if the email address has changed.
   III. Client may opt to terminate this facility by giving 10 days prior notice. Similarly, Participant may also terminate this facility by giving 10 days prior notice.
4. Strike off whichever is not applicable.

Acknowledgement

Participant Name, Address & DP ID

Received the application from M/s_____ as the sole/first holder alongwith _____ and _____ as the second and third holders respectively for opening of a depository account. Please quote the DP ID & Client ID allotted to you (CM-BP-ID in case of Clearing Members) in all your future correspondence.

Date: | D | D | M | M | Y | Y | Y | Y |

Participant Stamp & Signature

Circular No.: NSDL/POLICY/ 2020/0134 October 14, 2020	***Subject: Frequently Asked Questions on SEBI Circular on Clarification on Know Your Client (KYC) Process and Use of Technology for KYC.*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2020/0057 dated May 4, 2020 regarding SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020 pertaining to Clarification on Know Your Client (KYC) Process and Use of Technology for KYC and NSDL Circular No. NSDL/POLICY/2020/0109 dated August 11, 2020 wherein common Frequently Asked Questions (FAQs) were provided which were prepared by both the Depositories in consultation with SEBI. To discuss the various issues / concerns raised by the Participants, a meeting was initiated by both the Depositories with SEBI regarding the said SEBI circular. Based on the outcome of the said SEBI meeting, modifications are incorporated in the FAQs and same has been enclosed in track change mode as Annexure.

FAQ on SEBI Circular dated April 24, 2020 on online KYC

Q1. How will the RI verify the OVD/other documents, in case of receipt of clear photograph or scan copy of the original OVD with e-sign of the client?

There is no requirement for RI to verify the OVD/other documents in case of receipt of photograph or scan copy with e-sign of the client. Self-attestation by the client through the e-sign will be considered as sufficient and will satisfy the requirement of verification by RI. RI can verify the details provided to the client matches with the details on the OVD/other documents

Q2. Whether it is mandatory to take live photograph of the client in all cases of online account opening through the website/App/digital platform of the RI?

Yes, it is mandatory to take live photograph of the client whether the account is opened through the Aadhaar as OVD, any other OVD or through download of KYC from KRA. It is not permitted to upload the photograph of the client or take of photograph of the client photograph. Online KYC App of the RI should verify the liveliness of the photograph.

Q3. From which document the signature of the client can be cropped for affixing on the filled KYC form and submitted to the RI under e-sign of client?

Signature of the client can be cropped from a signed cancelled cheque, signature on a white paper or signature made on the screen of a device, provided such cropped signature on the document / screen is eSigned by the client and submitted to the RI. However, before esigning the document, the cropped signature should be inserted in the place holders of the KYC form and displayed to the investor.

Q4. How the e-sign of the client needs to be verified by the RI?

RI can verify the e-sign of the client on the basis of Name, gender and year of birth mentioned in the e-sign certificate and comparing the same with the client details available in its record.

Q5. How the digital sign on the equivalent e-document can be verified?

As per the procedure mentioned in the IT Act 2000, digital signature on the electronic document can be verified using the public key of the signature.

Q6. In which cases IPV/VIPV is required to be done by the RI at the time of doing the KYC?

If KYC is conducted based on Aadhaar Authentication, IPV/VIPV would not be required, however, entities should perform minimum due diligence to ensure authenticity of the data provided

Accordingly, IPV/VIPV is not required in following cases:

- OTP based e-KYC
- Biometric based e-KYC
- Offline verification of XML file
- Offline verification of Aadhaar QR Code
- OVD's downloaded from Digilocker
- KYC downloaded from KRA and client consent by OTP
- Documents from any other source which could be verified online.

IPV/VIPV will be required in case when the investor submits scanned copies of any OVD as prescribed by SEBI.

Q7. Whether PAN card can be considered as an identity proof for the purpose of KYC?

PAN is not included under the list of OVD's under the rule 2(d) of the PML rules. Hence, it can't be considered as a proof of identity by the RI.

Q8. Whether it is mandatory to provide copy of PAN card, if it is not considered as proof of identity?

Yes, photograph/scan of PAN should be provided by client under his e-sign or e-PAN can be provided through Digilocker which are issued directly by issuing authority to Digilocker.

Q9. What is the meaning of the scan of the OVD? Does it include the photocopy of the OVD?

Scan of the OVD means that original OVD is scanned using the scanning software or through the physical scanner available. It doesn't include the photocopy of the original document.

Q10. Whether it is mandatory for investor submit mobile number as updated in the Aadhaar database while doing KYC?

In cases where client is identified by using e-KYC through Aadhaar authentication services of UIDAI or offline verification through Aadhaar QR code/XML file client shall provide mobile number as updated in their Aadhaar. Where KYC is done by relying upon OVD other than Aadhaar, in such case, the mobile number/s of investor accepted as part of KYC should preferably be the one seeded with Aadhaar. The Mobile number will be verified by RI through One Time Password (OTP) or other verifiable mechanism.

Q11. Is it mandatory for the investor to submit email-id to RI?

In cases where client is identified by using e-KYC through Aadhaar authentication services of UIDAI or offline verification through Aadhaar QR code/XML file client shall provide mobile number as updated in their Aadhaar. Where KYC is done by relying upon OVD other than Aadhaar, in such case,

Yes, it is mandatory to submit email id at the time of account opening using online account facility. RI shall verify the email-id using OTP / other verifiable mechanism.

Q12. Can scanned image or photo of OVD submitted by the client to the RI through video IPV or other online mechanisms be considered as a valid proof?

No. The OVD shown in the VIPV is as per rule 2 (1) (cb) where the document should have been validated by means of an electronic copy issued in the Digilocker under the valid signature of the issuing authority. Hence, any documents being obtained from the client outside this mechanism should be mandatorily obtained as a scanned image or photo under eSign.

Q13. In case RI is availing penny drop facility using API of the bank, is copy of signed cancelled cheque required to be obtained from client?

If RI is availing penny drop facility using API of the bank, copy of signed cancelled cheque is not required to be obtained from client. However, in cases where penny drop match fails, or in cases where penny drop doesn't return joint account holder name, clients should be asked to submit proofs like copy of signed cancelled cheque

Q14. If the investor's bank does not support the penny drop facility, can such details be accepted based on the copy of the signed cancelled cheque?

The RI shall attempt verification of bank account details using penny drop facility in all cases. But, if the investor's bank does not provide response to the penny drop, the bank details can be accepted based on the copy of the signed cancelled cheque

Q15. If the OVD furnished by the client does not contain the updated address, the documents as given in PML Rule 9(18), other than OVD given in the SEBI circular dated April 24, 2020, e.g. utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill) OR Property etc, whether it can be deemed to be the OVD for the limited purpose of address?

Yes, such documents will be treated as deemed OVD for the limited purpose of proof of address, provided that the client shall submit updated officially valid document or their equivalent e-documents thereof with current address within a period of three months of submitting the above documents. In case of non-receipt of the updated OVDs, no transactions shall be allowed in such account and intimation shall also be sent to the Depository.

Q16. The KYC completion documents sent to the clients in cases where the investor has given address other than as given in the OVD have been returned undelivered. What action should be taken by the RI?

The account should be frozen for further transactions in the depository and the intimation should accordingly be sent to the client on mobile number and email id or on the permanent address of the client.

Q17. Whether Aadhaar as OVD can be accepted from Digilocker?

Yes, a digitally signed Aadhar, issued to the DigiLocker by UIDAI can be accepted as an OVD under eSign of the client.

Q18. What are the features required in the photograph taken in online KYC application of the RI?

The online KYC application of RI should have a facility to take a photograph of the investor which has time stamping, geo-location tagging and liveliness check.

Circular No.: NSDL/POLICY/ 2020/0109 August 11, 2020	***Subject: Frequently Asked Questions on SEBI Circular on Clarification on Know Your Client (KYC) Process and Use of Technology for KYC*** Participants are requested to refer to NSDL Circular No. NSDL/POLICY/2020/0057 dated May 4, 2020 informing participants about SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020 regarding Clarification on Know Your Client (KYC) Process and Use of Technology for KYC. In this regard, NSDL has been receiving several queries/ representations from various Participants seeking clarifications on certain points of the aforesaid SEBI Circular on online KYC. In this regard, a set of FAQs along with suitable clarifications are prepared by both depositories in consultation with SEBI for reference of the Participants. FAQ is enclosed as Annexure.

FAQ on SEBI Circular dated April 24, 2020 on online KYC

Q1. How will the RI verify the OVD/other documents, in case of receipt of clear photograph or scan copy of the original OVD with e-sign of the client?

There is no requirement for RI to verify the OVD/other documents in case of receipt of photograph or scan copy with e-sign of the client. Self-attestation by the client through the e-sign will be considered as sufficient and will satisfy the requirement of verification by RI. RI can verify the details provided to the client matches with the details on the OVD/other documents

Q2. Whether it is mandatory to take live photograph of the client in all cases of online account opening through the website/App/digital platform of the RI?

Yes, it is mandatory to take live photograph of the client whether the account is opened through the Aadhaar as OVD, any other OVD or through download of KYC from KRA. It is not permitted to upload the photograph of the client or take of photograph of the client photograph. Online KYC App of the RI should verify the liveliness of the photograph.

Q3. From which document the signature of the client can be cropped for affixing on the filled KYC form and submitted to the RI under e-sign of client?

Signature of the client can be cropped from the signed cancelled cheque provided by the client and submitted to the RI under the e-sign of the client. However, before esigning the document, the cropped signature should be inserted in the place holders of the KYC form and displayed to the investor.

Q4. How the e-sign of the client needs to be verified by the RI?

RI can verify the e-sign of the client on the basis of Name, gender and year of birth mentioned in the e-sign certificate and comparing the same with the client details available in its record.

Q5. How the digital sign on the equivalent e-document can be verified?

As per the procedure mentioned in the IT Act 2000, digital signature on the electronic document can be verified using the public key of the signature.

Q6. In which cases IPV/VIPV is required to be done by the RI at the time of doing the KYC?

IPV/VIPV is not required in following cases:

- OTP based e-KYC
- Biometric based e-KYC
- Offline verification of XML file
- Offline verification of Aadhaar QR Code
- OVD's downloaded from Digilocker
- KYC downloaded from KRA and client consent by OTP
- Documents from any other source which could be verified online.

IPV/VIPV will be required in case when the investor submits scanned copies of any OVD as prescribed by SEBI.

Q7. Whether PAN card can be considered as an identity proof for the purpose of KYC?

PAN is not included under the list of OVD's under the rule 2(d) of the PML rules. Hence, it can't be considered as a proof of identity by the RI.

Q8. Whether it is mandatory to provide copy of PAN card, if it is not considered as proof of identity?

Yes, photograph/scan of PAN should be provided by client under his e-sign or e-PAN can be provided through Digilocker which are issued directly by issuing authority to Digilocker.

Q9. What is the meaning of the scan of the OVD? Does it include the photocopy of the OVD?

Scan of the OVD means that original OVD is scanned using the scanning software or through the physical scanner available. It doesn't include the photocopy of the original document.

Q10. Whether it is mandatory for investor submit mobile number as updated in the Aadhaar database while doing KYC?

In cases where client is identified by using e-KYC through Aadhaar authentication services of UIDAI or offline verification through Aadhaar QR code/XML file client shall provide mobile number as updated in their Aadhaar. Where KYC is done by relying upon OVD other than Aadhaar, in such case, the mobile number/s of investor accepted as part of KYC should preferably be the one seeded with Aadhaar. The Mobile number will be verified by RI through One Time Password (OTP) or other verifiable mechanism.

Q11. Is it mandatory for the investor to submit email-id to RI?

Yes, it is mandatory to submit email id at the time of account opening using online account facility. RI shall verify the email-id using OTP / other verifiable mechanism.

Q12. Can scanned image or photo of OVD submitted by the client to the RI through video IPV or other online mechanisms be considered as a valid proof?

No. The OVD shown in the VIPV is as per rule 2 (1) (cb) where the document should have been validated by means of an electronic copy issued in the Digilocker under the valid signature of the issuing authority. Hence, any documents being obtained from the client outside this mechanism should be mandatorily obtained as a scanned image or photo under eSign.

Q13. In case RI is availing penny drop facility using API of the bank, is copy of signed cancelled cheque required to be obtained from client?

The copy of signed cancelled cheque shall be required to be obtained as per point no 4 ii) of SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/73.

Q14. If the investor's bank does not support the penny drop facility, can such details be accepted based on the copy of the signed cancelled cheque?

In Penny drop facility, a small amount of money (usually Rs. 1) is credited to the investor account and payer bank gets the details of the payee as reverse feed. So question of investor bank not supporting doesn't hold any merit.

Q15. If the OVD furnished by the client does not contain the updated address, the documents as given in PML Rule 9(18), other than OVD given in the SEBI circular dated April 24, 2020, e.g. utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill) OR Property etc, whether it can be deemed to be the OVD for the limited purpose of address?

Yes, such documents will be treated as deemed OVD for the limited purpose of proof of address, provided that the client shall submit updated officially valid document or their equivalent e-documents thereof with current address within a period of three months of submitting the above documents. In case of non-receipt of the updated OVDs, no transactions shall be allowed in such account and intimation shall also send to the Depository.

Q16. The KYC completion documents sent to the clients in cases where the investor has given address other than as given in the OVD have been returned undelivered. What action should be taken by the RI?

The account should be frozen for further transactions in the depository and the intimation should accordingly be sent to the client on mobile number and email id or on the permanent address of the client.

Q17. Whether Aadhaar as OVD can be accepted from Digilocker?

Yes, a digitally signed Aadhar, issued to the DigiLocker by UIDAI can be accepted as an OVD under eSign of the client.

Q18. What are the features required in the photograph taken in online KYC application of the RI?

The online KYC application of RI should have a facility to take a photograph of the investor which has time stamping, geo-location tagging and liveliness check.

Circular No.:
NSDL/ POLICY/
2020/0059
May 4, 2020

Subject: Change of residential status of individual clients.

Attention of Participants is invited to NSDL Circular Nos. NSDL/POLICY/2015/0081 dated September 7, 2015 and NSDL/POLICY/2016/0035 dated March 30, 2016 wherein inter alia participants were informed about procedure and facility to modify the client type and client sub-type of the depository accounts from "Resident-ordinary" to "NRI non-repartriable".

In continuation to the aforesaid, based on the representations received from Participants, existing facility has been enhanced to permit modification in the client type and sub-type of the depository accounts of NRI as under:
Non-resident - repatriable to Resident
Non-resident - non-repatriable to Resident
Non-resident - repatriable to Non-resident - non-repatriable

The detailed type and sub-type in the DPM system are given below:

Existing		**Modification allowed in DPM System**	
Client Type	**Sub-Type**	**New Client Type**	**New Sub-Type**
NRI	REPATRIABLE	RESIDENT	ORDINARY
NRI	NON-REPATRIABLE	RESIDENT	ORDINARY
NRI	REPATRIABLE	NRI	NON-REPATRIABLE

Following procedure may be followed for changing type and sub-type of the NRI account:

Obtain a written request from the Client in the prescribed format (enclosed as Annexure A) for change in the aforesaid type & sub-type.

In case of change in bank details, obtain a proof of new bank details.

In case of change/updation in local (Indian) address, obtain a copy of proof of current residential address.

Upon receipt of the aforesaid documents, Participant can change type and sub-type of demat account and also update KYC details in DPM and update KRA/ CKYCR records.

The said functionality is scheduled to be released on EOD of May 15, 2020.

Annexure - A

REQUEST FOR CHANGE OF RESIDENTIAL / REPATRIATION STATUS

To	Date	D	D	M	M	Y
<DP Name>	DP ID	I	N			
<DP Address>	Client ID					

Dear Sir/Madam,

I/we are holding above demat account with you. As my/our residential / repatriation status has (have) changed, we request you to carry out the following changes in my/ our aforesaid demat account:

A. Type and Sub-type

1	Type	Current type	New type
		NRI ☐	Resident ☐
	Sub-type	Current sub-type ***(please tick any one)***	New sub-type
		REPATRIABLE ☐	ORDINARY ☐
		NON-REPATRIABLE ☐	
		OR	
2	Change in Repatriation status	NRI-REPATRIABLE ☐	NRI NON-REPATRIABLE ☐

B. Bank details (If applicable)
Bank Account Type ☐ Savings Account ☐ Current Account ☐ Others (Please specify)
Bank Account Number _____

Bank Name _____

Branch Address _____

MICR _____ IFSC _____

C. Residential address ***(Mandatory if not captured in demat account or is captured but has changed)***
_____

City _____ State _____ Pin Code _____

D. Mobile No. (Mandatory SMS alert if you are giving Power of Attorney):

E. Email ID (In case of any change / updation):

I/we hereby declare that I/we have complied and will continue to comply with requirements under FEMA.

	Name	Signature
Sole/First holder		
Second holder		
Third holder		

Circular No.: NSDL/POLICY/ 2020/0057 May 4, 2020	***Subject: SEBI circular on clarification on Know Your Client (KYC) Process and Use of Technology for KYC.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020 (copy enclosed) regarding Clarification on Know Your Client (KYC) Process and Use of Technology for KYC.

CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2020/73 **April 24, 2020**

To,
All Recognized Stock Exchanges
All Recognized Depositories
Stock Brokers through Recognized Stock Exchanges
Depository Participants through Depositories
Association of Mutual Funds in India
All Mutual funds and AMCs through AMFI
Portfolio Managers
KYC Registration Agencies (KRAs)
Qualified Registrar to an Issue and Share Transfer Agents (QRTAs)
Alternative Investment Funds (AIFs)
Collective Investment Schemes (CIS)
Custodians
Investment Advisors
Madam/Sir,

Subject: Clarification on Know Your Client (KYC) Process and Use of Technology for KYC

1. Know Your Customer (KYC) and Customer Due Diligence (CDD) policies as part of KYC are the foundation of an effective Anti-Money Laundering process. The KYC process requires every SEBI registered intermediary (hereinafter referred to as 'RI') to collect and verify the Proof of Identity (PoI) and Proof of Address (PoA) from the investor.

2. The provisions as laid down under the Prevention of Money-Laundering Act, 2002, Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, SEBI Master Circular on Anti Money Laundering (AML) dated October 15, 2019 and relevant KYC / AML circulars issued from time to time shall continue to remain applicable. Further, the SEBI registered intermediary shall continue to ensure to obtain the express consent of the investor before undertaking online KYC.

3. SEBI, from time to time has issued various circulars to simplify, harmonize the process of KYC by investors / RI. Constant technology evolution has taken place in the market and innovative platforms are being created to allow investors to complete KYC process online. SEBI held discussions with various market participants and based on their feedback and with a view to allow ease of doing business in the securities market, it has been decided to make use of following technological innovations which can facilitate online KYC:

    a. eSign service is an online electronic signature service that can facilitate an Aadhaar holder to forward the document after digitally signing the same provided the eSign signature framework is operated under the provisions of Second schedule of the Information Technology Act and guidelines issued by the controller.

    b. In terms of PML Rule 2 (1) (cb) "equivalent e-document" means an electronic equivalent of a document, issued by the issuing authority of such document with its valid digital signature, including documents issued to the Digital Locker account of the investor as per Rule 9 of the Information Technology (Preservation and Retention of Information by Intermediaries Providing Digital Locker Facilities) Rules, 2016.

c. Section 5 of the Information Technology Act, 2000 recognizes electronic signatures (which includes digital signature) and states that where any law provides that information or any other matter shall be authenticated by affixing the signature or any document shall be signed or bear the signature of any person then such requirement shall be deemed to have been satisfied, if such information or matter is authenticated by means of a digital signature affixed in such manner as prescribed by the Central Government. Therefore, the eSign mechanism of Aadhaar shall be accepted in lieu of wet signature on the documents provided by the investor. Even the cropped signature affixed on the online KYC form under eSign shall also be accepted as valid signature.

4. In order to enable the Online KYC process for establishing account based relationship with the RI, Investor's KYC can be completed through online / App based KYC, in-person verification through video, online submission of Officially Valid Document (OVD) / other documents under eSign, in the following manner:

i. The investor visits the website/App/digital platform of the RI and fills up the online KYC form and submits requisite documents online.

ii. The name, photograph, address, mobile number, email ID, Bank details of the investor shall be captured online and OVD / PAN / signed cancelled cheque shall be provided as a photo / scan of the original under eSign and the same shall be verified as under:

a. Mobile and email is verified through One Time Password (OTP) or other verifiable mechanism. The mobile number/s of investor accepted as part of KYC should preferably be the one seeded with Aadhaar. (the RI shall ensure to meet the requirements of the mobile number and email as detailed under SEBI circular no. CIR/MIRSD/15/2011 dated August 02, 2011)

b. Aadhaar is verified through UIDAIs authentication / verification mechanism. Further, in terms of PML Rule 9 (16), every RI shall, where the investor submits his Aadhaar number, ensure that such investor to redact or blackout his Aadhaar number through appropriate means where the authentication of Aadhaar number is not required under sub-rule (15). RI shall not store/ save the Aadhaar number of investor in their system. e-KYC through Aadhaar Authentication service of UIDAI or offline verification through Aadhaar QR Code/ XML file can be undertaken, provided the XML file or Aadhaar Secure QR Code generation date is not older than 3 days from the date of carrying out KYC. In terms of SEBI circular No. CIR/MIRSD/29/2016 dated January 22, 2016 the usage of Aadhaar is optional and purely on a voluntary basis by the investor.

c. PAN is verified online using the Income Tax Database.

d. Bank account details are verified by Penny Drop mechanism or any other mechanism using API of the Bank. (Explanation: based on bank details in the copy of the cancelled cheque provided by the investor, the money is deposited into the bank account of the investors to fetch the bank account details and name.) The name and bank details as obtained shall be verified with the information provided by investor.

e. Any OVD other than Aadhaar shall be submitted through Digiocker / under eSign mechanism.

iii. In terms of Rule 2 (d) of Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 (PML Rules) "Officially Valid Documents" means the following:

a. the passport,

b. the driving licence,

c. proof of possession of Aadhaar number,

d. the Voter's Identity Card issued by Election Commission of India,

e. job card issued by NREGA duly signed by an officer of the State Government and

f. the letter issued by the National Population Register containing details of name, address, or any other document as notified by the Central Government in consultation with the Regulator.

iv. Further, Rule 9(18) of PML Rules states that in case OVD furnished by the investor does not contain updated address, the document as prescribed therein in the above stated Rule shall be deemed to be the OVD for the limited purpose of proof of address.

v. PML Rules allows an investor to submit other OVD instead of PAN, however, in terms of SEBI circular No. MRD/DoP/Cir- 05/2007 dated April 27, 2007 the requirement of mandatory submission of PAN by the investors for transaction in the securities market shall continue to apply.

vi. Once all the information as required as per the online KYC form is filled up by the investor, KYC process could be completed as under:

a. The investor would take a print out of the completed KYC form and after affixing their wet signature, send the scanned copy / photograph of the same to the RI under eSign, or

b. Affix online the cropped signature on the filled KYC form and submit the same to the RI under eSign.

vii. The RI shall forward the KYC completion intimation letter through registered post/ speed post or courier, to the address of the investor in cases where the investor has given address other than as given in the OVD. In such cases of return of the intimation letter for wrong / incorrect address, addressee not available etc, no transactions shall be allowed in such account and intimation shall also sent to the Stock Exchange and Depository.

viii. The original seen and verified requirement under SEBI circular no. MIRSD/SE/Cir-21/2011 dated October, 5 2011 for OVD would be met where the investor provides the OVD in the following manner:

i. As a clear photograph or scanned copy of the original OVD, through the eSign mechanism, or;

ii As digitally signed document of the OVD, issued to the DigiLocker by the issuing authority.

ix. SEBI vide circular no. MIRSD/Cir- 26 /2011 dated December 23, 2011 had harmonized the IPV requirements for the intermediaries. In order to ease the IPV process for KYC, the said SEBI circular pertaining to IPV stands modified as under:

i. IPV/ VIPV would not be required when the KYC of the investor is completed using the Aadhaar authentication / verification of UIDAI.

ii. IPV / VIPV shall not be required by the RI when the KYC form has been submitted online, documents have been provided through digiocker or any other source which could be verified online.

5. Features for online KYC App of the RI - SEBI registered intermediary may implement their own Application (App) for undertaking online KYC of investors. The App shall facilitate taking photograph, scanning, acceptance of OVD through Digilocker, video capturing in live environment, usage of the App only by authorized person of the RI. The App shall also have features of random action initiation for investor response to establish that the interactions not pre-recorded, time stamping, geo-location tagging to ensure physical location in India etc is also implemented. RI shall ensure that the process is a seamless, real-time, secured, end-to-end encrypted audiovisual interaction with the customer and the quality of the communication is adequate to allow identification of the customer beyond doubt. RI shall carry out the liveliness check in order to guard against spoofing and such other fraudulent manipulations. The RI shall before rolling out and periodically, carry out software and security audit and validation of their App. The RI may have additional safety and security features other than as prescribed above.

6. Feature for Video in Person Verification (VIPV) for Individuals – To enable ease of completing IPV of an investor, intermediary may undertake the VIPV of an individual investor through their App. The following process shall be adopted in this regard:

   i. Intermediary through their authorised official, specifically trained for this purpose, may undertake live VIPV of an individual customer, after obtaining his/her informed consent. The activity log along with the credentials of the person performing the VIPV shall be stored for easy retrieval.

   ii. The VIPV shall be in a live environment.

   iii. The VIPV shall be clear and still, the investor in the video shall be easily recognisable and shall not be covering their face in any manner.

   iv. The VIPV process shall include random question and response from the investor including displaying the OVD, KYC form and signature or could also be confirmed by an OTP.

   v. The RI shall ensure that photograph of the customer downloaded through the Aadhaar authentication / verification process matches with the investor in the VIPV.

   vi. The VIPV shall be digitally saved in a safe, secure and tamper-proof, easily retrievable manner and shall bear date and time stamping.

   vii. The RI may have additional safety and security features other than as prescribed above. 7. The Stock Exchanges and Depositories are directed to:

      a. bring the provisions of this circular to the notice of the Stock Brokers, Depository Participants and also disseminate the same on their websites.

      b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another to achieve uniformity in approach.

      c. communicate to SEBI, the status of the implementation of the provisions of this circular Monthly Development Report of the following month; and

      d. monitor the compliance of this circular.

8. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

9. This circular is available on SEBI website at www.sebi.gov.in.

Yours faithfully,

D. Rajesh Kumar

General Manager

Tel. No: 022 -26449242

Email: rajeshkd@sebi.gov.in

Circular No.: NSDL/POLICY/ 2020/0008 January 20, 2020	***Subject: Verification of bank account details through Bank Account Verification services.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2011/0062 dated August 4, 2011 regarding proof for bank details not necessary where access to bank records is available with Participants. As per the aforesaid Circular, Participant need not seek from their Clients the proof of the bank details for capturing the bank details in the depository account, if they have direct access to the bank records for verification of the bank details provided by their Clients.

	In view of the abovesaid, NSDL has received representations from Participants to allow the Bank Account Verification services provided by banks for verification of the bank details provided by their clients during opening of new demat account as well as during modification of existing bank accounts. This Bank Account Verification service typically involves transferring ₹ 1 via IMPS to the bank account of the client and upon successful transfer, name of the client in the target bank account is received as response. Participant shall match the name of the Client with the name and other details received from the bank. In this context, Participants may use the services of banks in this regard for verification of bank details of client, subject to following conditions: 1. Participant will be responsible for identifying the client & updating the bank details. 2. Participant will maintain the records of the verification done through bank API platform and the same are made available for audit/inspection, as and when called for.
Circular No.: NSDL/POLICY/ 2019/0075 November 11, 2019	***Subject: SEBI Circular on e-KYC Authentication facility under section 11A of the Prevention of Money Laundering Act, 2002 by Entities in the securities market for Resident Investors.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MIRSD/DOP/CIR/P/2019/123 dated November 05, 2019 regarding e-KYC Authentication facility under section 11A of the Prevention of Money Laundering Act, 2002 by Entities in the securities market for Resident Investors. In case you need any further information or clarification, you may contact Mr. Harsh Kotak at 022-24994487 or Mr. Gaurav Kumar Sehgal at 022-42165447

CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2019/123 November 05, 2019

To,
1. All Recognized Stock Exchanges
2. All Recognized Depositories
3. Stock Brokers through Recognized Stock Exchanges
4. Depository Participants through Depositories
5. Association of Mutual Funds in India
6. Mutual funds through AMFI
7. Portfolio Managers
8. KYC Registration Agencies (KRAs)
9. Alternative Investment Funds (AIFs)
10. Collective Investment Schemes (CIS)
11. Custodians
12. Investment Advisors

Dear Sir/Madam,

Subject: ***e-KYC Authentication facility under section 11A of the Prevention of Money Laundering Act, 2002 by Entities in the securities market for Resident Investors***

1. SEBI simplified the account opening process for investors vide Circular No. CIR/MIRSD/16/2011 dated August 22, 2011. Further, SEBI vide circular MIRSD/SE/Cir-21/2011 dated October 05, 2011 issued guidelines for uniform KYC requirements for investors while opening accounts with any intermediary in the securities market.

2. SEBI vide Circular No. CIR/MIRSD/09/2012 dated August 13, 2012 clarified that after consultation with Unique Identification Authority of India (UIDAI), Government of India, it was decided that the Aadhaar Letter issued by UIDAI shall be admissible as Proof of Address in addition to its being recognized as Proof of Identity.
3. Subsequently, vide circular No. CIR/MIRSD/09/2013 dated October 08, 2013, SEBI clarified that in consultation with UIDAI and the market participants, it was decided to accept e-KYC service launched by UIDAI also, as a valid process for KYC verification. The information containing relevant client details and photograph made available from UIDAI as a result of e-KYC process shall be treated as sufficient Proof of identity and Address of the client. Also vide circular No. CIR/MIRSD/29/2016 dated January 22, 2016, SEBI clarified that the usage of Aadhaar card as issued by the UIDAI is voluntary.
4. Hon'ble Supreme Court, in its judgement dated September 26, 2018, had struck down Section 57 of the Aadhaar Act as "unconstitutional" which means that no company or private entity can seek Aadhaar identification from clients or investors.
5. The Aadhaar and Other Laws (Amendment) Ordinance, 2019 was promulgated on March 02, 2019 through which a new Section 11A was inserted in chapter IV of the Prevention of Money-Laundering Act, 2002. The Aadhaar and Other Laws (Amendment) Act, 2019 was notified in the Gazette of India on July 24, 2019.
6. The Department of Revenue (DoR), Ministry of Finance issued a circular dated May 09, 2019 on procedure for processing of applications under section 11A of the Prevention of Money Laundering Act, 2002 ("PMLA"), for use of Aadhaar authentication services by entities other than the Banking companies. In terms of the said circular, if the Central Government is satisfied with the recommendations of the Regulator and Unique Identification Authority of India ("UIDAI") and reporting entity complies with such standards of privacy and security under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 ("Aadhaar Act"), and it is necessary and expedient to do so, it may by notification, permit such entity to carry out authentication of the Aadhaar number of clients using e-KYC authentication facility.
7. The said circular also inter-alia specifies that, applications by the concerned entities under Section 11A of the PMLA for use of Aadhaar authentication services shall be filed before the Regulator, who after scrutiny shall forward the applications to UIDAI along with its recommendation. UIDAI shall scrutinize the applications received and send its recommendation to the Department of Revenue for notification under Section 11A of the PML Act. The Central Government, if satisfied with the recommendations of the Regulator and the UIDAI that the applicant fulfils all conditions under Section 11A, may by notification permit such applicant to perform authentication under clause (a) of sub-section (1) of Section 11 A, At any point, after issue of such notification, based on a report of the appropriate Regulator or UIDAI or otherwise, if it is found that the reporting entity no longer fulfils the requirements for performing authentication under clause (a) of sub-section (1) of section 11A, the Central Government may withdraw the notification after giving an opportunity to the reporting entity.
8. Accordingly, entities in the securities market, as may be notified by the Central Government, shall be allowed to undertake Aadhaar Authentication under section 11A of the PMLA. SEBI Registered intermediaries for reasons such as online on-boarding of clients, customer convenience, increased efficiency and reduced time for client on-boarding would prefer to use Aadhaar based e-KYC facility to complete the KYC of the client.
9. These entities would be registered with UIDAI as KYC user agency ("KUA") and shall allow all the SEBI registered intermediaries / mutual fund distributors to undertake Aadhaar Authentication of their clients for the purpose of KYC through them.
10. The SEBI registered intermediaries / mutual fund distributors, who want to undertake Aadhaar authentication services through KUAs, shall enter into an agreement with any one KUA and get themselves registered with UIDAI as sub-KUAs. The agreement in this regard shall be as may be prescribed by UIDAI.

11. Upon notification by the Central Government / registration with UIDAI, the KUAs and sub-KUAs shall adopt the following process for Aadhaar e-KYC of investors (resident) in the securities market.

A. Online Portal based Investor (Resident) e-KYC Process (Aadhaar as an OVD)

a. Investor visits portal of KUA or the SEBI registered intermediary which is also a Sub-KUA to open account/invest through intermediary.

b. For Aadhaar e-KYC, investor is redirected to KUA portal. Investor enters the Aadhaar Number or Virtual Id and provides consent on KUA portal. Adequate controls shall be in place to ensure that Aadhaar Number is not stored anywhere by the Sub-KUA or KUA.

c. Investor will receive OTP in mobile number registered with Aadhaar. Investor enters the OTP sent by UIDAI on KUA portal for Aadhaar e-KYC.

d. KUA will receive the e-KYC details from UIDAI upon successful Aadhaar authentication which will be further forwarded to Sub-KUA in encrypted format (using KUAs own encryption key) and will be displayed to the investor on portal. Sharing of e-KYC data by the KUA with Sub-KUA may be allowed under Regulation 16(2) of Aadhaar (Authentication) Regulation, 2016. Sub-KUA shall clearly specify the name of the KUA and Sub- KUA, and details of sharing of data among KUA and Sub-KUA while capturing investor consent.

e. Investor will fill the additional detail as required under KYC format.

f. SEBI registered Intermediary will upload additional KYC details to the KUA.

B. Assisted Investor (Resident) e-KYC process (Aadhaar as an OVD)

a. Investor approaches any of the SEBI Registered Entity/ Sub-KUAs i.e. Mutual Fund Distributors or appointed persons for e-KYC through Aadhaar.

b. SEBI registered entities (Sub-KUAs) will perform e-KYC using registered / Whitelisted devices with KUAs.

c. KUA will ensure that all devices and device operators of Sub-KUA are registered / whitelisted devices with KUA.

d. Investor will enter Aadhaar No. or Virtual Id and provides consent on the registered device.

e. Investor provides biometric on the registered device.

f. SEBI registered intermediary (Sub-KUA) fetches the e-KYC details through the KUA from UIDAI which will be displayed to the investor on the registered device.

g. Investor will also provide the additional detail as required.

12. The KUA/ sub-KUA while performing the Aadhaar authentication shall also comply with the following:

a. For sharing of e-KYC data with Sub-KUA under Regulation 16(2) of Aadhaar (Authentication) Regulations, 2016, KUA shall obtain special permission from UIDAI by submitting an application in this regard. Such permissible sharing of e-KYC details by KUA can be allowed with their associated Sub-KUAs only.

b. KUA shall not share UIDAI digitally signed e-KYC data with other KUAs. However, KUAs may share data after digitally signing it using their own signature for internal working of the system.

c. e-KYC data received as response upon successful Aadhaar authentication from UIDAI will be stored by KUA and Sub-KUA in the manner prescribed by Aadhaar Act/Regulations and circulars issued by UIDAI time to time.

d. KUA/Sub-KUA shall not store Aadhaar number in their database under any circumstances. It shall be ensured that Aadhaar number is captured only using UIDAI`s Aadhaar Number Capture Services (ANCS).

e. The KUA shall maintain auditable logs of all such transactions where e-KYC data has been shared with sub-KUA, for a period specified by the Authority.

f. It shall be ensured that full Aadhaar number is not stored and displayed anywhere in the system and wherever required only last 4 digits of Aadhaar number may be displayed.

g. As per Regulation 14(i) of the Aadhaar (Authentication) Regulation, 2016, requesting entity shall implement exception-handling mechanisms and backup identity authentication mechanism to ensure seamless provision of authentication services to Aadhaar number holders.

h. UIDAI may conduct audit of all KUAs and Sub KUAs as per the Aadhaar Act, Aadhaar Regulations, AUA/KUA Agreement, Guidelines, circulars etc. issued by UIDAI from time to time.

i. Monitoring of irregular transactions - KUAs shall develop appropriate monitoring mechanism to record irregular transactions and their reporting to UIDAI.

j. Investor Grievance Handling Mechanism - Investor may approach KUA for their grievance redressal. KUA will ensure that the grievance is redressed within the timeframe as prescribed by UIDAI. KUA will also submit report on grievance redressal to UIDAI as per timelines prescribed by UIDAI.

13. Onboarding process of KUA/Sub-KUA by UIDAI:

a. As provided in the DoR circular dated May 09, 2019, SEBI after scrutiny of the application forms of KUAs shall forward the applications along with its recommendation to UIDAI.

b. For appointment of SEBI registered intermediary / MF distributors as Sub-KUAs, KUA will send list of proposed Sub-KUAs to SEBI and SEBI would forward the list of recommended Sub-KUAs to UIDAI for onboarding. An agreement will be signed between KUA and Sub-KUA, as prescribed by UIDAI. Sub-KUA shall also comply with the Aadhaar Act Regulations, circulars, Guidelines etc. issued by UIDAI from time to time.

c. Each sub-KUA shall be assigned a separate Sub-KUA code by UIDAI.

14. The KUA/sub-KUA shall be guided by the above for use of Aadhaar authentication services of UIDAI for e-KYC.

15. For non-compliances if any observed on the part of the reporting entities (KUAs/ Sub-KUAs), SEBI may take necessary action under the applicable laws and also bring the same to the notice of DoR / FIU for further necessary action, if any. Reporting entity (KUAs/Sub-KUAs) shall also adhere to the continuing compliances and standards of privacy and security prescribed by UIDAI to carry out Aadhaar Authentication Services under section 11A of PMLA. Based on a report from SEBI / UIDAI or otherwise, if it is found that the reporting entity no longer fulfills the requirements for performing authentication under clause (a) of section 11A(1) of PMLA, the Central Government may withdraw the notification after giving an opportunity to the reporting entity.

16. Upon notification by the Central Government permitting the entities recommended by SEBI to undertake Aadhaar based authentication, the Circulars issued in the past by SEBI for e-KYC using Aadhaar based authentication shall stand modified/ revised in compliance with this Circular.

17. This Circular is issued by SEBI in exercise of powers conferred under Section 11(1) of Securities and Exchange Board of India Act, 1992.

Yours faithfully,

D. Rajesh Kumar
General Manager
Tel. No: 022 - 26449242
Email: rajeshkd@sebi.gov.in

Circular No.: NSDL/POLICY/ 2019/0067 October 1, 2019	***Subject: Procedure for opening of pool account for Portfolio Management Services (PMS).***

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2019/0041 dated July 15, 2019 regarding Change in off-market transfer reason codes. In this regard, it is mentioned at point 5 no. (i) of the aforesaid NSDL circular that "SEBI registered Portfolio Managers will be given a facility to open pool account as currently available for clearing members. Accordingly, all debit and credit transfers from/to the pool account of Portfolio Manager will be considered as "Market" transfers, instead of "off-market" transfers. Post enhancement, off-market reason code 6 - 'Transfers to PMS Account' and 7 - 'Transfers from PMS account' will be discontinued."

In this context, the detailed procedure for opening of pool account in respect of "Portfolio Management Services (PMS)" is enclosed at Annexure 1.

The system enhancements in respect of opening of PMS pool account are being made available in the DPM system and the salient features are enclosed at Annexure 2, which will be implemented subsequently.

Annexure 1

Procedure to be followed for opening of Portfolio Management Services (PMS) Pool Account

A) Process for making an application for PMS-BP-ID in respect of PMS Pool account for PMS providers :

1. For opening of PMS Pool account, the PMS provider will be required to make an application to their Participants.
2. PMS provider is required to open Pool account(s) per Clearing Corporation (CC) viz., NCL, ICCL, MCCIL. Further, if PMS provider require, they can open scheme wise PMS pool account per CC.
3. PMS provider will submit request letter to Participants for obtaining PMS BP ID for opening PMS pool account(s) in the format as enclosed below at Annexure A. Single request letter from PMS provider is sufficient for opening multiple Pool accounts, if the authorized signatories are same for all the PMS pool accounts.
4. On request of Portfolio manager for PMS BP ID(s), NSDL shall use the details viz., demographic, financial, authorized signatories etc. of existing Portfolio Manager account(s) (i.e, demat account(s) of PMS provider) maintained in NSDL depository system and create the PMS BP ID(s) in NSDL depository system.
5. If the existing PMS account holder is registered on SPEED-e facility and the new PMS pool account holder wish to opt for SPEED-e facility for operating the PMS pool account, then the PMS provider will provide the confirmation to Participant as mentioned in Annexure A.
6. Based on the aforesaid request received from PMS provider, Participant will send consolidated excel sheet containing the PMS provider details for opening of PMS pool account as per format prescribed at Annexure B to NSDL on Email ID viz., ccinterface@nsdl.co.in.
7. As per the confirmation received from the Participant through aforesaid email, the PMS BP ID(s) for PMS pool account would be activated in NSDL depository system using the details of existing PMS demat account(s) maintained in NSDL depository system.
8. The details of PMS pool account(s) would be forwarded to the Participant for opening of PMS pool account(s).

B) Application for opening PMS Pool account(s) in DPM system by Participant:

1. PMS Provider will be required to make an application to Participant for opening of PMS pool account(s) by submitting the application form as enclosed at Annexure A. If PMS provider is opening the PMS pool account(s) with the existing Participant, then no additional documents will be required to be enclosed along with the application form. However, if PMS Provider opts to open PMS pool account(s) with any other Participant, then PMS Provider will be required to follow the process of Clearing Member Pool account opening prescribed in NSDL Master Circular on Account opening. Participants are advised to maintain the aforesaid forms with them and make provision to produce the same as and when required by NSDL.

2. If PMS Provider is opening the PMS pool account(s) with the existing Participant based on the aforesaid Annexure A submitted by PMS provider, the Participant shall open PMS pool account(s) in Local DPM system using the PMS BP ID(s) provided by NSDL. The Participant shall use the following details of existing PMS BO account(s) while opening of PMS pool account(s) in Local DPM system :

   a. Client Details viz., PAN, Address etc.

   b. Financial Details

   c. Signatory Details

Annexure 2

1. Opening of pool account for Portfolio Management Services (PMS):

As per the procedure mentioned at Annexure 1, NSDL will provide CC wise new PMS BP ID(s) to the Participants for opening PMS Pool Account(s) for their PMS Providers. The Participants shall open PMS pool account(s) in the Clearing Member account opening module under Client Creation option in Local DPM system as per the below mentioned details:

Client Type Description	Static Code
CM	6

2. Incorporation of validations for transfer of securities in respect of PMS pool account:

a) NSDL will provide PMS BP ID for PMS pool account per CC, the existing market types of CCs i.e. NCL, ICCL and MCCIL shall be used for transactions in respect of PMS pool account. The settlement details in respect of transactions to be carried out in PMS pool account will be as per the settlement calendar uploaded by the respective CCs on monthly basis.

b) The transfer of the securities from PMS Pool account to another CM Pool account & vice versa and Client BO to PMS Pool account and vice versa shall be allowed. The transfer of the securities from one PMS Pool account to another PMS Pool account shall not be allowed.

c) The transfer of the securities from PMS Pool account in respect of Inter Settlement instructions, Delivery Out (DO) / Irreversible Delivery Out (IDO) / AUTO DO instructions shall not be allowed.

Circular No.: NSDL/POLICY/2019/0026 May 3, 2019	***Subject: Separate BSDA limit for Debt Segment.***

All Participants are hereby informed that SEBI vide its Circular No. MRD/DoP2DSA2/CIR/P/2019/51 dated April 10, 2019 revise the structure of charges for "Basic Services Demat Account" (BSDA) for debt securities as defined in SEBI (Issue and Listing of Debt Securities) Regulations, 2008. Copy of the same is enclosed. The maximum AMC which can be charged by Participants is as given below:

Slabs	**Charges**
For Debt Securities	
Upto Rs. 1,00,000	No AMC
1,00,001 to 2,00,000	Maximum Rs. 100
For other than Debt Securities	
Upto Rs. 50,000	No AMC
50,001 to 2,00,000	Maximum Rs. 100

Illustrative examples considering the above slabs are enclosed at **Annexure 1.**

In view of the aforesaid SEBI circular, the necessary changes in respect of BSDA Evaluation downloads available on the Local DPM system and the list of demat accounts for ascertaining the BSDA facility will be incorporated by NSDL in due course and details for the same will be communicated to Participants separately.

CIRCULAR

MRD/DoP2DSA2/CIR/P/2019/51 April 10, 2019

To,

The Depositories Dear Sir/ Madam,

Subject: Separate BSDA limit for Debt Segment

1) SEBI vide circulars CIR/MRD/DP/22/2012 dated August 27, 2012 and CIR/MRD/DP/20/2015 dated December 11, 2015, introduced the facility of "Basic Services Demat Account" (BSDA) with limited services for eligible individuals with the objective of achieving wider financial inclusion and to encourage holding of demat accounts.
2) In order to further boost participation in Debt Market and based on representation received from market participants, in partial modification of the above mentioned SEBI circulars, it has been decided to revise the structure of charges for debt securities as defined in SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as given below:
   a) No AMC shall be levied in case the value of holdings of debt securities is up to Rs. 1 lakh and a maximum AMC of Rs. 100 shall be levied if the value of holdings of debt securities is between Rs. 1,00,001 and Rs.2,00,000.
   and

b) No AMC shall be levied in case the value of holdings other than debt securities is below Rs. 50,000 and a maximum AMC of Rs. 100 shall be levied if the value of holdings other than debt securities is between Rs.50,001 and Rs.2,00,000.

3) This circular shall come into effect from June 01, 2019.

4) The Depositories are advised to:-

a) make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision as may be applicable / necessary; and

b) communicate to SEBI, the status of implementation of the provisions of this circular by the DPs in the Monthly Development Report.

5) This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 and section 19 of the Depositories Act, 1996 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Yours faithfully,

Bithin Mahanta
Deputy General Manager
Market Regulation Department
Email: bithinm@sebi.gov.in

Annexure 1

Sr. No.	Debt Securities	Other than Debt Securities	Total Value of Holdings	AMC
1	Rs. 50,000/-	Rs. 50,000/-	Rs. 1,00,000/-	No AMC
2	Rs. 1,00,000/-	Rs. 50,000/-	Rs. 1,50,000/-	No AMC
3	Rs. 1,50,000/-	Rs. 50,000/-	Rs. 2,00,000/-	Maximum Rs. 100
4	Rs. 1,50,000/-	Rs. 1,00,000/-	Rs. 2,50,000/-	Maximum Rs. 100
5	Rs. 2,00,000/-	Rs. 2,00,000/-	Rs. 4,00,000/-	Maximum Rs. 100
6	Rs. 2,00,000/-	Rs. 2,50,000/-	Rs. 4,50,000/-	As per Regular account
7	Rs. 3,00,000/-	Rs. 3,00,000/-	Rs. 6,00,000/-	As per Regular account
8	Rs. 2,50,000/-	Rs. 2,00,000/-	Rs. 4,50,000/-	As per Regular account
9	Rs. 50,000/-	Rs. 2,50,000/-	Rs. 3,00,000/-	As per Regular account
10	Rs. 2,50,000/-	Rs. 50,000/-	Rs. 3,00,000/-	As per Regular account

Circular No.:
NSDL/POLICY/2019/0003
January 16, 2019

Subject: Bank account details in case of Demat Account for nominee shareholders in joint names of an individual and a body corporate.

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2018/0052 dated September 26, 2018 regarding opening of depository account of nominee shareholders in joint names of an individual and a body corporate. Participants have sought clarification on whether the bank account of the joint holder can be captured in the demat account instead of the bank account of the first holder. Accordingly, it is hereby clarified that Participants may facilitate capturing the bank account of the joint holder in the demat account for such nominee holdings after obtaining an undertaking from the client in the enclosed format.

Annexure

(Letter format for capturing bank account of joint holder in demat account for nominee holdings)

Date:

To,

Participant Name,

Address and DP ID

Dear Sir / Madam,

Subject: Capturing the bank account of the joint holder in the new demat account / existing account client ID _____

We understand that the bank details linked to a demat account pertains to a bank account which is in the name of the first holder in the demat account.

Since our joint holding of shares pertains to nominee holdings whereas the first holder is the nominee holder and the second holder is a corporate, we request you to update the bank account of the second holder in the demat account as per request made to you separately. Accordingly, we hereby undertake as under:

1. The demat account will be used only for holding shares which are held as nominee holdings of second holder, and no other securities are either credited or held in the said demat account.
2. We will notify the issuer company whose shares are held as nominee holdings that the bank account of joint holder (and not of the first holder) is captured in demat account to enable the issuer company to make necessary arrangements while crediting dividend or other cash benefits to the bank account of the joint holder.

Signature of joint holders

Sr. No.	Name of the Joint Holders	Signature / Signature of authorised asignatory(ies)
1		
2		

Circular No.:
NSDL/POLICY/
2019/0002
January 8, 2019

Subject: SEBI circular on change of name in the Beneficial Owner (BO) Account with Depository.

As Participants are aware, for change of name in a demat account for reasons other than marriage, the publication of name change in official gazette is necessary. Some of the investors who reside in the State of Karnataka and Punjab, the name change is published by the State Government in the Official

Gazette only for Government employees and not for private persons in case of change in name of an individual. In view of the same, SEBI has vide Circular No. CIR/MRD/DP/158/2018 dated December 27, 2018 (copy enclosed) issued guidelines to facilitate name change for reasons other than marriage for individuals in the State of Karnataka and Punjab.

Participants are requested to take note of the following procedure in case of change of name of an individual in the State of Karnataka and Punjab for reasons other than marriage:

1. Documents to be collected:
   a. Request letter for change of name;
   b. Sworn affidavit executed before the Notary Public/ Magistrate of First Class/ Executive Magistrate mentioning the reason for change of name and his complete address;
   c. Paper publication in one local newspaper and one national newspaper; and
   d. KYC in changed name.
2. Participants shall collect the self-attested copies of above documents and maintain the same in their records after verifying with the original documents and must write the remarks "verified with the originals" on the copies of the document(s).
3. While capturing the name change in the demat account in the DPM system, Participants may select the reason for change in name as "Other than marriage"

Participants are requested to take note of the above and ensure compliance.

CIRCULAR

CIR/MRD/DP/158/2018 December 27, 2018

To,

The Depositories, Dear Sir / Madam,

Sub: Change of Name in the Beneficial Owner (BO) Account with Depositories

1. This has reference to circular no. CIR/MRD/DP/27/2012 dated November 1, 2012 wherein SEBI has prescribed the documents required in order to simplify the procedure for change of name in Beneficial Owner's (BO) account with Depositories.
2. One of the documents required for change of name in Beneficial Owner's (BO) account with Depositories on account of reasons other than marriage is document related to publication of name change in official gazette. Depositories have now represented that for some investors residing in the State of Karnataka and Punjab, the name change is published by the State Government in the Official Gazette only for Government employees and not for private persons in case of change of name of an individual.
3. Accordingly, it has been decided that in case of change of name of an individual in these states for reasons other than marriage, the same may be allowed for the individual in the BO account subject to the submission of following documents:
   i. Request letter for change of name;
   ii. Sworn affidavit executed before the Notary Public/ Magistrate of First Class/ Executive Magistrate mentioning the reason for change of name and his complete address;
   iii. Paper publication in one local newspaper and one national newspaper; and
   iv. KYC in changed name.
4. The Depository Participants (DPs) shall collect the self-attested copies of above documents and maintain the same in their records after verifying with the original documents.

	5. The Depositories are directed to- i. Implement the above provisions within three months from the date of issue of this circular. ii. Ensure that they have the system to keep audit trail of the name change in the BO account similar to that of address change or any other change of coordinates; iii. Make amendments to the relevant Bye-Laws, Business Rules and DP Operating Instructions for the implementation of the above decision, as may be applicable or necessary; iv. Bring the provisions of this circular to the notice of the DPs and also to disseminate the same on their website. 6. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Section 19 of the Depositories Act, 1996 in the interests of investors in securities and to promote the development of, and to regulate the securities market. **Bithin Mahanta** Deputy General Manager bithinm@sebi.gov.in
Circular No.: NSDL/POLICY/ 2018/0072 December 21, 2018	***Subject: Updation of bank accounts details of clients.*** As Participants are aware, as per NSDL Circular No. NSDL/POLICY/2018/0045 dated August 16, 2018, Participants are required to provide the bank details of the client alongwith the demat request of the client to the Issuer/RTA to enable them to carry out their due diligence process while processing the demat requests. In this context, SEBI has advised to take efforts to update the bank details of all demat account holders.
Circular No.: NSDL/POLICY/ 2018/0067 November 22, 2018	***Subject: Procedure for minor correction of name of an individual in a demat account.*** As all Participants are aware, the procedure for change of name of an individual in a demat account has been notified vide NSDL Circular No. NSDL/POLICY/2013/0033 dated February 27, 2013. Further, the procedure for modification of the name in case of an error attributable to the Participant was notified vide Circular No. NSDL/POLICY/2015/0024 dated February 18, 2015. In this context, Participants are hereby informed to adopt the following procedure in case of minor correction of name of an individual in a demat account: 1. An ink-signed written request must be submitted by the client (In case of joint account, request must be signed by the Client in whose name, minor correction is required) to the Participant along with one of the following documents as proof of identity, which carries the correct name.

Circular No.: NSDL/POLICY/DDP/0013 Date: October 1, 2018	***Subject: SEBI Circular on Know Your Client Requirements for Foreign Portfolio Investors (FPIs).*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of Securities (Custodians) are invited to SEBI Circular No. IMD/FPIC/CIR/P/2018/131 dated September 21, 2018 regarding Know Your Client Requirements for Foreign Portfolio Investors (FPIs). Copy of the same is enclosed. DDPs/Custodians are requested to take note of the same and ensure compliance.

CIR/IMD/FPIC/CIR/P/2018/131 **September 21, 2018**

To,

1. **All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities.**
2. **Designated Depository Participants ("DDPs")/ Custodian of Securities.**
3. **All Recognized Stock Exchanges**
4. **The Depositories (NSDL and CDSL)**
5. **Stock Brokers through Recognized Stock Exchanges**
6. **Depository Participants through Depositories**
7. **Mutual Funds**
8. **Association of Mutual Funds in India**
9. **Portfolio Managers**
10. **KYC Registrations Agencies (KRAs)**
11. **Alternative Investment Funds (AIFs)**

Sir/ Madam,

Subject: Know Your Client requirements for Foreign Portfolio Investors (FPIs)

SEBI Board in its meeting held on September 18, 2018, has after considering the interim recommendations of SEBI Working Group under the chairmanship of Shri H R Khan (hereinafter referred as HR Khan group) in relation to the circular No CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 on Know Your Client (KYC) requirements for Foreign Portfolio Investors (FPIs) and comments received from public decided that Beneficial ownership criteria in Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (hereinafter referred as PMLA Rules) should be made applicable for purpose of KYC and not for determining eligibility of FPIs. The clubbing of investment limit for FPIs should not be done on the basis of beneficial owner (BO) as per PMLA Rules. Accordingly, there will be a separate set of norms for determining conditions where Non Resident Indians (NRIs) and Overseas Citizens of India (OCIs) and Resident Indians (RIs) are constituents and also the basis for clubbing of investment limits. The Amendments in SEBI (FPI) Regulations, 2014, wherever necessary, will be notified separately.

In supersession of the directions contained in SEBI circular No CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 and in partial modification of SEBI circular No. CIR/ MIRSD/11/2012 dated September 05, 2012 and subsequent SEBI circular No. CIR/MIRSD/07/2013 dated September 12, 2013, FPIs shall comply with the following Know Your Client (KYC) requirements:-

1. **Identification and verification of Beneficial Owners – For Category II & III FPIs**
   i. Beneficial Owners (BOs) are the natural persons who ultimately own or control an FPI and should be identified in accordance with Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (hereinafter referred as PMLA Rules). FPIs are required to maintain a list of BOs and should provide such list of their BOs as per **Annexure A.** BOs of FPIs having General Partner/Limited Partnership structure shall be identified on ownership or entitlement basis and control basis.
   ii. In respect of FPIs coming from "high risk jurisdictions" as referred in SEBI Master circular No. SEBI/ HO/ MIRSD/ DOS3/ CIR/ P/ 2018/ 104 dated July 04, 2018 the intermediaries may apply lower materiality threshold of 10% for identification of BO and also ensure KYC documentation as applicable for category III FPIs.

iii. The materiality threshold to identify the beneficial owner should be first applied at the level of FPI and next look through basis shall be applied to identify the beneficial owner of the intermediate shareholder/ owner entity. Beneficial owner and intermediate shareholder/ owner entity with holdings equal & above the materiality thresholds in the FPI need to be identified through the look through basis. For intermediate material shareholder/ owner entity/ies, name and percentage holding shall also be disclosed as per **Annexure B.** In case the intermediate shareholder/ owner entity is eligible for registration as Category I FPI, there is no need for identification and verification of beneficial owner of said entity eligible as Cat. I FPI.

iv. The term senior managing official (SMO), for identification as BO, means an individual as designated by the FPI who holds a senior management position and makes key decisions relating to the FPI.

v. No foreign company shall be entitled to exemption under Rule 9(3)(f) of PMLA Rules.

vi. In case of companies/ trusts represented by service providers like lawyers/ accountants, FPIs should provide information of the real owners/ effective controllers of those companies / trusts. If the BO exercises controls through means like voting rights, agreements, arrangement etc., that should also be specified. It is clarified that BO should not be a nominee of another person and real BO should be identified.

vii. Offshore Derivative Instrument (ODI) issuing FPIs shall also identify and verify the BOs in the subscriber entities, as per these guidelines.

2. **Periodic KYC review**

KYC Review means steps taken to ensure that documents, data or information collected under the due-diligence process are kept up-to-date and relevant by undertaking reviews of existing records on a periodical basis. FPIs shall be subject to KYC review as and when there is any change in material information / disclosure. The KYC review (including change in BOs / their holdings) should be done based on risk categorization of FPIs. In case of Category III and Category II FPIs from high risk jurisdictions KYC review should be done on yearly basis. In case of all other clients, the KYC review should be conducted at the time of continuance of FPI registration. In the event of non-submission of KYC documents, if any, no further purchase transactions shall be permitted to such clients.

5. **Data security**

The KYC Registration Agencies (KRAs) shall lock personal information provided with regard to beneficial owner including SMO of FPI. Such information should be made available to intermediaries only on 'need to know basis' using an authentication method wherein an intermediary, can access the information from KRA using the authentication (similar to OTP) after the KRA gets confirmation from the FPI or its Global custodian. For this purpose, KRA need to maintain email ids of the FPI and its Global custodian. This functionality will be optional and it will be deactivated only upon receipt of instruction from the FPI to KRA.

3. **KYC documentation for Category III FPI**

SEBI has prescribed "Financial Data" as mandatory for Category III FPIs only. In this regard, it is clarified that audited Annual financial statement or a certificate from auditor certifying net worth may be obtained from Category III FPIs. In case of new funds/ companies/ family offices, the audited financial statement of promoter person may be obtained. Further, prospectus and information memorandum are acceptable in lieu of an official constitutive document.

4. **Exempted documents to be provided during investigations/ enquiry**

(i) SEBI vide circular dated September 12, 2013 has exempted FPIs from furnishing certain supporting KYC documents depending on risk involved. In respect of exempted documents, FPIs concerned should submit an undertaking to DDP/ Custodians that upon demand by Regulators/ Law Enforcement Agencies, the relevant documents would be provided.

(ii) Further, SEBI vide circular dated September 12, 2013 has exempted Category III FPIs from submission of proof of address of BOs, Senior Management and Authorised Signatories. Since Category III FPIs are high risk investors, "declaration on letter head" shall be provided by them.

6. **Period for maintenance of records**

The Custodian should maintain the KYC records in original for a minimum period of five years from the date of cessation of the transactions with the said FPI. In case any litigation is pending, these records should be maintained till the completion of the proceedings.

7. **Timelines for compliance**

Category II and III FPIs registered prior to this circular (existing FPIs) should provide the list of BOs (as per **Annexure A)** and applicable KYC documentation within six months from the date of this circular. If an existing FPI fails to comply with the applicable KYC requirements by the given deadline, the concerned Custodian shall not allow such FPI to make fresh purchases till the time KYC documentary requirements, as applicable, are complied with. However, such FPI shall be allowed to continue to sell the securities already purchased by it. Such FPI shall be allowed to disinvest its holdings within a period of 180 days from the expiry of the timeline. In case the FPI remains non-compliant with this requirement even after 180 days from the said deadline, its FPI registration will no longer be valid and it would need to disinvest its holdings immediately.

8. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Sub-rule 14(i) of Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

9. A copy of this circular is available at the links "Legal Framework→Circulars" and "Info for →F.P.I" on SEBI website www.sebi.gov.in. The DDPs/Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH

Deputy General Manager

Tel No.: 022-26449619

Email: achals@sebi.gov.in

Annex A - BO Format:

Sl. No.	Name & Address of the Beneficial Owner (Natural Person)	Date of Birth	Tax Residency Jurisdiction	Nationality	Whether acting alone or together through one or more natural persons as group, with their name & address	BO Group's percentage Shareholding / Capital / Profit ownership in the FPIs	Tax Residency Number/ Social Security Number/ Passport Number of BO/ any other Government issued identity document number (example driving license) (Please provide any)

This List should be certified by FPI. FPI should also certify that there are no other BOs other than those referred in list.

Annex B – Information of intermediate material shareholder/ owner entity

Illustration:

- FPI ABC, a trust, is held 75% by XYZ Ltd. (intermediate material shareholder/ owner) – therefore XYZ needs to be identified and the identification of underlying individuals / non-individuals having controlling ownership interest in the FPI OR control of XYZ should be identified
- XYZ is further controlled by PQR fund (trust)– Hence, PQR fund also needs to be identified on a look through basis.
- Mr. ST is holding 35% in PQR fund and Mr. UV is holding 15% in PQR fund - So, Mr. ST needs to be identified as BO.

Information of Intermediate material shareholder/ owner- on Ownership basis

Name	Direct / Indirect Stake	Names of the entity(ies) through which the stake in the FPI is held indirectly	Percentage stake held in the applicant	Individual / Non-Individual
XYZ Ltd.	Direct		*75*	Non-Individual

Information of Intermediate material shareholder/ owner- on control basis

Name	Method of Control (Give Details including names of the intermediate structures, if any, through which control is exercised)	Percentage control on the applicant, if applicable	Individual/ Non-Individual
PQR fund	Management Share in XYZ Ltd.		Non-Individual
Mr. ST	Holds 35% shares of PQR Fund		Individual

BO disclosure (Annex A)

No.	Name & Address of the Beneficial Owner (Natural Person)	Date of Birth	Tax Residency Jurisdiction	Nationality	Whether acting alone or together through one or more natural persons as group, with their name & address	BO Group's percentage Shareholding / Capital / Profit ownership in the FPIs	Tax Residency Number/ Social Security Number/ Passport Number of BO/ any other Government issued identity document number (example driving license) (Please provide any)
1.	*Mr. ST*	*XX*	*XX*	*XX*	*XX*	*26.25%*	*XX*

Note: No need to declare Mr. UV as his effective holding in ABC would be 11.25% i.e. below the threshold.

Circular No.: NSDL/POLICY/ 2018 / 0052 September 26, 2018	***Subject: Opening of depository account in joint names with an individual and a body corporate*** As Participants are aware, Section 187 of the Companies Act, 2013 requires companies to hold all investments made or held by it in any property, security or other asset in its own name. However, the proviso to sub-section (1) grants exemption to holding companies in case of holding shares of its subsidiary companies. The exemption allows holding companies to appoint nominees for itself to hold shares in the subsidiary/wholly-owned subsidiary companies in order to meet the statutory minimum limit of members in a company. Share certificates in such cases are usually issued in the name of registered holder (nominee), but the name of the holding company is also mentioned along with the name of the nominee. Participants can facilitate opening of depository account of the nominee shareholders as follows: An individual and body corporate can open a depository account in joint names. In case the first holder is an individual, the account needs to be opened in individual category whereas, if the first holder is a body corporate then the account type will be "Body Corporate". The KYC documents alongwith PAN of both these entities will have to be obtained by the Participant. Further, Board Resolution to open a joint depository account alongwith the list of persons authorised to open and operate the accounts is required for the corporate entity. Participants are requested to ensure compliance with the procedure mentioned in various Circulars issued by NSDL with regards to account opening and KYC norms of both individual and corporates, for the respective holders. It may be mentioned that since a body corporate would be a joint holder, nomination facility cannot be availed in these cases.
Circular No.: NSDL/POLICY/ 2018/0039 Date: July 17, 2018	***Subject: Reclassification of type and sub-type***. Attention of Participants is invited to SEBI Circular dated November 30, 2015 (Ref. No. CIR/CFD/CMD/13/2015) and SEBI Circular dated May 28, 2018 (Ref. No. SEBI/HO/CFD/DCR1/CIR/P/2018/85). SEBI has advised that depositories shall provide the shareholding data to listed entities in the requisite categorization as prescribed in the Circular. In order to facilitate clients to open accounts under appropriate type and sub-type, NSDL had vide its Circular dated February 8, 2018 (Ref. No. NSDL/POLICY/2018/0012) introduced certain new types and sub-types. SEBI has also advised that the depositories shall tag the scheduled commercial banks and public financial institutions in their systems. For this purpose, NSDL is in the process of enhancing current sub-types list under type "Bank" by incorporating new sub-types i.e. 'Foreign -Scheduled Commercial Bank', 'Scheduled Co-Operative Bank' and 'Others- Scheduled Commercial Bank'. Participants will be notified upon introduction of these types and sub-types.

	In view of the aforesaid, Participants are requested to take note of the following: 1) Open the new accounts under the appropriate 'Type' and 'Sub-type'. In case the new account pertains to be of a 'type' and 'sub-type' which is not yet activated in the DPM system, the Participant after opening the new account as per the prevalent practice must also record it internally for migrating this account to the new 'type' and 'sub-type' after the release of new system. 2) Review all the existing accounts of non-individual accounts which are either under 'Active' or 'Suspended for Debit' or 'Suspended for All' status to verify whether such accounts are opened under the appropriate type and sub-type, after considering introduction of the new types and sub-types. The list of 'type' and 'sub-types' including the new 'type' and 'sub-type' are enclosed at Annexure A for reference. Considering the introduction of new 'type' and 'sub-type', a list of existing 'types' and 'sub-types' in which there is a possibility of a change required, a list of such existing 'types' and 'sub-types' are given at Annexure B. Further, the list of such accounts based on these 'types' and 'sub-types' in your DPM system will be made available on i-Assist for review. 3) In respect of certain new types and sub-types, additional information such as RBI reference number, etc. will be required to be captured. The list of such types and sub-types are given at Annexure C. 4) In respect of existing accounts, Participants may update the new type and sub-type, if based on the existing documents available with the Participant, the Participant is able to identify the new type and sub-type. In case the Participant needs any additional information from the client to update the new type and sub-type, Participants may obtain such information and request from the client, before updating the new type and sub-type. An illustrative format of the request from the client is given at Annexure D. 5) The review of the existing accounts and identification of accounts which require a change in type and sub-type must be completed by August 31, 2018. Further, Participants are requested to take note that in view of impending deadline of August 1, 2018 for identification of public financial institutions and scheduled commercial banks, such accounts must be identified on priority and completed by July 31, 2018. 6) The required changes to the DPM system to facilitate change of types & sub-types is under development and will be informed to Participants separately. Participants are requested to keep ready the necessary details required to change type & sub-types in this regard. 7) After change of type and sub-type in the account of the client, the Participant must intimate the client about the new type and sub-type by providing a client master report of the demat account.

Annexure A

List of 'type' and 'sub-types' including the new 'type' and 'sub-type'

Client Type	Client Type Description	Client Subtype	Client Subtype Description
1	Resident	1	Ordinary
1	Resident	3	HUF
1	Resident	4	Stock Broker-Client
1	Resident	5	Promoter
1	Resident	6	HUF-Promoter
1	Resident	7	Ordinary-DR
1	Resident	8	Stock Broker-Proprietary
1	Resident	9	Stock Broker-Collateral
2	FI	1	Govt. sponsored FI
2	FI	2	SFC
2	FI	4	Others
2	FI	5	Govt. sponsored FI - Promoter
2	FI	6	SFC-Promoter
2	FI	7	Others-Promoter
3	FII	1	Mauritius Based
3	FII	2	Others
3	FII	3	DR
4	NRI	1	NRI - Repatriable
4	NRI	2	NRI NonRepatriable
4	NRI	3	DR NRI
4	NRI	4	NRI-Repatriable-Promoter
4	NRI	5	NRI-NonRepatriable-Promoter
5	Body Corporate	1	Domestic
5	Body Corporate	2	OCB-Repatriable
5	Body Corporate	3	Govt.Companies
5	Body Corporate	4	Central Government
5	Body Corporate	5	State Government
5	Body Corporate	6	Co-operative Body
5	Body Corporate	7	NBFC
5	Body Corporate	8	Non-NBFC
5	Body Corporate	9	Broker
5	Body Corporate	10	Group Company
5	Body Corporate	11	Foreign Bodies
5	Body Corporate	12	Others
5	Body Corporate	13	OCB-NonRepatriable
5	Body Corporate	14	OCB-DR
5	Body Corporate	15	Foreign Bodies - DR
5	Body Corporate	16	Stock Broker-Client
5	Body Corporate	17	Domestic-Promoter

Client Type	Client Type Description	Client Subtype	Client Subtype Description
5	Body Corporate	18	Govt. Companies - Promoter
5	Body Corporate	19	Central Government - Promoter
5	Body Corporate	20	State Government - Promoter
5	Body Corporate	21	NBFC-Promoter
5	Body Corporate	22	Non-NBFC-Promoter
5	Body Corporate	23	Group Company - Promoter
5	Body Corporate	24	Foreign Body-Promoter
5	Body Corporate	25	Others-Promoter
5	Body Corporate	26	Co-operative Body - Promoter
5	Body Corporate	27	Foreign Venture Capital
5	Body Corporate	28	Domestic DR
5	Body Corporate	29	Limited Liability Partnership
5	Body Corporate	30	Limited Liability Partnership-DR
5	Body Corporate	31	Limited Liability Partnership (Foreign)
5	Body Corporate	32	Limited Liability Partnership (Foreign)-DR
5	Body Corporate	33	Stock Broker-Proprietary
5	Body Corporate	34	Stock Broker-Collateral
5	Body Corporate	**35**	Foreign Government
5	Body Corporate	**36**	Overseas Depository - Underlying DR
6	CM		
7	Foreign National	1	DR
7	Foreign National	2	FN
7	Foreign National	3	FN-Promoter
8	Mutual Fund	1	DR
8	Mutual Fund	2	MF
9	Trust	**1**	Employee Stock Option
9	Trust	**2**	Employee Stock Purchase
9	Trust	**3**	Stock Appreciation Right
9	Trust	**4**	General Employee Benefit Scheme
9	Trust	**5**	Retirement Benefit Scheme
9	Trust	**6**	Other - Employee Benefit Trust(Old Scheme)
9	Trust	**7**	Other
10	Bank	1	Foreign Bank
10	Bank	2	Co-operative Bank
10	Bank	3	Nationalised Bank
10	Bank	4	Others
10	Bank	5	Others-Promoter
10	Bank	6	Nationalised Bank - Promoter
10	Bank	7	Foreign bank - Promoter
10	Bank	8	Co-operative Bank - Promoter
10	Bank	9	Foreign - Scheduled Commercial Bank
10	Bank	10	Scheduled Co-operative Bank

Client Type	Client Type Description	Client Subtype	Client Subtype Description
10	Bank	11	Other - Scheduled Commercial Bank
11	Qualified Foreign Investor (Individual)	1	Individual
12	Qualified Foreign Investor (Corporate)	1	Corporate
13	Foreign Portfolio Investor (Individual)	3	Category III
13	Foreign Portfolio Investor (Individual)	4	Category III-DR
14	Foreign Portfolio Investor (Corporate)	1	Category I
14	Foreign Portfolio Investor (Corporate)	2	Category II
14	Foreign Portfolio Investor (Corporate)	3	Category III
14	Foreign Portfolio Investor (Corporate)	4	Category I-DR
14	Foreign Portfolio Investor (Corporate)	5	Category II-DR
14	Foreign Portfolio Investor (Corporate)	6	Category III-DR
15	Alternative Investment Fund	1	Category 1
15	Alternative Investment Fund	2	Category 2
15	Alternative Investment Fund	3	Category 3
16	HUF	1	HUF
17	IEPF	1	IEPF
18	QIB	1	Public Financial Institution - Sec.2(72) of Companies Act 2013
18	QIB	2	Venture Capital Fund Registered with SEBI
18	QIB	3	Multilateral Development Financial Institution
18	QIB	4	Bilateral Development Financial Institution
18	QIB	5	State Industrial Development Corporation
18	QIB	6	Insurance Company Registered with IRDA
18	QIB	7	Provident Fund - Corpus Rs. 25 crore & more
18	QIB	8	Pension Fund - Corpus Rs. 25 crore & more
18	QIB	9	National Investment Fund - Govt. of India
18	QIB	10	Insurance Funds - Armed Forces - Govt. of India
18	QIB	11	Insurance Funds - Department of Post India

Annexure B

List of Types which requires Review for Reclassification

Sr. No.	Type	Type code	Sub-Type	Sub-type code
1	FI	02	All	All
2	Body Corporate	05		
3	Trust	09		
4	Bank	10	**FOREIGN BANK**	**01**
5	Bank	10	**CO-OPERATIVE BANK**	**02**
6	Bank	10	**OTHERS**	**04**

List of the such demat account as of June 15, 2018 are given at i-Assist in Depository Participant login under the head of "Non Individual Accounts for Review"

Sr. No.	DP ID	Client ID	Name of sole/ First holder	Name of Second holder	Name of Third Holder	Types	Sub-Types

Annexure C

New Types and Sub-types where Additional information is required to be captured

Sr. No.	Type Description	Type Code	Sub-type Description	Sub-type code	Additional Information required to be captured
1	Body Corporate	5	Foreign Government	35	RBI Ref. No.
2	Body Corporate	5	Overseas Depository -Underlying DR	36	RBI Approval Date
3	QIB	18	Multilateral Development Financial Institution	3	
4	QIB	18	Bilateral Development Financial Institution	4	
5	QIB	18	Insurance Company Registered with IRDA	6	IRDA Ref. No IRDA Approval Date

Annexure D

Undertaking to be given by the Client to Participant

Date: To,

Participant Name and Address Dear Sir / Madam,

Sub.: Updation of account from **"<Old Type/Sub-Type** to **New Type/Sub-type>"**

I/We, (<Client Name>), hereby request you to change the type/sub-type in respect of account(s) as listed below:

DP ID	Client ID	Existing		New	
		Type	Sub-type	Type	Sub-type

We hereby undertake as under:

All the transactions in the aforesaid depository account(s) have been carried out by us in the capacity of Type & Sub-type as mentioned above under the column of new type & sub-type.

All the securities lying in the aforesaid depository account(s) have been held in the capacity of Type & Sub-type as mentioned above under the column of new type & sub-type.

(Client Name)

Signature of Authorised signatory(ies)

Circular No.:

NSDL/POLICY/2018/0031

Date: May 31, 2018

Subject: Same Mobile number and/ or email ID captured for More than 5 Clients.

As all Participants are aware, as per SEBI directive, Participants are required to ensure that separate mobile number and email address are seeded for each client and under exceptional circumstances, the Participants may, at the specific written request of a client, seed the same mobile number or email address for more than one client provided that such clients belong to one family. 'Family' for this purpose has been defined as self, spouse, dependent children and dependent parents. SEBI has also advised that Participants should have appropriate procedures in place to verify that separate mobile number and email address are seeded for each client [Ref. NSDL Circular No. NSDL/POLICY/2015/0040 dated April 13, 2015 and Circular No. NSDL/ POLICY/2015/0068 dated August 6, 2015].

In order to assist the Participants to identify such client accounts with them where the same mobile number and the email ID is captured for more than one client within the Participant system as well as across all Participants in NSDL system, in August 2015, the following reports were made available on i-Assist and Local DPM System [Ref. NSDL Circular No. NSDL/POLICY/2015/0068 dated August 6, 2015 & NSDL/POLICY/2015/0074 dated August 21, 2015].

1. For inter-DP alerts, the link for downloading the alerts is available through i-Assist under "List of Same Mobile number and email address (Inter DP)"

Sr. No.	Report	Type of Client Individual / Non-individual	Description of Report
1	Same Mobile number	Individual	Report will contain mobile numbers which are captured in demat account (across the Participants) for more than one Clients [across all the account holders].
2		Non-Individual	
3	Same email Address	Individual	Report will contain E-mail addresses which are captured in demat account (across the Participants) for more than one Clients [across all the account holders].
4		Non-Individual	

2. **For intra-DP alerts**, an export facility viz., Duplicate Mobile number / Email address is made available under Download option on Local DPM system.

Sr. No.	Report	Type of Client Individual / Non-individual	Description of Report
1	Same Mobile number	Individual	Report will contain mobile numbers which are captured in demat account (within the same DP/ DP ID) for more than one Clients [across all the account holders].
2		Non-Individual	
3	Same email Address	Individual	Report will contain E-mail addresses which are captured in demat account (within the same DP/DP ID) for more than one Clients [across all the account holders].
4		Non-Individual	

In this context, SEBI has analysed the data and based on number of such clients where the same mobile number/email ID is captured in **5 or more instances** has advised to frame a policy to reduce such instances. Accordingly, Participants are requested to take note of the following:

1. An additional report of such Individual Clients (based on the PAN) where same mobile number and / or email id is seeded for **more than 5 Clients**, excluding the clients where the family flag is marked, will be provided in the following format on i-Assist under the link "*Same Mobile number and/ or email ID captured for More than 5* Clients" by June 7th, 2018. Updated list will be made available on monthly basis.

i) List of Individual Clients where same mobile number is seeded **for more than 5 Clients** (excluding clients where family flag is marked)

Sr. No.	DP ID	Client ID	Name of account holder	PAN of account holder	Holder indicator	Mobile number

ii) List of Individual Clients where same email id is seeded **for more than 5 Clients** (excluding clients where family flag is marked)

Sr. No.	DP ID	Client ID	Name of account holder	PAN of account holder	Holder indicator	Email id

Participants are requested to take it up with the clients to update the family flag (i.e. self, spouse, dependent children and dependent parents) if it falls within the permitted exceptions and obtain request from Client as per aforesaid NSDL Circular dated August 6, 2015 or provide the updated mobile number / email ID for updation in demat account as per prescribed procedure.

Participant must take efforts to contact the client and to obtain aforesaid request from the client so that the number of such clients where the same email ID or mobile number captured in case of **more than 5 clients** is reduced and brought to NIL.

Circular No.:

NSDL/POLICY /DDP/0006

Date: April 17, 2018

Subject: SEBI Circular on Know Your Client Requirements for Foreign Portfolio Investors (FPIs).

Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of Securities (Custodians) are invited to SEBI Circular No. CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 regarding Know Your Client Requirements for Foreign Portfolio Investors (FPIs). Copy of the same is enclosed.

DDPs/Custodians are requested to take note of the same and ensure compliance.

CIR/IMD/FPIC/CIR/P/2018/64 **April 10, 2018**

To,

1. **All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities.**
2. **Designated Depository Participants ("DDPs")/ Custodian of Securities.**
3. **All Recognized Stock Exchanges**
4. **The Depositories (NSDL and CDSL)**
5. **Stock Brokers through Recognized Stock Exchanges**
6. **Depository Participants through Depositories**
7. **Mutual Funds**
8. **Association of Mutual Funds in India**
9. **Portfolio Managers**
10. **KYC Registrations Agencies (KRAs)**
11. **Alternative Investment Funds (AIFs)**

Sir/ Madam,

Subject: Know Your Client Requirements for Foreign Portfolio Investors (FPIs)

1. This has reference to SEBI circular No CIR/MIRSD/11/2012 dated September 05, 2012 and subsequent SEBI circular No. CIR/MIRSD/07/2013 dated September 12, 2013 whereby risk based documentation requirements were prescribed for Know Your Client (KYC) requirements of eligible foreign investors classified as category I, II and III investing under Portfolio Investment Scheme (PIS) route. KYC of FPIs is accordingly being done.
2. Upon a review, it has been decided to make the following changes :-

(a) Identification and verification of Beneficial Owners

(i) Beneficial Owner (BO) is the natural person(s) who ultimately owns or controls an FPI and should be identified in accordance with Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (hereinafter referred as PMLA Rules).

(ii) Accordingly, BOs of FPIs having structure of company or trust should be identified on controlling ownership interest (also termed as ownership or entitlement) and control basis. The BOs in case of partnership firm and unincorporated association of individuals should be identified on ownership or entitlement basis.

(iii) The materiality threshold for identification of BOs of FPIs on controlling ownership interest (or ownership/ entitlement) basis shall be same as prescribed in PMLA Rules i.e. 25% in case of company and 15% in case of partnership firm, trust & unincorporated association of persons.

(iv) In respect of FPIs coming from "high risk jurisdictions" as referred in SEBI Master circular No. CIR/ISD/ AML/2010 dated December 31, 2010 the intermediaries may apply lower materiality threshold of 10% for identification of BO and also ensure KYC documentation as applicable for category III FPIs. All the intermediaries are again directed to ensure compliance with the requirements contained in the Master circular dated December 31, 2010.

(v) The materiality threshold (referred at (iii) & (iv) above) to identify the beneficial owner should be first applied at the level of FPI and next look through principle shall be applied to identify the beneficial owner of the material shareholder/ owner entity. Only beneficial owner with holdings equal & above the materiality thresholds in the FPI need to be identified through the aforesaid look through principle.

(vi) Where no material shareholder/owner entity is identified in the FPI using the materiality threshold ((referred at (iii) & (iv) above) for controlling ownership interest basis and also on control basis (for companies and trusts), BO shall be the senior managing official of the FPI.

(vii) In case of companies/ trusts represented by service providers like lawyers/ accountants, FPIs should provide information of the real owners/ effective controllers of those companies / trusts.

(viii) If the BO exercises controls through means like voting rights, agreements, arrangement etc., that should also be specified. It is clarified that BO should not be a nominee of another person.

(ix) BO should not be a person mentioned in United Nations Security Council's Sanctions List notified from time to time;

(x) BO should not be from jurisdiction, which is identified in the public statement of Financial Action Task Force (FATF) as:

a) a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or

b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

(b) Format for reporting of BOs

Category II & III FPIs are required to maintain a list of BOs. In order to bring consistency, it has been decided that Category II & III FPIs should provide list of their BOs in following format:-

Sl. No.	Name & Address of the Beneficial Owner (Natural Person)	Date of Birth	Tax Residency Jurisdiction	Nationality	Whether acting alone or together through one or more natural persons as group, with their name & address	BO Group's percentage Shareholding / Capital / Profit ownership in the FPIs	Tax Residency Number/ Social Security Number/ Passport Number of BO (Please provide any)
1							
2							

This List should be certified by FPI. FPI should also certify that there are no other BOs other than those referred in list.

The existing FPIs should provide the list of BOs (in aforementioned format) within six months from the date of this circular.

(c) Indians as BO of FPIs

In reply to FAQ 91, it has been clarified that "*NRI/PIO is not eligible to make investments as an FPI. Accordingly, a company which is majority owned by one or more NRI/PIOs shall not be allowed to make investments as an FPI. However, if such company is appropriately regulated it may be given registration as Category II FPI for the purpose of acting as investment manager for other FPIs. This position is the same as in FII regime where companies promoted by NRIs were registered as non investing FIIs*."

In order to bring further clarity, it is informed that Non Resident Indians (NRIs) / Overseas Citizen of India (OCI) cannot be BO of FPIs. However, if an FPI is Category II Investment manager of other FPIs & is non- investing entity, it may be promoted by NRIs/ OCIs. It is also clarified that Resident Indian cannot be a BO of FPI.

Existing FPI structures not in conformity with the above requirements henceforth should not create fresh position at the end of expiry of derivative contract of April 2018. Further, these FPIs are given time of six months from the date of this circular to change their structure or close their existing position in Indian securities market.

(d) Bearer share structure

(i) It should be ensured that FPIs or the investors identified on basis of threshold for identification of BO in accordance with PMLA Rules in the FPIs have not issued any bearer shares, or

(ii) If the legal constitution of FPIs or their investors identified on basis of threshold for identification of BO in accordance with PMLA Rules and/or applicable home jurisdiction regulations permit issue of bearer shares, then FPIs should certify that they have not issued and do not maintain any outstanding bearer shares. Also, FPIs should certify that they will not issue bearer shares.

In case existing FPIs or their investors identified on basis of threshold for identification of BO in accordance with PMLA Rules do not conform to the above requirements, they shall ensure compliance within six months of the date of this circular.

(e) KYC review

As per SEBI circular dated September 12, 2013, eligible foreign investors shall be subject to KYC review as and when there is any change in material information / disclosure.

It is however decided that there should be comprehensive KYC review of FPIs on a periodical basis. The KYC review (including change in BOs / their holdings) should be done based on risk categorization of FPIs. In case of high risk clients (including those coming from high risk jurisdictions) it should be done on yearly basis. In case of all other clients, the KYC review should be conducted every 3 years preferably at the time of continuance of FPI registration.

(f) KYC documentation for Category III FPI

The stakeholders have requested for clarifications on KYC documentations for category III FPIs.

Sl. No.	Query	Present Status	Reply
1	There is uncertainty around the specific financials required for Category III FPIs. Kindly clarify the specific documents that are acceptable for the financial data and whether there is need for these to be audited.	SEBI has prescribed "Financial Data" as mandatory for Category III FPIs only. During discussions with DDPs it is gathered that there is no clarity on nature of financial data needed.	Audited Annual financial statement or a certificate from auditor certifying networth may be obtained from Category III FPIs. . In case of new funds/ companies/ family offices, the audited financial statement of promoter person may be obtained.
2.	Whether prospectus and information memorandum are acceptable in lieu of an official constitutional document.	SEBI circular prescribes the requirement of "Constitutional document" for all category of FPIs.	Yes

(g) Exempted documents to be provided during investigations/ enquiry

(i) SEBI vide circular dated September 12, 2013 has exempted FPIs from furnishing certain supporting KYC documents depending on risk involved. It has been decided that in respect of exempted documents, FPIs concerned should submit an undertaking to DDP/ Custodians that upon demand by Regulators/ Law Enforcement Agencies, the relevant documents would be provided.

(ii) Further, SEBI vide circular dated September 12, 2013 has exempted Category III FPIs from submission of proof of address of BOs, Senior Management and Authorised Signatories. Since Category III FPIs are high risk investors, it is decided that "declaration on letter head" be provided by them.

In respect of (i) and (ii) above, the existing FPIs should provide these documents within six months from the date of this circular.

3. In view of manner of identifying Beneficial Ownership of FPIs having been specified in this circular, it is decided that clubbing of investment limit for FPIs shall also be on said basis.

   All existing FPIs whose clubbed investment in equity shares of a company is in breach of the provisions of Regulation 21(7) in view of this circular are hereby given time of six months from the date of this circular to ensure compliance. In respect of any future breach of clubbing limit, there shall be two options:-

   (a) The said investments shall be treated as Foreign Direct Investment from the date of breach, or,

   (b) FPI in breach shall have to divest its holding within five trading days from the date of settlement of the trades to bring its shareholding below 10% of the paid up capital of the company.

4. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Sub-rule 14(i) of Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

5. A copy of this circular is available at the links "Legal Framework→Circulars" and "Info for →F.P.I" on SEBI website www.sebi.gov.in. The DDPs/Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,
ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Circular No.: NSDL/POLICY/ 2018/0015 Date: March 14, 2018	***Subject: Online facility for seeding Aadhaar in NSDL Demat Accounts.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2017/0021 dated April 12, 2017 regarding Linking of Demat Accounts of Individuals with their Aadhaar whereby it was informed that NSDL will provide an online facility for demat account holders to update their Aadhaar number directly in their demat accounts, which will be authenticated directly with UIDAI. Accordingly, all Participants are hereby informed that aforesaid facility to update Aadhaar number in demat account is developed and made live with effect from March 14, 2018. Details of the facility is enclosed as Annexure 1. **Annexure 1 Updation of Aadhaar in demat account** What you need to keep handy? Your Aadhaar number Your PAN number Your demat account number i.e. DP ID and Client ID. Access to your mobile or email to receive your OTP Your name as recorded on Aadhaar card should be exactly same as the name as recorded in your demat account. This will enable authentication with UIDAI database. Click on https://aadhaar.nsdl.com/AdhaarSeeding/ and update your Aadhaar in all your demat accounts with NSDL or visit NSDL website https://nsdl.co.in/

Circular No.: NSDL/POLICY/ 2018/0005 Date: January 15, 2018	***Subject: UIDAI Circular on applicability of Aadhaar as an identity document for Non-Resident Indians (NRIs)/ Person of Indian Origin (PIOs) and Overseas Citizen of India (OCIs).*** All Participants are hereby informed that SEBI vide its email dated November 21, 2017 has informed about the UIDAI Circular no. 6-1/2016- UIDAI (DBT) dated November 15, 2017 (copy enclosed) regarding applicability of Aadhaar as an identity document for NRIs/ PIOs and OCIs for necessary information and compliance. **CIRCULAR** Subject: Applicability of Aadhaar as an identity document for Non-Resident Indians (NRIsj/ Person of Indian Origin (PIOs) and Overseas Citizen of India (OCIs) - Regarding 1. In the recent past several representations have been received from individuals such as Non-Resident Indians (NRIs), Person of Indian Origin (PIOs) and Overseas Citizen of India (OCIs) informing about difficulties being faced by them on demand of Aadhaar by respective Authorities in respect of various services/benefits etc. An illustrative list of such cases wherein NRls/PIOs/OCIs are reported to have been asked to submit or link Aadhaar in order to avail the services/benefits/schemes has been compiled and is placed as Annexure. 2. It has been brought to notice that some of the Ministries/Departments/ Implementing Agencies concerned are insisting the NRIs/OCIs/PIOs to submit or link their Aadhaar for availing the services/ benefits etc. that are directly or indirectly connected with NRIs/OCIs/PIOs, regardless of the fact they may not be entitled for Aadhaar as per the Aadhaar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act, 2016 (Aadhaar Act, 2016} 3. In this regard, attention is invited to Section 3(1) of the Aadhaar Act, 2016, which inter-alia, lays down that "every resident shall be entitled to obtain on Aadhaar number by submitting his demographic information and biometric information by undergoing the process of enrolments Further Section 2(v) of the Aadhaar Act defines 'resident' as an individual who has resided in India for a period or periods amounting in all to one hundred and eighty-two days or more in the twelve months immediately preceding the date of application for enrolment. 4. The laws regarding submitting/linking of Aadhaar for availing the services/ benefits applies to the resident as per the Aadhaar Act, 2016. In view of the foregoing, most of the NRIs/PIOs/ OCIs may not be eligible for Aadhaar enrolment as per the Aadhaar Act, 2016. However, the implementing agency may devise a mechanism to ascertain the genuineness of status of such NRls/PIOs/OCIs. 5. Further, Section 7 of the Aadhaar Act, inter-alia, provides that "if an Aadhaar number is not assigned to an individual, the individual shall be offered alternate and viable means of identification for delivery of subsidy, benefit or service".

6. Further, it has been recapitulated through various notifications/ circulars that the requirement of getting Aadhaar is only in respect of those individuals who are entitled for it as per the Aadhaar Act, 2016. In this regard, reference may be drawn to Prevention of Money-laundering (Maintenance of Records) Rules, 2017 and Section 139AA of the Income Tax Act, 1961 which clearly stipulate that the linking of Bank Accounts and PAN respectively, is for those persons **who are eligible to enrol for Aadhaar as per the Aadhaar** Act, 2016.
7. In view of the above, it is suggested that all Central Ministries/ Departments/ State Governments and other implementing agencies may keep in consideration the following while seeking Aadhaar as a proof of identity:
   a) Aadhaar as an identity document may be sought only from those who are eligible for it as per the Aadhaar Act, 2016; and
   b) most of NRIs/PIOs/ OCIs may not be eligible for Aadhaar enrolment as per the Aadhaar Act, 2016.
8. The Ministries/Departments are requested to issue appropriate directions to the State Governments/implementing agencies concerned on the above and also give it wide publicity.

(Dr. Ajay Bhushan Pandey)

Chief Executive Officer

To:

Secretaries, All Ministries/Departments, Government of India Chief Secretaries, All State Governments/UT Administrations

Annexure:

Illustrative list of services that are directly or indirectly connected with NRIs and/or NRI Pensioners

1. Linking PAN and Bank Accounts with Aadhaar
2. Linking Service Pension with Aadhaar
3. Aadhaar based e-KYC
4. Applying for new mobile phone connections in India
5. Maintaining the existing NRE & NRO bank accounts in India
6. Registering with Jeevan Pramaan/Digital Life Certificate for pension
7. Registering with Kendriya Sainik Board Secretariat (for retired Defence personnel)
8. Maintaining Ex-Servicemen Contributory Health Scheme (ECHS)
9. Various Scholarships introduced for children of Ex-Servicemen
10. Applying for Defence Canteen Smart Card
11. Applying for LPG connection
12. Registering with e-District service for obtaining various services from State Governments
13. Issuance of fresh or renewal of driving license
14. Appearing by students in different entrance examinations in India
15. Issuance of certificates by Universities/Boards to students under different public examinations
16. Applying for registration of property, etc.

Circular No.: NSDL/POLICY/2018/0002 Date: January 4, 2018	***Subject: List of BSDA Accounts holding another Demat Account [Across Depositories] on NSDL Intranet Site viz., i-Assist.*** Attention of Participants is invited to SEBI Circular No. CIR/MRD/DP/22/2012 dated August 27, 2012 (informed vide NSDL Circular No. NSDL/POLICY/2012/0086 dated August 28, 2012) regarding facility for a Basic Services Demat Account (BSDA). At point nos. 2 (a) and (c) of the aforesaid SEBI circular dated August 27, 2012, it is stated that: "The individual shall have only one BSDA in his/her name across all depositories." "All the individuals who have or propose to have only one demat account where they are the sole or first holder." As per the aforesaid points, an individual having more than one depository accounts as a sole / first holder across depositories is not eligible to opt for BSDA facility. In this regard, currently based on search carried out in the NSDL depository system on the basis of First holder PANs and information received from CDSL as at the end of the each month, NSDL communicates a list of depository accounts to Depository Participants marked as BSDA in NSDL DPM system holding another depository accounts as a First Holder in NSDL and/or CDSL system. The list of such identified BSDA depository accounts (text file) are hosted on NSDL Intranet Site viz., i-Assist (post DP login) before 10th day of subsequent month under the link viz., 'Regular Accounts with Matching PAN' with report namely "List of BSDA Accounts holding another Demat Account [Across Depositories]". As per the eligibility criteria prescribed in the aforesaid SEBI circular, the list of such identified depository account(s) holders are ineligible for opting for BSDA facility. Participants are requested to check the aforementioned list hosted on i-assist on monthly basis and disable the BSDA flag in aforesaid depository accounts and send communication via letter / email / Client Master Report / Client modification letter generated from the DPM System or their back office system or any other mode which they may fit deem to aforesaid clients informing about the changes effected in the depository account of the Clients.
Circular No.: NSDL/POLICY/ 2017/0068 Date: November 21, 2017	Subject: Updation of Bank account number of Punjab National Bank from the present 15 digits to 16 digits in depository accounts Attention of all Participants are invited to Circular No. NSDL/POLICY/2008/0070 dated October 16, 2008 regarding updation of Bank account numbers from 16 digits to 15 digits in respect of depository Accounts with bank details of Punjab National Bank (PNB) by truncating/ deleting the '0' at fifth place in 16 digits bank account number. Participants are hereby informed that Punjab National Bank (PNB) has once again approached NSDL to modify the bank account number in respect of PNB from the present 15 digits to 16 digits pertaining to depository accounts with bank details of PNB by adding '0' at fifth place in the existing 15 digits bank account number of PNB to make it 16 digits bank account number in the DPM

system as NPCI has instructed all participant banks to migrate ECS transactions (Debit & Credit) to NACH Platform which requires complete CBS account numbers of beneficiaries with full 16 digits bank account number for smooth process of ECS transaction/file.

In order to facilitate the Participants to carry out the aforesaid updation in the depository accounts of their Clients where details of bank account of Punjab National Bank is captured, a batch utility will be provided by NSDL. The batch utility will convert the 15 digits bank account number (of PNB Bank) currently captured in the depository account to 16 digits bank account number by adding '0' at fifth place in the existing 15 digit bank account number of PNB to make it 16 digits bank account number.

The aforesaid utility namely **'PNB Bank A/C No. Update - 15 to 16 digits'** alongwith user manual will be made available at the home page of NSDL's intranet site viz., i-Assist under the option 'Utilities'. Further, if Participants wants to view/download the list of demat accounts where 15 digits bank account number of PNB are captured before carrying out the updation, they can access and download the aforesaid list of demat accounts by following the procedure given below:

a) Login to intranet site of NSDL i.e., https://i-assist/.

b) Enter the existing 'Maker' User ID viz., DP ID & Password.

c) Click on the link named **'PNB - Bank A/C No. updation from 15 To 16 digits'** and view/download the list of demat accounts.

d) Verify the details of demat accounts and prepare the input file for necessary updation.

e) Refer the user manual for carrying out the aforesaid updation in the DPM system.

After the utility is executed and the updation is done, the report will be generated containing the list of demat accounts where the updation was carried out successfully and list of Client accounts which were identified for updation, but the updation was not carried out. This report will contain the DP ID, Client ID, old bank account number, new bank account number, Instruction ID, error description, if any (in case updation was not carried out).

Upon aforesaid updation is carried out, the Participant should send a communication via letter / email / Client Master Report generated from the DPM System or its back office or any other mode which the Participant may deem fit or Participant can also send Client Modification letter generated from the DPM System to all such Clients informing about changes carried out in their bank account number.

Further, Participants are requested to note that NSDL Circular No. NSDL/ POLICY/2008/0070 dated October 16, 2008 stands **withdrawn**.

For any information/clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in.

<table>
<tr>
<td>Circular No.:
NSDL/POLICY/
2017/0061
Date: October 13, 2017</td>
<td>

Subject: Addition of new reason - Request for modifying incorrect PAN details in i-ASSIST.

Attention of Participants is invited to Circulars No. NSDL/POLICY/2009/0003 dated January 9, 2009 and NSDL/POLICY/2009/0108 dated November 16, 2009 regarding facility to incorporate reasons for modifying incorrect PAN details in i-Assist Intranet site (https:\\i-assist). Based on the feedback received from Participants, following new reason and corresponding code for modification of PAN has now been provided.

Reason code	Description
8	Merger/ Amalgamation with another entity

Participants are advised to mention the appropriate reason while making requests.

For further information / clarification, Participants are requested to contact the following officials:

Name of the official	Contact details	Email ID
Mr. Ninad Daphale	(022) – 2499 4153	ninadd@nsdl.co.in
Mr. Divakar Sharma	(022) – 2499 4663	divakars@nsdl.co.in
Mr. Amit Shinde	(022) – 2499 4486	shindea@nsdl.co.in
Mr. Vishal Gajjar	(022) – 2499 4237	vishalg@nsdl.co.in

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<tr>
<td>Circular No.:
NSDL/POLICY/
2017/0060
Date: October 13, 2017</td>
<td>

Subject: Frequently Asked Questions in respect of reliance on the records of client due diligence (KYC) carried out by a third party.

Attention of Participants is invited to Frequently Asked Questions (FAQs) released by SEBI on October 12, 2017 in respect of reliance on the records of client due diligence (KYC) carried out by a third party. Copy of the same is enclosed for reference.

Participants are requested to take note of the above and ensure compliance.

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<tr>
<td>Circular No.:
NSDL/POLICY/
2017/0014
Date: March 21, 2017</td>
<td>

Subject: Updation of Bank Account of Client in Demat account.

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2017/0009 dated February 28, 2017 regarding updation of bank account details of Clients. In this context, all Participants are requested as follows:

1. In order to assist the Participants in updation of bank account details, NSDL has engaged with National Payments Corporation of India (NPCI). Based on the parameters provided by NPCI to identify the old bank account numbers, NSDL has identified and provided the old bank account details as captured in the demat account of clients to NPCI. Subsequently, NPCI has obtained the new bank account details (as per core banking systems) from the respective banks wherever possible. As the entire process involves substantial manual activity, NPCI has advised NSDL that the user institution must carry out due diligence before updating their records

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</table>

with the account numbers provided by the banks. NPCI has also advised to put in place necessary processes and controls to compare the name given by the bank with the name as per the records in demat account before updating the new bank account number provided by the banks. In case of any mismatch, such record must not be updated.

2. The details of demat accounts alongwith the new bank account number as provided by NPCI to NSDL with respect to old bank account number captured in demat account is kept at NSDL intranet site i.e. https://i-assist (after DP login) under the link viz., **'List for Bank account number updation - NPCI'** in the format enclosed at Annexure 1. Further, NSDL has carried out an activity to identify the similarity between the existing bank account number captured in the demat account and the new bank account number provided by the NPCI. Accordingly, two separate lists viz., "Annexure A" and "Annexure B" are provided on i-Assist under the aforesaid link containing the list of demat accounts alongwith existing and new bank account numbers. The "Annexure A" contains the details in respect of demat accounts wherein the last few digits of the existing bank account number captured in the demat account and the new bank account number provided by the NPCI are matching. The "Annexure B" contains the details in respect of demat accounts wherein no such similarity is observed in respect of existing and new bank account numbers.

3. Accordingly, Participants are requested to update the new bank account numbers (*from the aforesaid Annexure A and B provided on i-Assist*) after exercising proper due diligence. Participants are requested to take note that since the banks have provided the new bank account details, there is no need to take a request from the client and proof of bank details. In order to facilitate the Participants to carry out the aforesaid updation in the demat accounts of their clients, a batch utility is provided on i-Assist. The procedure for the aforesaid updation is attached as Annexure 2.

4. Once the aforesaid updation is carried out (*as per the procedure mentioned at Annexure* 2), Participants are required to send a communication via letter / email / Client Master Report /Client Modification letter generated from the DPM System or its back office or any other mode which the Participant may deem fit to all such Clients informing about changes carried out in respect of bank account number in their demat account.

5. Participants are advised to complete the above exercise to update the bank details by March 31, 2017.

Participants are requested to take note of the above and ensure compliance with same.

For any information / clarification, Participants are requested to contact Help Desk at (022) 2499 4601 to 4610 or email at helpdesk@nsdl.co.in.

Annexure 1

Sample Format of list for Bank Account Number

DP ID	Client ID	Name of Sole / First holder	PAN of Sole / First holder	Bank Name	Bank Account Type Code	Bank Branch Address	Bank Account Number (Existing)	New Bank Account Number provided by NPCI	Customer Name as per CBS provided by NPCI

Notes:

Bank Account Type Code	Bank Account Type Description
10	Savings
11	Current
13	Cash Credit / Overdraft

Annexure 2

The procedure for updation of bank account numbers in demat accounts:

1. The batch utility viz., **'Bank account number updation - NPCI'** is made available at the home page of NSDL's intranet site i.e. https://i-assist under the option **'Utilities'**.
2. Download and save the aforesaid utility on Local DPM server.
3. Prepare the input file in tab separated text format (as per sample format of input file) containing the DP ID, Client ID and Existing and New bank account numbers in respect of clients wherein the updation of bank account numbers to be carried out from the lists (Annexure A and B) provided on i-Assist under the link viz., **'List for Bank account number updation - NPCI'**.

   Format of Input file (in tab separated text format)

DP ID	Client ID	Bank Account Number (Existing)	New Bank Account Number provided by NPCI

4. For uploading the aforesaid input file containing the list of clients, double click the given utility and click on Upload button.
5. Once the input file is uploaded successfully, click on Proceed button for executing the requisite updation.

	6. Upon successful execution, the system will display the message as "Number of records updated successfully". For Exa: "4 out of 4 records updated successfully". If any record from the input file is not updated successfully, then the system will display the message as "3 out of 4 records updated successfully. Please check OUT file for error". 7. The batch utility will replace the bank account numbers currently captured in the demat accounts with the new bank account numbers provided by NPCI for the identified demat accounts. 8. This updation of new bank account numbers will be carried out in respect of identified demat accounts only where the old bank numbers provided by NPCI matches with old bank account numbers currently captured under the financial details in the demat accounts in NSDL.
Circular No.: NSDL/POLICY/ 2017/0009 Date: February 28, 2017	***Subject: SEBI Letter on collection of email IDs and bank accounts details of clients.*** All Participants are hereby informed that SEBI vide its letter dated December 21, 2016 has advised that: 1. As per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed companies are permitted to send annual reports to shareholders in electronic form at their registered email IDs. However, it has been observed that email IDs of many investors are not linked to their demat accounts. This has resulted in a situation where printed annual reports are required to be sent to such shareholders, causing significant usage of paper which is not in line with the spirit of green initiative of the Government of India. 2. As per Regulation 12 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed companies are required to use any of the electronic mode of payment facilities approved by the Reserve Bank of India for payment of dividends, interest, redemption amounts, etc. However, it has been observed that many of the demat accounts of shareholders are not linked with their bank account or updated with their latest bank account, thereby forcing companies to issue printed cheques/ warrants. Further, mobile number is not registered or updated in many accounts resulting in non-receipt of SMS alerts by the client. Accordingly, Participants are requested to identify such accounts and collect email ids, mobile numbers and bank account details for such clients and carry out a one-time update as per the prescribed procedure. While updating/ capturing the email IDs, mobile numbers and bank account details, Participants are requested to take note that: 1. As advised vide Circular No. NSDL/POLICY/2015/0040 dated April 13, 2015, the mobile number and email ID can be of the client or of family members (*i.e. spouse, dependent children or dependent parents*) 2. For bank account details updation, obtain the proof of the bank details. Participants are requested to take note of the above and ensure compliance by March 20, 2017.

Circular No.: NSDL/POLICY/ 2017/0021 Date: April 12, 2017	***Subject: Linking of Demat Accounts of Individuals with their Aadhaar.*** As Participants are aware, in the Union Budget 2017-18, it was announced under 'Other measures in the Financial Sector' that "Steps will be taken for linking of individual demat accounts with Aadhaar". Accordingly, SEBI has instructed depositories to advise their Participants to take necessary steps for linking of demat accounts held by individual clients with their Aadhaar numbers to ensure effective implementation of the budget announcement. In this regard, Participants are advised as follows: 1. In respect of all new accounts opened, Participants may advise clients to mention their Aadhaar in the Know Your Client (KYC) Application Form (Individual) [Part I - FORM 9 of NSDL Business Rules] submitted at the time of account opening, especially by highlighting the advantages such as registration in the demat account of unique identity provided by Aadhaar, government's initiative of linking of PAN with Aadhaar, Aadhaar being a single document serving as proof of identity and address, etc. A self-certified copy of the Aadhaar Card may be obtained as part of the KYC process. 2. Participants shall encourage all their existing individual clients to provide their Aadhaar number to link with their demat account. Participants may send regular communications to their clients for updating their Aadhaar number in the demat accounts. 3. NSDL is also in process of developing an online facility for demat account holders to update their Aadhaar number directly in their demat accounts, which will be authenticated directly with UIDAI. This will provide a convenient, online facility for clients to update their Aadhaar and will be available on NSDL's website. Once this facility is made available, NSDL will also be sending communications to clients through emails, SMS, etc. requesting them to update their Aadhaar in their demat accounts. Participants may also refer to NSDL's online facility in their communications to clients and provide the appropriate link. 4. The Participants may update the Client's Aadhaar on the basis of following: a. A written request along with a self-certified copy of Aadhaar Card from the client for updating Aadhaar in client's demat account. For joint holdings, the written request must be signed by the holder whose Aadhaar is being updated. b. Participants acting as AUA or Sub-AUA may accept requests from clients through their registered email or on the website of Participant, provided that the Participant follows the procedure specified in NSDL Circular No. NSDL/POLICY/2011/0057 dated July 16, 2011. Also, in case such Participant has the Aadhaar details of the client in its back-office, trading account or in the bank account which has been provided by the client, then the Participant may update the Aadhaar in the demat account. In such cases, prior to updation of Aadhaar in demat account, the Participant shall validate the Aadhaar with UIDAI as per the process prescribed for AUAs by UIDAI and keep such verification on record.

	Participants shall ensure that correct Aadhaar number of the client is updated in the demat account by obtaining self-certified copy of the Aadhaar Card or by using online verification of Aadhaar with UIDAI. Once Aadhaar updation is carried out, Participants are required to send a communication via letter / email / Client Master Report / Client Modification letter generated from the DPM System or its back office or any other mode which the Participant may deem fit to all such Clients informing them about updation of Aadhaar in their demat account.
Circular No.: NSDL/POLICY/ 2016/0103 Date: December 22, 2016	***Subject: Multiple Nominations – Revision in Amended Business Rules***. Attention of Participants is invited to Circular No. NSDL/POLICY/2016/0076 dated September 20, 2016 regarding amendments to Business Rules of NSDL with respect to multiple nominations in a demat account. In this context, Participants are requested to take note of the following: 1.Revisions are made in the Business Rules due to typographical errors: a. In FORM 10 i.e. Form for Nomination / Cancellation of Nomination, in the place of name and signature of account holder, the words "Guardian (in case sole holder is minor)" were inserted inadvertently. In case the account holder is a minor, nomination is not permitted in the account. Accordingly, revised FORM 10 is enclosed [After removing the words "Guardian (in case sole holder is minor)" from the section of Name(s) and Signature (s) of the holder(s)] b. Rule 12.6.3.11 was erroneously duplicated with Rule 12.6.3.9. Accordingly, Business Rule 12.6.3.11 is removed and Rule 12.6.3.12 is renumbered as Rule 12.6.3.11. (Amended Business Rule in track change mode and without track change mode is enclosed as Annexure A) Participants can use the existing stock of FORM 9 and FORM 10 until the stocks last provided Participant ensure that the amended FORM 10 is used in case Client wishes to avail multiple nomination facility.

DP LOGO DP NAME	FORM 10 FORM FOR NOMINATION/ CANCELLATION OF NOMINATION (*To be filled in by individual applying singly or jointly*)	NSDL Technology, Trust & Reach

Date	D	D	M	M	Y	Y	Y	Y	DP ID	I	N							Client ID								

I/We wish to make a nomination. [*As per details given below*]

I/We wish to cancel the nomination made by me / us earlier and consequently all rights and liabilities in respect of beneficiary ownership in the securities held by me / us in the said account shall vest in me / us. [*Strike off the nomination details below*]

Nomination Details

I/We wish to make a nomination and do hereby nominate the following person(s) who shall receive all securities held in the Depository by me / us in the said beneficiary owner account in the event of my / our death.

Nomination can be made upto three nominees in the account.			**Details of 1st Nominee**	**Details of 2nd Nominee**	**Details of 3rd Nominee**
1	**Name of the nominee(s) (Mr./Ms.)**				
2	**Share of each Nominee**	Equally ☐ [If not equally, please specify percentage]	%	%	%
			Any odd lot after division shall be transferred to the first nominee mentioned in the form.		
3	**Relationship With the Applicant (If Any)**				
4	**Address of Nominee(s)**				
		PIN Code			
5	**Mobile/Telephone No. of nominee(s)**				
6	**Email ID of nominee(s)**				
7	**Nominee Identification details -**[Please tick any one of following and provide details of same] ☐ Photograph & Signature ☐ PAN ☐ Aadhaar ☐ Saving Bank account no. ☐ Proof of Identity ☐ Demat Account ID				

Sr. Nos. 8-14 should be filled only if nominee(s) is a minor:

8	**Date of Birth {in case of minor nominee(s)}**			
9	**Name of Guardian (Mr./ Ms.) {in case of minor nominee(s) }**			
10	**Address of Guardian(s)**			
	PIN Code			
11	**Mobile/Telephone no. of Guardian**			
12	**Email ID of Guardian**			
13	**Relationship of Guardian with nominee**			

14	**Guardian Identification details -**[Please tick any one of following and provide details of same] ☐ Photograph & Signature ☐ PAN ☐ Aadhaar ☐ Saving Bank account no. ☐ Proof of Identity ☐ Demat Account ID			

Name(s) of holder(s)		**Signature(s) of holder**
Sole/ First Holder (Mr./Ms.)		X
Second Holder (Mr./Ms.)		X
Third Holder (Mr./Ms.)		X

Signature of Witness for Nomination

Name of the Witness	**Address**	**Signature of witness**
		Date D D M M Y Y Y Y

Notes:

1. The nomination can be made only by individuals holding beneficiary owner accounts on their own behalf singly or jointly. Non- individuals including society, trust, body corporate and partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the account is held jointly, all joint holders will sign the nomination form.
2. A minor can be nominated. In that event, the name and address of the Guardian of the minor nominee shall be provided by the beneficial owner.
3. The Nominee(s) shall not be a trust, society, body corporate, partnership firm, karta of Hindu Undivided Family or a power of Attorney holder. A non-resident Indian can be a Nominee, subject to the exchange controls in force, from time to time.
4. Nomination in respect of the beneficiary owner account stands rescinded upon closure of the beneficiary owner account. Similarly, the nomination in respect of the securities shall stand terminated upon transfer of the securities.
5. Transfer of securities in favour of a Nominee(s) shall be valid discharge by the depository and the Participant against the legal heir.
6. The cancellation of nomination can be made by individuals only holding beneficiary owner accounts on their own behalf singly or jointly by the same persons who made the original nomination. Non-individuals including society, trust, body corporate and partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot cancel the nomination. If the beneficiary owner account is held jointly, all joint holders will sign the cancellation form.
7. On cancellation of the nomination, the nomination shall stand rescinded and the depository shall not be under any obligation to transfer the securities in favour of the Nominee(s).
8. Nomination can be made upto three nominees in a demat account. In case of multiple nominees, the Client must specify the percentage of share for each nominee that shall total upto hundred percent. In the event of the beneficiary owner not indicating any percentage of allocation/share for each of the nominees, the default option shall be to settle the claims equally amongst all the nominees.
9. On request of Substitution of existing nominees by the beneficial owner, the earlier nomination shall stand rescinded. Hence, details of nominees as mentioned in the FORM 10 at the time of substitution will be considered. Therefore, please mention the complete details of all the nominees.
10. Copy of any proof of identity must be accompanied by original for verification or duly attested by any entity authorized for attesting the documents, as provided in Annexure D.
11. Savings bank account details shall only be considered if the account is maintained with the same participant.
12. DP ID and client ID shall be provided where demat details is required to be provided.

Annexure A

Amended Rule 12.6.3 in track change mode.

12.6.3. TRANSMISSION OF SECURITIES IN CASE OF NOMINATION

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

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

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

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

a) it is submitted to the Participant by the rightful Client(s) or under his/their due authority.

b) it is in prescribed form (FORM 10)

c) it is duly signed by Client(s)

d) it is properly signed

e) signature of the Client(s) tally with the specimen signature records

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

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

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

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

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

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

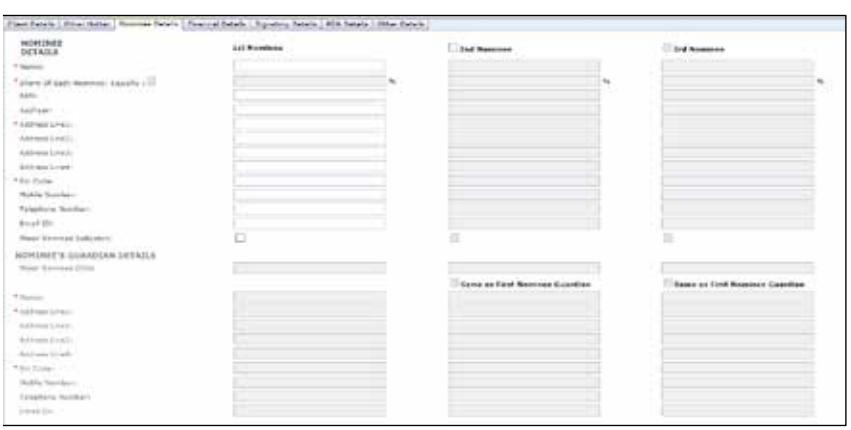
12.6.3.11 The provisions relating to FORM 30 shall apply mutatis mutandis to the process of transmission of securities to the Nominee(s).

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

Circular No.: NSDL/POLICY/ 2016/0098 Date: December 1, 2016	***Subject: Uploading of the existing clients' KYC details with CKYCR System.*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2016/0094 dated November 15, 2016 regarding SEBI Circular No. CIR/MIRSD/120/2016 dated November 10, 2016 on **"Uploading of the existing clients' KYC details with Central KYC Records Registry (CKYCR) System by the registered intermediaries".** In this regard, SEBI has informed that they are receiving several emails from registered intermediaries seeking various clarifications and has advised Participants to take up all operational issues and difficulties faced by Participants in uploading KYC records to CKYCR with CERSAI directly.
Circular No.: NSDL/POLICY/ 2016/0096 Date: December 1, 2016	***Subject: Multiple Nomination Facility.*** As Participants are aware, the required Forms and amendment to Bye Laws and Business Rules pertaining to multiple nominations was already informed vide Circular No. NSDL/POLICY/2016/0076 dated September 20, 2016 and the changes in the file formats were notified vide Circular No. NSDL/POLICY/2016/0075 dated September 9, 2016. The enhancements made in the DPM system to facilitate multiple nomination are given at Annexure. The DPM system version 6.2 which contain these features will be released at EOD of Friday, December 2, 2016. Further, the amendments to the Bye Laws and Business Rules informed vide the aforesaid circular will be effective from Saturday, December 3, 2016. For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022)2499 4600 or email at helpdesk@nsdl.co.in. **Annexure** **Enhancements in DPM system to facilitate multiple nomination** 1. Client maintenance module in Local DPM system has now been enhanced to capture details in respect of multiple nominations. 2. In addition to existing fields in client maintenance module following new fields are added in the DPM system [Please refer file format issued vide NSDL Circular No. NSDL/POLICY/2016/0075 dated September 9, 2016] in respect of nomination facility: **UNDER NOMINEE DETAILS** a. Share of each nominee b. PAN c. AADHAAR d. Mobile Number e. Telephone Number f. Email ID **UNDER NOMINEE'S GUARDIAN DETAILS** a. Mobile Number b. Telephone Number c. Email ID

3. For an account holder who has opted for multiple nomination (i.e. two or three nominees in a demat account), Participants are required to enable the newly incorporated flags viz., '2nd nominee' and/or '3rd nominee' and capture all the relevant fields of nominee and nominee's guardian details, as applicable.
4. In case the account holder has opted for a single nominee, the fields 'Share of each nominee' and other fields related to second/third nominee will not be required to mentioned and accordingly, the aforesaid fields will be disabled in the client creation and client modification screens of Local DPM system. Participants are requested to note that in respect of batch uploads for client creation and client modification, the fields viz., 'Share of Each Nominee' and other fields related to second/third nominee should be kept blank and if the value is provided in the said field the same will be ignored and will not be stored in NSDL DPM database.
5. In case of multiple nominations, Participants will be mandatorily required to capture either 'equally' or specify the share percentage of each nominee in the field provided in the nominee facility. The total of share percentage of all nominees must always be equal to 100%. In case of share of each nominee is equally distributed, the DP shall enable the 'Equally' flag in respect of Share of each nominee field. The share percentage for a nominee should not be in decimal values.
6. A new flag viz., 'Same as First Nominee Guardian' has been provided to replicate the same guardian details of 1st nominee under guardian details of 2nd and/or 3rd nominee in case of minor nominee(s). While executing the modification of guardian details pertaining to aforesaid cases, Participants are requested to re-enable the aforesaid flag(s), if the changes are to be replicated under guardian details of 2nd and/or 3rd nominee.
7. The aforesaid changes are incorporated in the Client Creation and Detail View Screens and relevant Reports/Exports of Local DPM / eDPM system.
8. Back-office Impact: Yes

Client Creation (Nominee Section)



Circular No.: NSDL/POLICY/ 2016/0094 Date: November 15, 2016	***Subject: SEBI circular on Uploading of the existing clients' KYC details with Central KYC Records Registry (CKYCR) System by the registered intermediaries.*** Attention of Participants is invited to SEBI Circular No. CIR/MIRSD/120/2016 dated November 10, 2016 (copy enclosed) regarding uploading of the existing clients' KYC details with Central KYC Records Registry (CKYCR) System by the registered intermediaries. Accordingly, the time-lines in respect of uploading KYC data of the existing individual clients with CKYCR are: **Sr. No.** | **Particulars** | **Deadline** 1 | 50% of existing KYC data | November 30, 2016 2 | Remaining 50% of existing KYC data | December 31, 2016 Participants are requested to take note of the same and ensure compliance.
Circular No.: NSDL/POLICY/ 2016/0082 Date: October 4, 2016	***Subject: SEBI Letter on opening of HUF demat accounts and procedure to be adopted in the event of death of Karta of a HUF.*** All Participants are hereby informed that SEBI vide its letter no. SEBI/HO/MRD/DP/OW/P/2016/25739/1 dated September 14, 2016 (copy enclosed) has provided guidelines for opening of HUF (Hindu Undivided Family) demat accounts and procedure to be adopted in the event of death of Karta of a HUF. Participants are requested to take note of the same and ensure compliance. Necessary amendments in Bye Laws, Business Rules and system enhancements will be notified separately. **Deputy General Manager** **Market Regulation Department - Division of Policy** SEBl/HO/MRD/DP/OW/P/2016/25739/1 September 14, 2016 **Shri G V Nageswara Rao** | **Shri P S Reddy** Managing Director & CEO | Managing Director & CEO National Securities Depository Limited | Central Depository Services (India) Limited Trade World, A Wing, 4th Floor | Phiroze Jeejeebhoy Towers Kamala Mills Compound, Senapati Bapat | 17th Floor, Dalai Street, Fort Marg, Lower Parel (West), Mumbai - 400013. | Mumbai - 400 001, Dear Sir, **Subject: Opening of HUF (Hindu Undivided Family) demat accounts and Procedure to be adopted in the event of death of Karta of a HUF** 1. SEBI has been receiving various complaints and suggestions regarding difference in procedure for opening of HUF (Hindu Undivided Family) demat account and procedure adopted in the event of death of Karta of HUF at both the Depositories. The issue was examined and it is decided that opening of HUF demat account and procedure to be adopted in the event of death of Karta of HUF shall be as per the following guidelines: **1.1** **<u>Opening of HUF demat account</u>** a) The demat account shall be opened in the name of HUF entity as the name of the entity appears on the PAN Card. The PAN details of both the HUF entity and Karta of HUF shall be submitted to the Depository Participant (DP). **1.2** **<u>Death of Karta</u>** a) In event of death of Karta of HUF, the name of the deceased Karta in the Beneficial Owner (BO) account shall be replaced by the new Karta appointed by the members of the HUF who in such a case shall be the senior most member of the family, except married daughters.

	b) The new Karta shall submit the new list of members, a notarized copy of death certificate of the deceased Karta and a no objection from the surviving members of the HUF for him / her to act as Karta of the HUF. c) In event of death of Karta of HUF, the existing BO account need not be closed and the same account may continue. The death of the Karta shall not mean that the securities lying in the BO account of the HUF is deemed to have divided among the coparceners as if the partition has taken place. **1.3 Partition of HUF** a) A total or partial partition shall be recognized only if a claim to that effect is made by one or more coparceners. b) An intimation of a total or partial partition shall be accompanied by a signed letter mentioning the names of the other members and their confirmation of a partition having taken place. c) In case of partial partition of the HUF, if desired by one or more coparceners, the new Karta shall transfer shares to the said coparceners who seek partition and the BO account of the HUF shall continue. The account of such coparceners shall be treated as their individual accounts. d) In case of full partition of the HUF, the shares shall be divided amongst all the coparceners in the manner specified by the applicant subject to fulfillment of clause 1.3(b) above and the HUF account shall cease to exist. 2. You are advised to make amendments to the relevant bye-laws, business rules / operating instructions for implementation of the above guidelines, as may be applicable / necessary. 3. Kindly acknowledge receipt and confirm compliance. Yours faithfully Susanta Kumar Das
Circular No.: NSDL/POLICY/ 2016/0080 Date: October 3, 2016	***Subject: Closure of financial accounts under Rule 114H (8) of the Income Tax Rules, 1962 under alternative procedure of FATCA*** Attention of Participants is invited to Circular No.: NSDL/POLICY/2015/0082 dated September 14, 2015 regarding guidance note on reporting requirement under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS). In this regard, SEBI has advised about the press release issued by the Central Board of Direct Taxes Department of Revenue, Ministry of Finance, Government of India regarding closure of financial accounts under Rule 114H (8) of the Income Tax Rules, 1962 under alternative procedure of FATCA. It is clarified vide the press release that, 'For providing immediate relief to the account holders and in wider public interest, the financial institutions may not close the accounts by 31st August 2016 in respect of which self-certifications have not been obtained under the alternative procedure. The revised timelines for completing due diligence in respect of such accounts shall be notified in due course. It is further clarified that in the interim, the financial institutions should continue to work on completing the required due diligence, including obtaining self-certifications.' Copy of press release is enclosed. Participants are advised to take note of the above and ensure compliance.

Circular No.: NSDL/POLICY/ 2016/0076
Date: September 20, 2016

Subject: Multiple Nomination - Amendment to Bye Laws and Business Rules.

As all Participants are aware, SEBI has permitted introduction of the facility of multiple nominations (upto three nominees) in a demat account. Accordingly, the consequent amendments to the Bye Laws and Business Rules of NSDL are given below:

Sr. No.	Bye Laws		Annexures
1	Amendments to	Bye Laws 9.11.1, 9.11.2, 9.11.5, 9.11.6, 9.11.7 and 9.11.8	Amended Bye Laws are enclosed as Annexure A in the track change mode.

Sr. No.	Business Rules			Annexures
1	Addition of	Rules 12.6.3.2 and 12.6.3.8.		Amended / New Business Rules are enclosed at Annexure B in the track change mode.
2	Renumbering	***Existing Rule***	***Renumbered Rule***	
		12.6.3.2	12.6.3.3	
		12.6.3.3	12.6.3.4	
		12.6.3.4	12.6.3.5	
		12.6.3.5	12.6.3.6	
		12.6.3.6	12.6.3.7	
		12.6.3.7	12.6.3.9	
		12.6.3.8	12.6.3.10	
		12.6.3.9	12.6.3.11	
		12.6.3.10	12.6.3.12	
3	Amendments to	Rules 12.6.3.1, 12.6.3.4 (renumbered), 12.6.3.7 (renumbered), 12.6.3.9 (renumbered), 12.6.3.10 (renumbered) and 12.6.3.11 (renumbered).		
4		FORM 9		FORM 9 is enclosed in track change mode.
5		FORM 10		Amended FORM 10 is enclosed.

The amendments to the Bye Laws and Business Rules will be effective from a date to be notified separately. Further, the required changes to the DPM system are also being carried out and the release date of the feature will be intimated separately.

Participants are requested to take note of the above.

Annexure A

Amended Bye Law 9.11 in track change mode

9.11. TRANSMISSION OF SECURITIES IN THE CASE OF NOMINATION

9.11.1. In respect of every account, the Beneficial Owner(s) ("Nominating Person(s)") may nominate upto any three person(s), ("Nominee(s)") to whom hisshall receive the securities shall vest in the event of his death in the manner prescribed under the Business Rules from time to time.

9.11.2. The securities held in such account shall automatically be transferred in the name of the nominee(s), upon the death of the Nominating Person, or as the case may be, all the Nominating Persons subject to the other Bye Laws mentioned hereunder.

9.11.5. The Nominee(s) shall not be entitled to exercise any right conferred on Beneficial Owners under these Bye Laws, upon the death of the Nominating Person(s), unless the Nominee(s) follows the procedure prescribed in the Business Rules for being registered as the Beneficial Owner of the securities of the Nominating Person(s) in the books of the Depository.

9.11.6. AThe nominee(s) shall on the death of the Nominating Person(s), be entitled in order to elect register themhimselvesf to be registered as a Beneficial Owner(s), by delivering give a notice in writing to the ParticipantDepository, along with the certified true copy of the death certificate issued by the competent authority as prescribed under the Business Rules. Subject to scrutiny of such electiondocuments, the securities in the Account shall be transmitted to the account of the Nominee(s) held with any depository.

9.11.7. Notwithstanding anything contained in any other disposition and/ or nominations made by the Nominating Person(s) under any other law for the time being in force, for the purposes of dealing with the securities lying to the credit of deceased Nominating Person(s) in any manner, the ParticipantDepository shall rely upon the last nomination validly made prior to the demise of the Nominating Person(s). The ParticipantDepository shall not be liable for any action taken in reliance upon and on the basis of nomination validly made by the Nominating Person(s).

9.11.8. The Depository Participant shall, on receipt of notice or on obtaining intimation about the death of the Nominating Person(s), issue a notice requiring the person recorded as a Nominee(s) in its records to make an election to have the beneficial ownership of the relevant securities registered in the name of such Nominee(s). Further, the Depository Participant shall take such action including suspending any transaction in the account of the Nominating person(s) for debits, till such time the requirements of the notice are complied with.

Annexure B

Amended Rule 12.6.3 in track change mode.

12.6.3. TRANSMISSION OF SECURITIES IN CASE OF NOMINATION

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

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

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

a) it is submitted to the Participant by the rightful Client(s) or under his/their due authority.

b) it is in prescribed form (FORM 9/10)

c) it is duly signed by Client(s)

d) it is properly signed

e) signature of the Client(s) tally with the specimen signature records

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

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

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

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

	12.6.3.11. The provisions relating to FORM 30 shall apply mutatis mutandis to the process of transmission of securities to the Nominee(s).
	12.6.3.10. Before executing any request made under any of the forms in respect of nomination, the Participant shall ensure the completeness of the form and validity of the signature of the Client(s) and satisfy itself about identity of the nominee(s) mentioned in the documents.
	12.6.3.11. The provisions relating to FORM 30 shall apply mutatis mutandis to the process of transmission of securities to the Nominee(s).

FORM 9

PART I - KNOW YOUR CLIENT (KYC) APPLICATION FORM (For Individuals)

Name and address of intermediary (pre-printed)

Please fill this form in ENGLISH and in BLOCK LETTERS

A. IDENTITY DETAILS

Photograph
Please affix your recent passport size photograph
Signature Across hotograph

1	Name of the Applicant				
2	Father's / Husband's Name				
3	a) Gender	☐ Male ☐ Female	b) Marital status	☐ Single ☐ Married	a) Date of Birth D D M M Y Y Y Y
4	a) Nationality	☐ Indian ☐ Other (Please specify, _____)	a) Status	☐ Resident Individual ☐ Non Resident ☐ Foreign National	
5	a) PAN		a) Aadhaar Number, if any		
6	Specify the proof of identity submitted	☐ PAN card ☐ Any other (Please specify; _____)			

I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.

Signature of the Applicant	_____	**Date**	D D M M Y Y Y Y

B. ADDRESS DETAILS

1	Residence / Correspondence Address	Correspondence Address		Residence Address	
		_____			
		City/town/village		PIN Code	
		State		Country	

2	Specify the proof of address submitted for Residence / correspondence address				
3	Contact Details	Tel. (Off.)		Tel. (Res.)	
		Fax No.		Mobile No.	
		Email ID			
4	Permanent Address (*If different from above. Mandatory for Non-Resident Applicant to specify overseas address*)				
		City/town/village		PIN Code	
		State		Country	

C. DECLARATION

I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.

Signature of the Applicant	_____	**Date**	D D M M Y Y Y Y

FOR OFFICE USE ONLY

Sr. No.	Particulars		
1	Originals verified and Self-Attested Document copies received		
2	In-Person-Verification (IPV) details:		
	a)	Name of the person doing IPV	
	b)	Designation	
	c)	Name of Organization	
	d)	Signature	
	e)	Date	

Name & Signature of the Authorised Signatory _____	**Seal/Stamp of the intermediary**
Date	

DP LOGO DP NAME	FORM 10 FORM FOR NOMINATION/ CANCELLATION OF NOMINATION (*To be filled in by individual applying singly or jointly*)	NSDL Technology, Trust & Reach

Date									DP ID									Client ID								

I/We wish to make a nomination. [*As per details given below*]

I/We wish to cancel the nomination made by me / us earlier and consequently all rights and liabilities in respect of beneficiary ownership in the securities held by me / us in the said account shall vest in me/ us. [*Strike off the nomination details below*]

Nomination Details

I/We wish to make a nomination and do hereby nominate the following person(s) who shall receive all securities held in the Depository by me / us in the said beneficiary owner account in the event of my / our death.

Nomination can be made upto three nominees in the account.			**Details of 1st Nominee**	**Details of 2nd Nominee**	**Details of 3rd Nominee**
1	**Name of the nominee(s) (Mr./Ms.)**				
2	**Share of each Nominee**	Equally ☐ [If not equally, please specify percentage]	%	%	%
			Any odd lot after division shall be transferred to the first nominee mentioned in the form.		
3	**Relationship With the Applicant (If Any)**				
4	**Address of Nominee(s)**				
		PIN Code			
5	**Mobile/Telephone No. of nominee(s)**				
6	**Email ID of nominee(s)**				
7	**Nominee Identification details** -[Please tick any one of following and provide details of same] ☐ Photograph & Signature ☐ PAN ☐ Aadhaar ☐ Saving Bank account no. ☐ Proof of Identity ☐ Demat Account ID				
Sr. Nos. 8-14 should be filled only if nominee(s) is a minor:					
8	**Date of Birth {in case of minor nominee(s)}**				
9	**Name of Guardian (Mr./ Ms.) {in case of minor nominee(s) }**				
10	**Address of Guardian(s)**				
		PIN Code			
11	**Mobile/Telephone no. of Guardian**				
12	**Email ID of Guardian**				

13	**Relationship of Guardian with nominee**			
14	**Guardian Identification details -[**Please tick any one of following and provide details of same] ☐ Photograph & Signature ☐ PAN ☐ Aadhaar ☐ Saving Bank account no. ☐ Proof of Identity ☐ Demat Account ID			

Name(s) of holder(s)		**Signature(s) of holder**
Sole/ First Holder (Mr./Ms.)		X
Second Holder (Mr./Ms.)		X
Third Holder (Mr./Ms.)		X

Signature of Witness for Nomination

Name of the Witness	**Address**	**Signature of witness**								
		Date								

Notes:

1. The nomination can be made only by individuals holding beneficiary owner accounts on their own behalf singly or jointly. Non- individuals including society, trust, body corporate and partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the account is held jointly, all joint holders will sign the nomination form.
2. A minor can be nominated. In that event, the name and address of the Guardian of the minor nominee shall be provided by the beneficial owner.
3. The Nominee(s) shall not be a trust, society, body corporate, partnership firm, karta of Hindu Undivided Family or a power of Attorney holder. A non-resident Indian can be a Nominee, subject to the exchange controls in force, from time to time.
4. Nomination in respect of the beneficiary owner account stands rescinded upon closure of the beneficiary owner account. Similarly, the nomination in respect of the securities shall stand terminated upon transfer of the securities.
5. Transfer of securities in favour of a Nominee(s) shall be valid discharge by the depository and the Participant against the legal heir.
6. The cancellation of nomination can be made by individuals only holding beneficiary owner accounts on their own behalf singly or jointly by the same persons who made the original nomination. Non-individuals including society, trust, body corporate and partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot cancel the nomination. If the beneficiary owner account is held jointly, all joint holders will sign the cancellation form.
7. On cancellation of the nomination, the nomination shall stand rescinded and the depository shall not be under any obligation to transfer the securities in favour of the Nominee(s).
8. Nomination can be made upto three nominees in a demat account. In case of multiple nominees, the Client must specify the percentage of share for each nominee that shall total upto hundred percent. In the event of the beneficiary owner not indicating any percentage of allocation/share for each of the nominees, the default option shall be to settle the claims equally amongst all the nominees.

9. On request of Substitution of existing nominees by the beneficial owner, the earlier nomination shall stand rescinded. Hence, details of nominees as mentioned in the FORM 10 at the time of substitution will be considered. Therefore, please mention the complete details of all the nominees.
10. Copy of any proof of identity must be accompanied by original for verification or duly attested by any entity authorized for attesting the documents, as provided in Annexure D.
11. Savings bank account details shall only be considered if the account is maintained with the same participant.
12. DP ID and client ID shall be provided where demat details is required to be provided.

Circular No.: NSDL/POLICY/ 2016/0073 Date: August 19, 2016	Subject: Incentives to Participants towards opening and maintaining BSDA accounts for Financial Year 2015-16. Attention of Participants is invited to Circular No. NSDL/POLICY/2016/0047 dated April 18, 2016, wherein it was informed that in order to compensate the Participants towards the cost of opening and maintaining Basic Services Demat Accounts (BSDA), the incentives will be paid to the Participants for the financial years 2015-16 and 2016-17 in terms of SEBI Circular No. CIR/MRD/ DP/18/2015 dated December 9, 2015: 1. In respect of new BSDA opened during the financial year in a place other than the top 15 cities as given at Annexure (*of aforesaid SEBI Circular dated December 9, 2015*), Rs. 100 for every new BSDA will be paid if such BSDA has received atleast one credit of securities during the financial year. 2. In respect of all BSDA maintained by the Participant, Rs. 2 per folio per ISIN in respect of the ISIN positions held in BSDA. Accordingly, Participants are requested to note that **credit note** in respect of aforesaid incentive pertaining to **Financial Year 2015-16** are being separately issued to the Participants.
Circular No.: NSDL/POLICY/ 2016/0068 Date: July 29, 2016	***Subject: SEBI Circular on Operationalisation of Central KYC Records Registry (CKYCR).*** Attention of Participants is invited to SEBI Circular No. CIR/MIRSD/ 66 /2016 dated July 21, 2016 (*copy enclosed*) regarding operationalisation of Central KYC Records Registry (CKYCR). Participants are requested to take note of the same and ensure compliance. The amendments in Business ules pursuant to above SEBI circular will be notified separately. **CIRCULAR** CIR/MIRSD/ 66 /2016 July 21, 2016 1. All Recognized Stock Exchanges 2. Stock Brokers through Recognized Stock Exchanges 3. All recognised Depositories 4. Depository Participants through Depositories 5. Association of Mutual Funds in India 6. Mutual funds through AMFI 7. Portfolio Managers 8. KYC Registration Agencies (KRAs) 9. Alternative Investment Funds (AIFs) 10. Collective Investment Schemes (CIS) 11. Custodians 12. Investment Advisors Dear Sir/Madam, **Sub: Operationalisation of Central KYC Records Registry (CKYCR)** 1. Please refer to SEBI circulars no. CIR/MIRSD/16/2011 dated August 22,

2011,MIRSD/SE/Cir-21/2011 dated October 5, 2011 and CIR/MIRSD/13/2013 datedDecember 26, 2013 on uniform Know Your Client („KYC¤) norms, prescribing astandard account opening form (AOF). AOF has been divided in 2 parts - Part Icontains the basic KYC details of the investor used by all SEBI registeredintermediaries.

2. Government of India has authorized the Central Registry of Securitization andAsset Reconstruction and Security interest of India (CERSAI), set up under sub-section (1) of Section 20 of Securitisation and Reconstruction of Financial Assetsand Enforcement of Security Interest Act, 2002, to act as, and to perform thefunctions of, the Central KYC Records Registry under the PML Rules 2005,including receiving, storing, safeguarding and retrieving the KYC records in digitalform of a "client", as defined in clause (ha) sub-section (1) of Section 2 of thePrevention of Money Laundering Act, 2002 (Copy of the Gazette notification No.S.O. 3183(E) dated November 26, 2015 is attached as Annexure 1.
3. As per the 2015 amendment to PML (Maintenance of Records) Rules, 2005 (therules), every reporting entity shall capture the KYC information for sharing with theCentral KYC Records Registry in the manner mentioned in the Rules, as per theKYC template for 'individuals' finalised by CERSAI.
4. Accordingly, the KYC template finalised by CERSAI shall be used by the registeredintermediaries as Part I of AOF for individuals. The KYC template for "individuals" Securities and Exchange Board of India and the "Central KYC Registry Operating Guidelines 2016" for uploading KYC records on CKYCR finalised by CERSAI are enclosed herewith as Annexure 2 and Annexure 3 for your reference and necessary action. In this regard, it is clarified that the requirement for Permanent Account Number (PAN) would continue to be mandatory for completing the KYC process.
5. The 'live run' of the CKYCR has started with effect from July 15, 2016 in a phased manner beginning with new 'individual accounts'. Further, 'Test Environment' has also been made available by CERSAI for the use of the reporting entities.
6. In the first phase, the registered intermediaries shall upload the KYC data with CKYCR, in respect of all individual accounts opened on or after August 1, 2016, wherever KYC is required to be carried out as per the circulars issued by SEBI from time to time and accordingly, shall take steps to prepare their systems for uploading the KYC data.
7. For addressing any difficulty in uploading KYC records to CKYCR, CERSAI has operationalised a help desk. Contact details of the CKYCR Helpdesk:
   Phone: 022-61102592 (10 lines)
   Email: helpdesk@ckycindia.in
   The helpdesk support will be available Monday to Saturday from 8.00 am to 8.00 pm.
8. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of and to regulate the securities market.

Yours faithfully,
D Rajesh Kumar
Deputy General Manager
Email: rajeshkd@sebi.gov.in Encl:

Annexure 1 : Gazette Notification No. S.O. 3183(E) dated November 26, 2015

Annexure 2 : KYC template for "individuals" finalised by CERSAI

Annexure 3 : Central KYC Registry Operating Guidelines 2016

रजिस्ट्री सं० डी० एल०-33004/99 REGD. NO. D. L.-33004/99

भारत का राजपत्र
The Gazette of India

असाधारण
EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (ii)
PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित
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वित्त मंत्रालय

(वित्तीय सेवाएं विभाग)

अधिसूचना

नई दिल्ली, 26 नवम्बर, 2015

का.आ. 3183(अ).— धन शोधन रोधी (अभिलेखों का अनुरक्षण) नियमावली, 2005 (इसके पश्चात् जिसका उल्लेख उक्त नियमावली के रूप में किया गया है) के नियम 2 के उप-नियम (1) के खंड (क क) और नियम 9 क के साथ पठित धन शोधन रोधी अधिनियम, 2002 (2003 का 15) की धारा 73 की उप-धारा (2) के खण्ड (अ) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, केन्द्र सरकार एतद्द्वारा वित्तीय आस्तियों का प्रतिभूतिकरण एवं पुनर्गठन तथा प्रतिभूति हित का प्रवर्तन अधिनियम, 2002 (2002 का 54) की धारा 20 की उप-धारा (1) के अंतर्गत स्थापित भारतीय केन्द्रीय आस्ति प्रतिभूतिकरण पुनर्गठन और प्रतिभूति हित रजिस्ट्री (सीईआरएसएआई) को उक्त नियमावली के अंतर्गत धन शोधन रोधी अधिनियम, 2002 की धारा 2 की उप-धारा (1) के खंड (ज क) में यथा परिभाषित "ग्राहक" के केवाईसी अभिलेखों को डिजिटल फॉर्म में प्राप्त करने, संग्रहीत करने, सुरक्षित रखने तथा पुनः प्राप्त करने का कार्य करने के साथ-साथ केन्द्रीय केवाईसी अभिलेख रजिस्ट्री के रूप में कार्य करने के लिए प्राधिकृत करती है।

2. यह अधिसूचना सरकारी राजपत्र में इसके प्रकाशन की तारीख से लागू होगी।

[फा. सं. 07/03/2012-बीओ.II]
डॉ. शशांक सक्सेना, आर्थिक सलाहकार

CENTRAL KYC REGISTRY | Know Your Customer (KYC) Application Form | Individual

Important Instructions:

A) Fields marked with '*' are mandatory fields.
B) Please fill the form in English and in BLOCK letters.
C) Please fill the date in DD-MM-YYYY format.
D) Please read section wise detailed guidelines / instructions at the end.
E) List of State / U.T code as per Indian Motor Vehicle Act, 1988 is available at the end.
F) List of two character ISO 3166 country codes is available at the end.
G) KYC number of applicant is mandatory for update application.
H) For particular section update, please tick (✓) in the box available before the section number and strike off the sections not required to be updated.

For office use only
(To be filled by financial institution)

Application Type* ☐ New ☐ Update
KYC Number *(Mandatory for KYC update request)*
Account Type* ☐ Normal ☐ Simplified (for low risk customers) ☐ Small

☐ 1. PERSONAL DETAILS (Please refer instruction **A** at the end)

	Prefix	First Name	Middle Name	Last Name
☐ Name* (Same as ID proof)				
Maiden Name (If any*)				
Father / Spouse Name*				
Mother Name*				

Date of Birth* D D – M M – Y Y Y Y

Gender* ☐ M- Male ☐ F- Female ☐ T-Transgender

Marital Status* ☐ Married ☐ Unmarried ☐ Others

Citizenship* ☐ IN- Indian ☐ Others (ISO 3166 Country Code)

Residential Status* ☐ Resident Individual ☐ Non Resident Indian ☐ Foreign National ☐ Person of Indian Origin

Occupation Type* ☐ S-Service (☐ Private Sector ☐ Public Sector ☐ Government Sector) ☐ O-Others (☐ Professional ☐ Self Employed ☐ Retired ☐ Housewife ☐ Student) ☐ B-Business ☐ X- Not Categorised

PHOTO

Signature / Thumb Impression

☐ 2. TICK IF APPLICABLE ☐ RESIDENCE FOR TAX PURPOSES IN JURISDICTION(S) OUTSIDE INDIA (Please refer instruction **B** at the end)

ADDITIONAL DETAILS REQUIRED* (Mandatory only if section 2 is ticked)

ISO 3166 Country Code of Jurisdiction of Residence*

Tax Identification Number or equivalent (If issued by jurisdiction)*

Place / City of Birth* ISO 3166 Country Code of Birth*

☐ 3. PROOF OF IDENTITY (PoI)* (Please refer instruction **C** at the end)

(Certified copy of <u>any one</u> of the following Proof of Identity[PoI] needs to be submitted)

☐ A- Passport Number Passport Expiry Date D D – M M – Y Y Y Y
☐ B- Voter ID Card
☐ C- PAN Card
☐ D- Driving Licence Driving Licence Expiry Date D D – M M – Y Y Y Y
☐ E- UID (Aadhaar)
☐ F- NREGA Job Card
☐ Z- Others (any document notified by the central government) Identification Number
☐ S- Simplified Measures Account - Document Type code Identification Number

4. PROOF OF ADDRESS (PoA)*

☐ 4.1 CURRENT / PERMANENT / OVERSEAS ADDRESS DETAILS (Please see instruction **D** at the end)

(Certified copy of <u>any one</u> of the following Proof of Address [PoA] needs to be submitted)

Address Type* ☐ Residential / Business ☐ Residential ☐ Business ☐ Registered Office ☐ Unspecified

Proof of Address* ☐ Passport ☐ Driving Licence ☐ UID (Aadhaar) ☐ Voter Identity Card ☐ NREGA Job Card ☐ Others please specify ☐ Simplified Measures Account - Document Type code

Address

Line 1*
Line 2
Line 3 City / Town / Village*
District* Pin / Post Code* State / U.T Code* ISO 3166 Country Code*

☐ 4.2 CORRESPONDENCE / LOCAL ADDRESS DETAILS * (Please see instruction **E** at the end)

☐ Same as Current / Permanent / Overseas Address details (In case of multiple correspondence / local addresses, please fill '**Annexure A1**')

Line 1*

Line 2

Line 3 City / Town / Village*

District* Pin / Post Code* State / U.T Code* ISO 3166 Country Code*

☐ 4.3 ADDRESS IN THE JURISDICTION DETAILS WHERE APPLICANT IS RESIDENT OUTSIDE INDIA FOR TAX PURPOSES* (Applicable if section 2 is ticked)

☐ Same as Current / Permanent / Overseas Address details ☐ Same as Correspondence / Local Address details

Line 1*

Line 2

Line 3 City / Town / Village*

State* ZIP / Post Code* ISO 3166 Country Code*

☐ 5. CONTACT DETAILS (All communications will be sent on provided Mobile no. / Email-ID) (Please refer instruction **F** at the end)

Tel. (Off) — Tel. (Res) — Mobile —

FAX — Email ID

☐ 6. DETAILS OF RELATED PERSON (In case of additional related persons, please fill 'Annexure B1') (please refer instruction **G** at the end)

☐ Addition of Related Person ☐ Deletion of Related Person KYC Number of Related Person (if available*)

Related Person Type* ☐ Guardian of Minor ☐ Assignee ☐ Authorized Representative

Name* Prefix First Name Middle Name Last Name

(If KYC number and name are provided, below details of section 6 are optional)

PROOF OF IDENTITY [PoI] OF RELATED PERSON* (Please see instruction (**H**) at the end)

☐ A- Passport Number Passport Expiry Date D D — M M — Y Y Y Y

☐ B- Voter ID Card

☐ C- PAN Card

☐ D- Driving Licence Driving Licence Expiry Date D D — M M — Y Y Y Y

☐ E- UID (Aadhaar)

☐ F- NREGA Job Card

☐ Z- Others (any document notified by the central government) Identification Number

☐ S- Simplified Measures Account - Document Type code Identification Number

☐ 7. REMARKS (If any)

8. APPLICANT DECLARATION

- I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.
- I hereby consent to receiving information from Central KYC Registry through SMS/Email on the above registered number/email address.

Date : D D — M M — Y Y Y Y Place :

[Signature / Thumb Impression]

Signature / Thumb Impression of Applicant

9. ATTESTATION / FOR OFFICE USE ONLY

Documents Received ☐ Certified Copies

KYC VERIFICATION CARRIED OUT BY

Date D D — M M — Y Y Y Y

Emp. Name

Emp. Code

Emp. Designation

Emp. Branch

[Employee Signature]

INSTITUTION DETAILS

Name

Code

[Institution Stamp]

CENTRAL KYC REGISTRY | Instructions / Check list / Guidelines for filling Individual KYC Application Form

General Instructions:

1 Fields marked with '*' are mandatory fields.
2 Tick '✓' wherever applicable.
3 Self-Certification of documents is mandatory.
4 Please fill the form in English and in BLOCK Letters.
5 Please fill all dates in DD-MM-YYYY format.
6 Wherever state code and country code is to be furnished, the same should be the two-digit code as per Indian Motor Vehicle, 1988 and ISO 3166 country code respectively list of which is available at the end.
7 KYC number of applicant is mandatory for updation of KYC details.
8 For particular section update, please tick (✓) in the box available before the section number and strike off the sections not required to be updated.
9 In case of 'Small Account type' only personal details at section number 1 and 2, photograph, signature and self-certification required.

A Clarification / Guidelines on filling 'Personal Details' section

1 **Name**: Please state the name with Prefix (Mr/Mrs/Ms/Dr/etc.). The name should match the name as mentioned in the Proof of Identity submitted failing which the application is liable to be rejected.
2 Either **father's name or spouse's** name is to be mandatorily furnished. In case PAN is not available father's name is mandatory.

B Clarification / Guidelines on filling details if applicant residence for tax purposes in jurisdiction(s) outside India

1 **Tax identification Number (TIN):** TIN need not be reported if it has not been issued by the jurisdiction. However, if the said jurisdiction has issued a high integrity number with an equivalent level of identification (a "Functional equivalent"), the same may be reported. Examples of that type of number for individual include, a social security/insurance number, citizen/personal identification/services code/number, and resident registration number)

C Clarification / Guidelines on filling 'Proof of Identity [PoI]' section

1 If driving license number or passport is provided as proof of identity then expiry date is to be mandatorily furnished.
2 Mention identification / reference number if 'Z- Others (any document notified by the central government)' is ticked.
3 In case of Simplified Measures Accounts for verifying the identity of the applicant, any one of the following documents can also be submitted and undernoted relevant code may be mentioned in point 3 (S).

Document Code	Description
01	Identity card with applicant's photograph issued by Central/ State Government Departments, Statutory/ Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, and Public Financial Institutions.
02	Letter issued by a gazetted officer, with a duly attested photograph of the person.

D Clarification / Guidelines on filling 'Proof of Address [PoA] - Current / Permanent / Overseas Address details' section

1 PoA to be submitted only if the submitted PoI does not have an address or address as per PoI is invalid or not in force.
2 State / U.T Code and Pin / Post Code will not be mandatory for Overseas addresses.
3 In case of Simplified Measures Accounts for verifying the address of the applicant, any one of the following documents can also be submitted and undernoted relevant code may be mentioned in point 4.1.

Document Code	Description
01	Utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill).
02	Property or Municipal Tax receipt.
03	Bank account or Post Office savings bank account statement.
04	Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address.
05	Letter of allotment of accommodation from employer issued by State or Central Government departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies. Similarly, leave and license agreements with such employers allotting official accommodation.
06	Documents issued by Government departments of foreign jurisdictions and letter issued by Foreign Embassy or Mission in India.

E Clarification / Guidelines on filling 'Proof of Address [PoA] - Correspondence / Local Address details' section

1 To be filled only in case the PoA is not the local address or address where the customer is currently residing. No separate PoA is required to be submitted.
2 In case of multiple correspondence / local addresses, Please fill **'Annexure A1'**

F Clarification / Guidelines on filling 'Contact details' section

1 Please mention two- digit country code and 10 digit mobile number (e.g. for Indian mobile number mention 91-9999999999).
2 Do not add '0' in the beginning of Mobile number.

G Clarification / Guidelines on filling 'Related Person details' section

1 Provide KYC number of related person if available.

List of two – digit state / U.T codes as per Indian Motor Vehicle Act, 1988

State / U.T	Code	State / U.T	Code	State / U.T	Code
Andaman & Nicobar	AN	Himachal Pradesh	HP	Pondicherry	PY
Andhra Pradesh	AP	Jammu & Kashmir	JK	Punjab	PB
Arunachal Pradesh	AR	Jharkhand	JH	Rajasthan	RJ
Assam	AS	Karnataka	KA	Sikkim	SK
Bihar	BR	Kerala	KL	Tamil Nadu	TN
Chandigarh	CH	Lakshadweep	LD	Telangana	TS
Chattisgarh	CG	Madhya Pradesh	MP	Tripura	TR
Dadra and Nagar Haveli	DN	Maharashtra	MH	Uttar Pradesh	UP
Daman & Diu	DD	Manipur	MN	Uttarakhand	UA
Delhi	DL	Meghalaya	ML	West Bengal	WB
Goa	GA	Mizoram	MZ	Other	XX
Gujarat	GJ	Nagaland	NL		
Haryana	HR	Orissa	OR		

List of ISO 3166 two- digit Country Code

Country	Country Code	Country	Country Code	Country	Country Code	Country	Country Code
Afghanistan	AF	Dominican Republic	DO	Libya	LY	Saint Pierre and Miquelon	PM
Aland Islands	AX	Ecuador	EC	Liechtenstein	LI	Saint Vincent and the Grenadines	VC
Albania	AL	Egypt	EG	Lithuania	LT	Samoa	WS
Algeria	DZ	El Salvador	SV	Luxembourg	LU	San Marino	SM
American Samoa	AS	Equatorial Guinea	GQ	Macao	MO	Sao Tome and Principe	ST
Andorra	AD	Eritrea	ER	Macedonia, the former Yugoslav Republic of	MK	Saudi Arabia	SA
Angola	AO	Estonia	EE	Madagascar	MG	Senegal	SN
Anguilla	AI	Ethiopia	ET	Malawi	MW	Serbia	RS
Antarctica	AQ	Falkland Islands (Malvinas)	FK	Malaysia	MY	Seychelles	SC
Antigua and Barbuda	AG	Faroe Islands	FO	Maldives	MV	Sierra Leone	SL
Argentina	AR	Fiji	FJ	Mali	ML	Singapore	SG
Armenia	AM	Finland	FI	Malta	MT	Sint Maarten (Dutch part)	SX
Aruba	AW	France	FR	Marshall Islands	MH	Slovakia	SK
Australia	AU	French Guiana	GF	Martinique	MQ	Slovenia	SI
Austria	AT	French Polynesia	PF	Mauritania	MR	Solomon Islands	SB
Azerbaijan	AZ	French Southern Territories	TF	Mauritius	MU	Somalia	SO
Bahamas	BS	Gabon	GA	Mayotte	YT	South Africa	ZA
Bahrain	BH	Gambia	GM	Mexico	MX	South Georgia and the South Sandwich Islands	GS
Bangladesh	BD	Georgia	GE	Micronesia, Federated States of	FM	South Sudan	SS
Barbados	BB	Germany	DE	Moldova, Republic of	MD	Spain	ES
Belarus	BY	Ghana	GH	Monaco	MC	Sri Lanka	LK
Belgium	BE	Gibraltar	GI	Mongolia	MN	Sudan	SD
Belize	BZ	Greece	GR	Montenegro	ME	Suriname	SR
Benin	BJ	Greenland	GL	Montserrat	MS	Svalbard and Jan Mayen	SJ
Bermuda	BM	Grenada	GD	Morocco	MA	Swaziland	SZ
Bhutan	BT	Guadeloupe	GP	Mozambique	MZ	Sweden	SE
Bolivia, Plurinational State of	BO	Guam	GU	Myanmar	MM	Switzerland	CH
Bonaire, Sint Eustatius and Saba	BQ	Guatemala	GT	Namibia	NA	Syrian Arab Republic	SY
Bosnia and Herzegovina	BA	Guernsey	GG	Nauru	NR	Taiwan, Province of China	TW
Botswana	BW	Guinea	GN	Nepal	NP	Tajikistan	TJ
Bouvet Island	BV	Guinea-Bissau	GW	Netherlands	NL	Tanzania, United Republic of	TZ
Brazil	BR	Guyana	GY	New Caledonia	NC	Thailand	TH
British Indian Ocean Territory	IO	Haiti	HT	New Zealand	NZ	Timor-Leste	TL
Brunei Darussalam	BN	Heard Island and McDonald Islands	HM	Nicaragua	NI	Togo	TG
Bulgaria	BG	Holy See (Vatican City State)	VA	Niger	NE	Tokelau	TK
Burkina Faso	BF	Honduras	HN	Nigeria	NG	Tonga	TO
Burundi	BI	Hong Kong	HK	Niue	NU	Trinidad and Tobago	TT
Cabo Verde	CV	Hungary	HU	Norfolk Island	NF	Tunisia	TN
Cambodia	KH	Iceland	IS	Northern Mariana Islands	MP	Turkey	TR
Cameroon	CM	India	IN	Norway	NO	Turkmenistan	TM
Canada	CA	Indonesia	ID	Oman	OM	Turks and Caicos Islands	TC
Cayman Islands	KY	Iran, Islamic Republic of	IR	Pakistan	PK	Tuvalu	TV
Central African Republic	CF	Iraq	IQ	Palau	PW	Uganda	UG
Chad	TD	Ireland	IE	Palestine, State of	PS	Ukraine	UA
Chile	CL	Isle of Man	IM	Panama	PA	United Arab Emirates	AE
China	CN	Israel	IL	Papua New Guinea	PG	United Kingdom	GB
Christmas Island	CX	Italy	IT	Paraguay	PY	United States	US
Cocos (Keeling) Islands	CC	Jamaica	JM	Peru	PE	United States Minor Outlying Islands	UM
Colombia	CO	Japan	JP	Philippines	PH	Uruguay	UY
Comoros	KM	Jersey	JE	Pitcairn	PN	Uzbekistan	UZ
Congo	CG	Jordan	JO	Poland	PL	Vanuatu	VU
Congo, the Democratic Republic of the	CD	Kazakhstan	KZ	Portugal	PT	Venezuela, Bolivarian Republic of	VE
Cook Islands	CK	Kenya	KE	Puerto Rico	PR	Viet Nam	VN
Costa Rica	CR	Kiribati	KI	Qatar	QA	Virgin Islands, British	VG
Cote d'Ivoire !Côte d'Ivoire	CI	Korea, Democratic People's Republic of	KP	Reunion !Réunion	RE	Virgin Islands, U.S.	VI
Croatia	HR	Korea, Republic of	KR	Romania	RO	Wallis and Futuna	WF
Cuba	CU	Kuwait	KW	Russian Federation	RU	Western Sahara	EH
Curacao !Curaçao	CW	Kyrgyzstan	KG	Rwanda	RW	Yemen	YE
Cyprus	CY	Lao People's Democratic Republic	LA	Saint Barthelemy !Saint Barthélemy	BL	Zambia	ZM
Czech Republic	CZ	Latvia	LV	Saint Helena, Ascension and Tristan da Cunha	SH	Zimbabwe	ZW
Denmark	DK	Lebanon	LB	Saint Kitts and Nevis	KN		
Djibouti	DJ	Lesotho	LS	Saint Lucia	LC		
Dominica	DM	Liberia	LR	Saint Martin (French part)	MF		

Annexure A1

CENTRAL KYC REGISTRY | Know Your Customer (KYC) Application Form | Individual | Correspondence / Local Address

Important Instructions:

A) Fields marked with '*' are mandatory fields.

B) Please fill the form in English and in BLOCK letters.

C) Please fill the date in DD-MM-YYYY format.

D) Please read section wise detailed guidelines / instructions at the end.

E) List of State / U.T code as per Indian Motor Vehicle Act, 1988 is available at the end.

F) List of two character ISO 3166 country codes is available at the end.

G) KYC number of applicant is mandatory for update application.

H) For particular section update, please tick (✓) in the box available before the section number and strike off the sections not required to be updated.

For office use only
(To be filled by financial institution)

Application Type* ☐ New ☐ Update

KYC Number *(Mandatory for KYC update request)*

☐ 1. CORRESPONDENCE / LOCAL ADDRESS DETAILS (Please see instruction **E** at the end)

☐ Same as Current / Permanent / Overseas Address details

Line 1*

Line 2

Line 3 City / Town / Village*

District* Pin / Post Code* State / U.T Code* ISO 3166 Country Code*

☐ 2. CONTACT DETAILS (All communications will be sent on provided Mobile no./ Email-ID) (Please refer instruction **F** at the end)

Tel. (Off) — Tel. (Res) — Mobile —

FAX — Email ID

3. APPLICANT DECLARATION

- I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.

[Signature / Thumb Impression]

Signature / Thumb Impression of Applicant

Date : D D — M M — Y Y Y Y Place :

Annexure B1

CENTRAL KYC REGISTRY | Know Your Customer (KYC) Application Form | Individual | Related Person

Important Instructions:

A) Fields marked with '*' are mandatory fields.
B) Please fill the form in English and in BLOCK letters.
C) Please fill the date in DD-MM-YYYY format.
D) Please read section wise detailed guidelines / instructions at the end.
E) List of State / U.T code as per Indian Motor Vehicle Act, 1988 is available at the end.
F) List of two character ISO 3166 country codes is available at the end.
G) KYC number of applicant is mandatory for update application.
H) For particular section update, please tick (✓) in the box available before the section number and strike of the sections not required to be updated.

For office use only
(To be filled by financial institution)

Application Type* ☐ New ☐ Update

KYC Number *(Mandatory for KYC update request)*

☐ 1. DETAILS OF RELATED PERSON (Please refer instruction G at the end)

☐ Addition of Related Person ☐ Deletion of Related Person KYC Number of Related Person (if available*)

Related Person Type* ☐ Guardian of Minor ☐ Assignee ☐ Authorized Representative

Name* Prefix First Name Middle Name Last Name

(If KYC number and name are provided, below details of section 1 are optional)

PROOF OF IDENTITY (PoI) OF RELATED PERSON* (Please see instruction (**H**) at the end)

☐ A- Passport Number Passport Expiry Date D D – M M – Y Y Y Y
☐ B- Voter ID Card
☐ C- PAN Card
☐ D- Driving Licence Driving Licence Expiry Date D D – M M – Y Y Y Y
☐ E- UID (Aadhaar)
☐ F- NREGA Job Card
☐ Z- Others (any document notified by the central government) Identification Number
☐ S- Simplified Measures Account - Document Type code Identification Number

2. APPLICANT DECLARATION

- I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.

[Signature / Thumb Impression]

Signature / Thumb Impression of Applicant

Date : D D – M M – Y Y Y Y Place :

3. ATTESTATION / FOR OFFICE USE ONLY

Documents Received ☐ Certified Copies

KYC VERIFICATION CARRIED OUT BY		INSTITUTION DETAILS	
Date	D D – M M – Y Y Y Y	Name	
Emp. Name		Code	
Emp. Code			
Emp. Designation			
Emp. Branch			
[Employee Signature]		[Institution Stamp]	

CENTRAL REGISTRY OF SECURITISATION ASSET RECONSTRUCTION AND SECURITY INTEREST OF INDIA (CERSAI)

CENTRAL KYC REGISTRY OPERATING GUIDELINES 2016

Version 1.1 2

CENTRAL KYC REGISTRY OPERATING GUIDELINES 2016

The Government of India vide their Notification dated November 26, 2015 authorised the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), set up under sub-section (1) of Section 20 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002), to act as and to perform the functions of the Central KYC Records Registry under the said rules, including receiving, storing, safeguarding and retrieving the KYC records in digital form of a "client", as defined in clause (ha) of sub-section (1) of Section 2 of the Prevention of Money-Laundering Act, 2002. The Central Government have also amended the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 vide Notification dated 7th July, 2015 for the purpose of establishment of Central KYC Registry. As per Prevention of Money-laundering (Maintenance of Records) Amendment Rules, 2015, Rule 9 (1A), every reporting entity shall within three days after the commencement of an account-based relationship with a client, file the electronic copy of the client¤s KYC records with the Central KYC Registry.

The Operating Guidelines in the regard are as under:

I. Definitions

In these guidelines, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below –

a) "Act" means the Prevention of Money Laundering Act, 2002.

b) "Rules" means Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

c) "Central KYC Records Registry" (CKYCR) means an entity defined under 2(1) (aa) of the Rules.

d) "Reporting Entity" means an entity defined under sub-section (wa) of section 2 of the Act.

e) "Customer" means a client as defined under sub-section (ha) of sub-section 2 of the Act.

f) "KYC" means the due diligence procedure prescribed by the regulator for identifying and verifying the proof of address, proof of identity and compliance with rules, regulations, guidelines and circulars issued by the regulator or any other statutory authority under the Act from time to time.

g) "KYC identifier" means a unique identifier for the customer generated by the Central KYC Registry and notified to the reporting entities.

h) "Operating Guidelines" means operating instructions made by the Central KYC Registry in co-ordination with the regulator/s.

All other words and expressions used but not defined in these guidelines shall have the same meaning as have been assigned to them under the Act or the Prevention of Money laundering (Maintenance of Records) Rules, 2005 or any statutory modification or re-enactment thereto, as the case may be.

II. Functions and Obligations of Central KYC Registry

The Central KYC Registry shall have the following functions and obligations:

a) Shall have a secure electronic connectivity with the registered reporting entities. The web address of Central KYC Registry portal is **https://www.ckycindia.in**

b) Shall have a secure data transmission link with the ID issuing authorities wherever feasible and use such electronic data, as permitted, and preserve it with the Central KYC Registry.

c) Shall be responsible for electronically (i) storing (ii) safeguarding and (iii) retrieving the Know Your Customer (KYC) records and making such records available online to reporting entities or Director.

d) Information updated about a customer shall be disseminated on request by Central KYC Registry to any reporting entity that avail the services of the Central KYC Registry in respect of the customer.

e) The services of the Central KYC Registry will be available on payment of prescribed fee, in advance.

f) Shall process the KYC records received from a reporting entity for de-duplication and issue a unique KYC Identifier for each client to the reporting entity.

g) Ensure that the integrity of the electronic systems for records is maintained and accessible at all material times.

h) Take all precautions necessary to ensure that the electronic Know Your Customer (KYC) records are not lost, destroyed or tampered with and that sufficient back up of electronic records is available at all times at a different place.

i) Take all reasonable measures to prevent unauthorized access to its KYC database.

III. Functions and obligations of the reporting entity

The reporting entity shall have the following functions and obligations:

a) Reporting entities shall be required to register with the Central KYC Registry in accordance with the processes and instructions issued.

b) While commencing an account based relationship, reporting entity shall verify the identity of the customer and perform the initial due diligence of the customer.

c) Where a customer submits a KYC Identifier to a reporting entity, then such reporting entity shall download the KYC records from the Central KYC Registry by using the KYC Identifier and shall not require a customer to submit the documents again unless

   i) There is a change in the information of the customer as existing in the records of Central KYC Registry.

   ii) The current address of the client is required to be verified.

   iii) The reporting entity considers it necessary in order to verify the identity or address of the client, or to perform enhanced due diligence or to build an appropriate risk profile of the client.

d) The reporting entity shall not use the KYC data of a customer obtained from the Central KYC Registry for purposes other than verifying the identify or address of the client and shall not transfer KYC records or any information contained therein to any third party unless authorised to do so by the client or by the Regulator or by the Director.

e) The reporting entity which performed the last KYC verification or sent updated information in respect of a client shall be responsible for verifying the authenticity of the identity or address of the client.

The prescribed fee is payable by the reporting entity for each type of transaction and Central KYC Registry will collect such fees from the reporting entities, in advance.

IV. Operating Guidelines to the Reporting Entities

a) Central KYC Registry application can be accessed by registered/authorised institutions or other notified institutions under the Prevention of Money Laundering Act or rules framed by the Government of India or any Regulator (RBI, SEBI, IRDA and PFRDA) thereunder.

b) Every reporting entity has to register itself on the Central KYC Registry portal (**https://www.ckycindia.in**)with 2 Primary Users who in turn can create more users (makers and checkers).

A. Registration

Registration process entails the following: 6

i. Entry of the requisite details on the registration screen by the Nodal Officer/Authorised Signatory of the reporting entity and online submission of the same.

ii. Upon submission, reference ID will be generated and an email shall be sent to Nodal Officer/ Authorised Signatory¤s registered email ID. Reporting entity can check the current registration status on the CKYC Portal by the reference number generated.

iii. Duly signed form along with following supporting documents shall be sent to Central KYC Registry:

- Duly Signed institution registration form
- Regulator License/Certificate/Notification
- PAN Card of the entity
- Corporate Identification Number (in case regulator issues multiple licenses to an entity)
- Registration Certificate (In case of Co-operative Banks/societies)
- Authorization letter by Competent Authority for Admin users
- Certified copy of photo identity card of the Admin users issued by the institution
- Certified copy of the proof of the identity of the Admin users

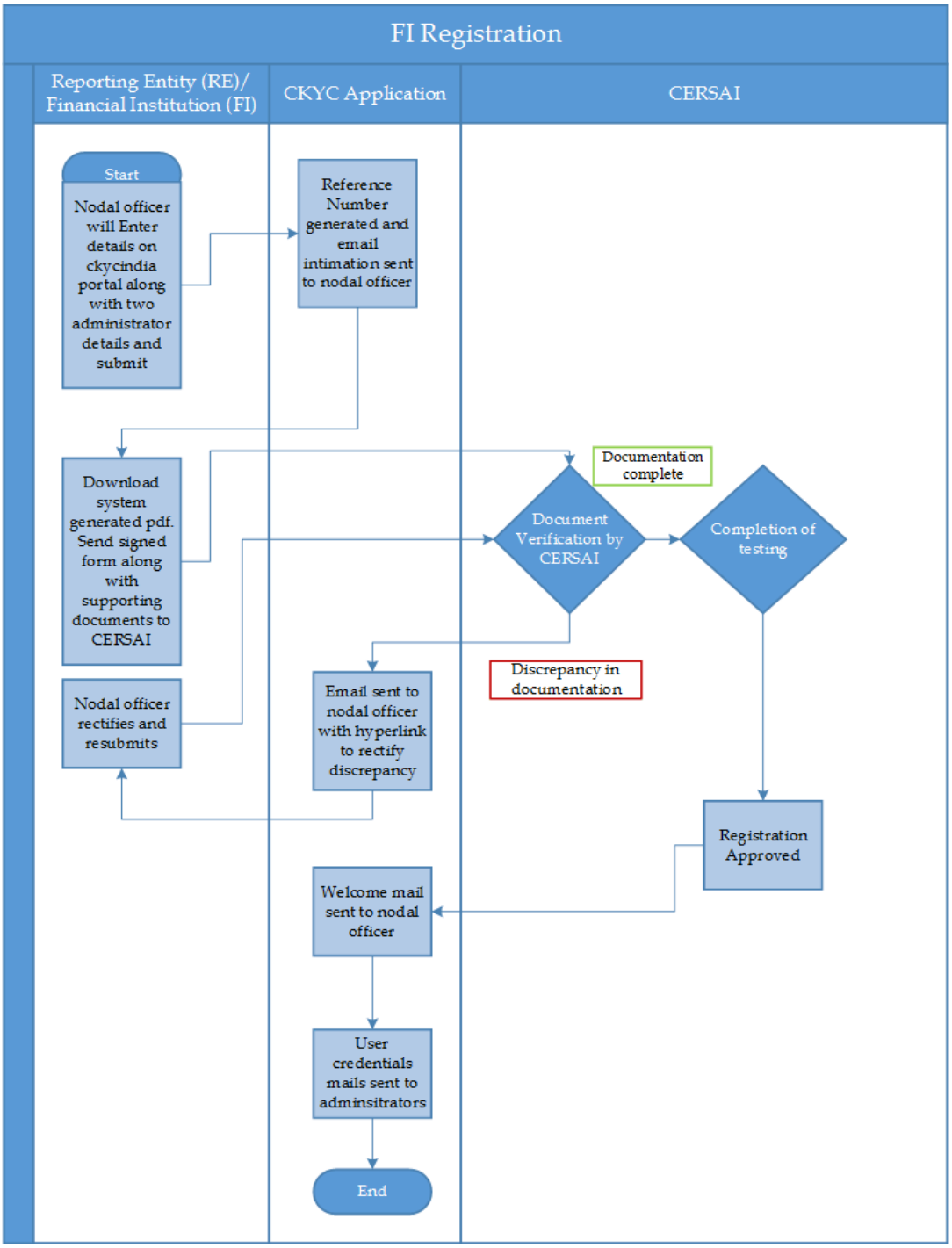
After verification of the documents, Central KYC Registry¤s administrator will authorize the request for registration of entity.

i. In case of discrepancies, Registry¤s administrator shall put the request on hold till the discrepancies are rectified.

ii. Upon successful registration, user credentials will be emailed to the Admin and Co-Admin users.

User ID and a link for generation of password will be provided to the users on their registered email. For password generation, the reporting entity admin user will be required to click on the link provided in e-mail. The link will redirect the user to the screen for password generation / reset where the user has to enter the registered mobile number. Upon authentication of the mobile number, an OTP will be sent to the user via SMS which needs to be entered on the screen and then the user may reset the password.

The process flow for Financial institution registration has been illustrated below:



Access hierarchy:

The Admin / Co-admin users of the institutions may create Maker/Checker users as per their institution¤s requirement. There are three levels of users:

- Institution
  - Admin
  - User
- Region
  - Admin
  - User
- Branch
  - Admin
  - User

All activities e.g. creation/deactivation of users, creation/updation of KYC records, fee payments etc. require Maker-Checker process.

Digital Signature:

a) Every reporting entity can have access to the CKYCR portal through digital signature.

b) Digital signature is validated each time.

c) Type of Digital Signature required is Class II or Class III

SFTP Access:

SFTP access is provided to Reporting entities to upload/download files over a secure connection.

B. Upload of KYC Record

a) The data captured as per the common KYC template is to be uploaded on the Central KYC portal along with the scanned copy of the supporting documents (PoI/PoA). For an individual record, the signature and photograph is to be cropped separately and uploaded.

b) The specifications for scanning the supporting documents and photograph are stated below:

i. Document should be scanned in grey-scale with a scanning resolution of 150-200 DPI.

a. Photograph must be a recent passport size, preferably in colour. However, scanning has to be in colour mode.

b. Dimensions 200 x 230 pixels

c. Size of photograph should be between 20kb-50kb

ii. Acceptable file format : '.tif', '.tiff', '.pdf', '.jpeg', '.jpg'

iii. File Size (Maximum Limit): 350 kb for individual KYC record.

c) The reporting entity can bulk upload the KYC details and scanned images. Images for each record will be required to be zipped separately. The master zip file will be digitally signed by the reporting entity.

d) Bulk files can be uploaded either at the branch, region or institution level.

e) The entity should ensure adequate internet bandwidth for bulk upload. Bulk upload is provided via SFTP. For bulk upload of size less than 20 MB the Central KYC front-end application may also be used. Based on validations, a response file will be generated. This file will contain the success records, error records and download records. The response file is available for download from the Central KYC application.

C. Search and Download of KYC record

a) Reporting entity can search for the record by entering CKYC identifier or by entering a valid ID type and number.

b) Reporting entity can download single / bulk records by entering CKYC identifier and an authentication factor (viz. date of birth / date of incorporation).

D. Update of KYC record

In case of change of existing information of a customer (including minor turning major) in the records of Central KYC Registry, a reporting entity will initiate an update request.

a) The updated data along with the scanned copy of the supporting document, where required, will be uploaded on the Central KYC Registry portal.

b) In order to initiate an updation request, the reporting entity will need to have the latest KYC record of the customer.

c) On updation of a KYC record at the Central KYC Registry, all linked entities (institutions that have either uploaded or downloaded the KYC record for that particular KYC record), will receive an electronic update notification of KYC record. The entities can download the last updated record of the customer.

E. Multiple correspondence addresses:

Central KYC Registry will enable linkage of multiple correspondence addresses.

An individual can fill Annexure-A1 for multiple addresses and submit the details to the reporting entity which in turn will initiate the update request on the Central KYC application.

F. Processing of Records at Central KYC Registry

De-duplication: The KYC data uploaded on the Central KYC Registry will go through de-duplication process on the basis of the demographics (i.e. customer name, maiden name, gender, date of birth, mother¤s name, father/spouse name, addresses, mobile number, email id etc.) and identity details submitted. The de-dupe process uses normaliser algorithm and custom Indian language phonetics.

i. Where an exact match exists for the KYC data uploaded, the reporting entity will be provided with the KYC identifier for downloading the KYC record.

ii. Where a probable match exists for the KYC data uploaded, the record will be flagged for reconciliation by the reporting entity.

Reconciliation of Probable match:

a) Central KYC Registry will provide the probable match cases to the reporting entities for reconciliation and resolution.

b) Where the reporting entity confirms the KYC record as an exact match, it will need to download the existing KYC record of the customer.

c) Where the reporting entity confirms the KYC record as a „no match¤, it shall be forwarded for processing and a unique KYC identifier will be generated for the record.

d) The reporting entity will have to resolve the probable matches within 5 working days, beyond which the record will be withdrawn by the Central KYC Registry. However, the same can be uploaded as a new record, if „no match¤ is found.

ID Match:

The identity detail will be matched by the Central KYC Registry with the ID issuing authority wherever feasible and mechanism is established. Where the ID is not confirmed by the ID issuing authority or the name does not match with the records therein, the record will not be accepted by the Registry and sent back to the reporting entity for verification and uploading again with the updated details.

We may further advise that the ID match wherever feasible with source authority or the de-duplication process by CKYCR Registry does not substitute the statutory/ regulatory obligations to be fulfilled by reporting entities under the respective statutory provisions/regulatory guidelines.

reporting entity.

H. Fees

a) Reporting entities can avail services of Central KYC registry on payment of prescribed fee, in advance.

b) For every service availed, the requisite amount will be deducted from the advance payment made.

until the balance is replenished.

c) To make the advance payment, the reporting entity will be required to generate the proforma invoice through the Central KYC application. The reporting entity is required to make an advance

invoice reference number as the remark.

the tax deducted at source (TDS), the reporting entity is required to submit a copy of the TDS

Administration

Operational

Accounts

e) Reporting entity will be intimated when the balance goes below the prescribed limit set by them. The reporting entity user can download / print the usage details till the previous day.

V. Reports

a) Central KYC application shall provide reports including dashboards, access trail and audit trail.

Administration	Operational	Accounts
Log Report Access Trail User Master Institution Master	Dashboard Daily MIS Bulk Upload Unsolicited Updates	Ledger

1. **Log Report**

   Log report provides the details of the users of the reporting entity who have logged into the Central KYC application, for a specified period of time.

2. **Access Trail**

   Access trail report provides an admin user, the pages accessed by the users created under his hierarchy on the Central KYC application.

3. **User Master**

   User Master provides the details of the users under the reporting entity for the purposes of accessing Central KYC application.

4. **Bulk Upload**

   Using this report, admin user can view the current status along with the count of records for each uploaded batch.

5. **Dashboard**

   Institution Admin User can view the summary of all uploaded KYC records for a specified time period.

6. **Daily MIS**

   Daily MIS provides the Admin User the details of the uploads for a specified time period.

7. **Update Notification**

   This report provides the notifications for the updates done on a KYC record that is linked to the reporting entity, for a specified time period.

8. **Ledger**

   This provides the summary of the payments made and utilised for the transactions on the Central KYC Registry.

VI. Retention of Records

a) Central KYC Registry shall ensure retention of the Know Your Customer (KYC) records in an electronic format for a period specified by the rules and shall ensure that the retrieval of the information is facilitated within stipulated time period.

VII. Grievance Mechanism

Central KYC Registry shall provide for the grievances of reporting entities to be redressed in a timely and appropriate manner and ensure records are maintained for such resolution.

ntact details of the Central KYC Registry Helpdesk:

Phone: 022-61102592 (10 lines)

Email: helpdesk@ckycindia.in

Circular No.: NSDL/POLICY/ 2016/0067 Date: July 22, 2016	***Subject: SEBI Circular on Simplification of Account Opening Kit.*** Attention of Participants is invited to SEBI Circular No. CIR/MIRSD/64/2016 dated July 12, 2016 (copy enclosed) regarding simplification of account opening kit. Participants are requested to take note of the same and ensure compliance. **CIRCULAR** CIR/MIRSD/64/2016 July 12, 2016 1. All Recognized Stock Exchanges 2. Stock Brokers through Recognized Stock Exchanges 3. All recognised Depositories 4. Depository Participants through Depositories Dear Sir/ Madam, **Subject: Simplification of Account Opening Kit** 1. Presently, a stock broker/ depository participant is required, in terms of SEBI circulars: (a) No. MIRSD/ SE /Cir-19/2009 dated December 3, 2009, (b) No.CIR/MIRSD/16/2011 dated August 22, 2011, and (c) No. CIR/MIRSD/12/2013 datedDecember 04, 2013, to provide a copy of the following standard documents, whichare part of the account opening kit,to the clients: a. Rights & Obligations of stock broker, sub-broker and client for trading onexchanges (including additional rights & obligations in case of internet/ wirelesstechnology based trading); b. Rights and Obligations of beneficial owner and depository participant asprescribed by SEBI and depositories; c. Uniform Risk Disclosure Documents (for all segments/ exchanges); and d. Guidance Note detailing Do's and Don'ts for trading on stock exchanges. 2. In consultation with market participants, with a view to simplify the account openingkit, it has been decided that, stock broker/ depository participant shall makeavailable these standard documents to the clients, either in electronic or physicalform, depending upon the preference of the client as part of account opening kit. Thepreference of the client shall be sought as part of the account opening form. In casethe documents are made availablein electronic form, stock broker/ depositoryparticipant shall maintain logs of the same. 3. It is also reiterated that stock exchanges / depositories / stock brokers/ depositoryparticipantsshall continue to make the aforesaid documents available on theirwebsite and keep the clients informed about the same. Page **2** of **2** 4. Necessary steps shall be taken to implement this circular and ensure its fullcompliance in respect of all new clients from August01, 2016.

5. The following SEBI circulars shall stand modified to the extent of the above changes:
   a. No. MIRSD/ SE /Cir-19/2009 dated December 3, 2009;
   b. No. CIR/MIRSD/16/2011 dated August 22, 2011; and
   c. No. CIR/MIRSD/12/2013 dated December 04, 2013.
6. The Stock Exchanges and Depositories are directed to:
   a. bring the provisions of this circular to the notice of their stock brokers/ depositoryparticipants and also disseminate the same on their websites;
   b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in coordination with one anothertoachieve uniformity in approach;and
   c. monitor the compliance of this circular through half-yearly internal audit andinspections of stock brokers/ depository participants.
7. This circular is issued in exercise of powers conferred under Section 11(1) of theSecurities and Exchange Board of India Act, 1992 to protect the interests ofinvestors in securities and to promote the development of, and to regulate thesecurities markets.

Yours faithfully,
D Rajesh Kumar
Deputy General Manager
022-26449242
Email: rajeshkd@sebi.gov.in

Circular No. NSDL/POLICY/ 2016/0047
Date: April 18, 2016

Sub: Incentive Scheme for opening and maintaining BSDA Accounts.

All Participants are hereby informed that in order to compensate the Participants towards the cost of opening and maintaining Basic Services Demat Accounts (BSDA), the following incentives will be paid to the Participants in terms of SEBI Circular No. CIR/MRD/DP/18/2015 dated December 9, 2015 for the financial years 2015-16 and 2016-17:

In respect of new BSDA opened during the financial year in a place other than the top 15 cities as given at Annexure, Rs. 100 for every new BSDA will be paid if such BSDA has received atleast one credit of securities during the financial year.

In respect of all BSDA maintained by the Participant, Rs. 2 per folio per ISIN in respect of the ISIN positions held in BSDA.

The incentives as above will be provided to Participants on an annual basis at the end of the financial year and is subject to a ceiling specified by SEBI. Accordingly, Participants are requested to note that credit note for the aforesaid incentive for the Financial Year 2015-16 will be reflected alongwith the monthly bill for April 2016.

Annexure A

Top 15 Cities			
Sr. no.	**Name of the City**	**Sr. no.**	**Name of the City**
1	MUMBAI	9	HYDERABAD
2	DELHI	10	SURAT
3	AHMEDABAD	11	JAIPUR
4	BANGALORE	12	VADODARA
5	CHENNAI	13	SECUNDARABAD
6	PUNE	14	RAJKOT
7	KOLKATA	15	INDORE
8	THANE		

Circular No. NSDL/POLICY/ 2016/0046 Date: April 18, 2016	***Sub: Know Your Client Requirements - Clarification on voluntary adaptation of Aadhaar based e-KYC process.*** Attention of Participants is invited to SEBI Circular No. CIR/MIRSD/29/2016 dated January 22, 2016 enclosing clarification on certain operational aspects of voluntary adaptation of Aadhaar based e-KYC process and FAQs on e-KYC process issued by SEBI on April 5, 2016. Copies of the same are enclosed for information and compliance.
Circular No. NNSDL/POLICY/ 2016/0042 Date: April 11, 2016	***Sub: Incorporation of 'Document Received Date' field in the eDPM system / Local DPM and changes for the same in file formats.*** As all Participants are aware, currently the facility to capture date of receipt of the documents in respect of service request is not available in the DPM system. In this regard, to facilitate Participants to capture the date of receipt of the documents in respect of service request in the DPM system, the field namely **'Document Received Date'** will be incorporated in the below mentioned modules in the eDPM and Local DPM system: 1. Dematerialisation of Securities 2. Rematerialisation of Securities 3. Mutual fund Conversion 4. Mutual fund Re-conversion 5. Closure of Demat account 6. Transmission of Securities Further, the 'Document Received Date' will be a mandatory field required to be captured by the Participants while executing the instruction in respect of aforesaid service request in the eDPM system. In view of the above, the changes in the file formats in respect of the back-office interface with eDPM & Local DPM system are enclosed at **Annexure**. Participants are advised to make necessary changes to their back office system by incorporating aforesaid facility as per the enclosed file formats. The aforesaid Version Release is scheduled on **April 30, 2016.**
Circular No. NSDL/POLICY/ 2015/0115 Date: December 14, 2015	***Sub: Facility for Basic Services Demat Account (BSDA).*** Attention of Participants is invited to SEBI's Circular No. CIR/MRD/DP/ 20 /2015 dated December 11, 2015 regarding facility for Basic Services Demat Account (BSDA). Copy of the same is enclosed for information and compliance.
Circular No. NSDL/POLICY/ 2015/0114 Date: December 14, 2015	***Sub: Amendments to Bye Laws.*** All Participants are hereby notified that pursuant to Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2014 with respect to Single Registration for Depository Participants, Bye Law 6.1.3 has been amended and given below in track change mode: Amendment to Bye-Law 6.1.3 6.1.3. Every application shall be dealt with by the Depository within thirty days of receipt of such application and if the Depository is satisfied, it shall forward the same to the Securities and Exchange Board of India with the Depository's recommendations. Provided that if the applicant is already registered as a Participant with SEBI through another Depository, the Depository may approve the application of the entity and inform SEBI after exercising due diligence and on being satisfied about the compliance of all relevant eligibility requirements including the following:

	i) The applicant, its directors, proprietor, partners and associates satisfy the Fit and Proper Criteria as defined in the SEBI (Intermediaries) Regulations, 2008; ii) The applicant has taken satisfactory corrective steps to rectify the deficiencies or irregularities observed in the past inspections or in case of actions initiated/ taken by SEBI/ depository(s) or other regulators and the Board of the applicant is satisfied about the steps taken; iii) The applicant has paid all pending fees / dues payable to SEBI and depository; Iv) Payment of registration fees as prescribed in the SEBI (Depositories and Participants) Regulations, 1996.
Circular No. NSDL/POLICY/ 2015/0099 Date: October 30, 2015	***Sub: Facility to allow transfer of "locked-in" securities in respect of Account Closure instruction under Account Closure Module.*** As Participants are aware, currently while executing 'Account Closure' instruction through Account Closure module, the securities lying under free balances are transferred from the source depository account to target depository account. In case there are locked-in securities lying in the source account, such securities remain in the source depository account until lock-in release date and hence, the source depository account cannot be closed in such cases till the lock-in release date. In this regard, to facilitate Participants to transfer "locked-in" securities from the source depository account to the target depository account where both source and target accounts are of the same person within NSDL system, the aforesaid functionality of Account Closure module is enhanced to facilitate the same. The features of the same are given below : 1. Upon execution of Account Closure instructions, in case there are any locked-in securities in the source depository account, such securities will be moved to the target account provided : a. PAN flag is enabled in both source and target accounts. b. PAN in the source account and target account are matching across holders and are in the same pattern of holding. c. The ISIN is either in 'Active' or 'Suspended' status. d. Standing Instruction (SI) indicator to receive credits is enabled in the target depository account. 2. Upon successful validation, the status of the Account Closure instructions will be updated as 'Accepted'. In case PAN validation fails, then the transfer in respect of "locked-in" securities will be rejected and transfer of securities in respect of free balances will be executed. 3. Securities (if any) that are not in free balance as mentioned below will continue to remain in the Source Client account and the Account Closure instructions in respect of these securities will be updated as "Rejected". (i) Pending Demat (ii) Pending Remat (iii) Pledge balance / unconfirmed pledge (iv) Blocked Inter Depository Transfer (vi) Quantity level freeze

4. In case the source depository account is not closed due to non-transfer of securities as per any of the above reasons, Participants are requested to ensure to freeze the account i.e. "Suspended for Debit and Credit".
5. Transfer of "locked-in" securities pertaining to Postal Saving Scheme (NSC & KVP) will not be allowed under the Account Closure instructions.
6. Further, Participants are requested to note that following new Booking Narration Codes & Descriptions have been added in the Static Data Codes of back-office file formats of Local DPM system in respect of aforesaid feature.

Sr. No.	Booking Code	Description of Booking code
1	11518	ACCOUNT_TRANSFER_LOCK_HOUSE_TO_LOCK_HOUSE
2	11519	ACCOUNT_TRANSFER_LOCK_HOUSE_TO_LOCK_NONHOUSE
3	11520	ACCOUNT_TRANSFER_LOCK_NONHOUSE_TO_LOCK_HOUSE
4	11521	ACCOUNT_TRANSFER_LOCK_NONHOUSE_TO_LOCK_NONHOUSE

Circular No. NSDL/POLICY/ 2015/0094
Date: October 27, 2015

Sub: SARAL Account Opening Form for resident individuals and Amendment to Business Rules.

All Participants are hereby informed that SEBI has vide its Circular No. CIR/ MIRSD/1/2015 dated March 4, 2015 (copy enclosed) introduced a SARAL Account Opening Form for opening of a trading account and demat account. SEBI has also vide its point no. 3 of aforesaid Circular clarified that the Provisions laid down under the PML Act, PML Rules, SEBI Master Circular on AML dated December 31, 2010 and SEBI Circular on AML dated March 12, 2014 shall also continue to remain applicable in SARAL Account. Accordingly, following new Rule 12.1.2 is inserted in Business Rules and existing Rule 12.1.2 to 12.1.6 have been renumbered as 12.1.3 to 12.1.7 respectively. (Complete Rule 12.1. is also enclosed as Annexure A in track change mode):

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

Procedure for opening and monitoring of SARAL account is given below for necessary compliance:

1. **Applicability:**
   a. This Circular is applicable only to those Participants who are also stock brokers.
   b. SARAL Form is only for resident individuals.
   c. SARAL Form is only for opening a demat account (as a sole holder) along with a trading account for trading in cash segment with the same entity.
   d. Facilities such as internet trading, margin trading, derivative trading and use of power of attorney cannot be permitted.
2. **Opening of SARAL demat account**
   a. Demat account can be opened based on SARAL Form, provided trading account is also opened with the same entity.
   b. The prevalent procedure for opening a demat account and upload of documents to the KYC Registration Agency must be followed.
   c. In view of the point no. 3 of aforesaid SEBI Circular related to compliance with PML Act, PML Rules, SEBI Circulars on AML, Participants are requested to obtain additional information for opening SARAL demat account as provided in FORM 38.

	d. Appropriate field must be incorporated in the SARAL Form where the residence/correspondence address as applicable, must be specified. If the Client has provided a correspondence address, the type of correspondence address i.e. 'office address', 'residence of family member', 'residence of friend' and 'other type of address – Please specify' must be specified. Participants shall maintain internal records and same shall be verified by the internal auditor. e. Such demat accounts must be tagged separately in the DPM system as SARAL account and Power of Attorney must not be permitted for such accounts. The necessary changes in the DPM system will be made and notified separately. f. In case the proof of address furnished by the Client is not the address where the Client is currently residing, the Participant may take a declaration of the residence/correspondence address on which all correspondence will be made by the Participant with the Client. Participants are requested to follow the below mentioned procedure in such case: i. Participants should inform the Client at the time of receiving such application for opening SARAL demat account that demat account will be suspended for debit until residence/ correspondence address where Client is not providing proof of address is verified through the positive confirmation. ii. Information of submission of declaration instead of proof of address of correspondence/residence address must be recorded separately in the DPM system. The necessary changes in the DPM system will be made and notified separately, meanwhile, Participants may maintain internal records. iii. Proof of Permanent address is mandatory where Participant has obtained declaration for residence/ correspondence address. iv. As per the SEBI circular, the residence/ correspondence address must be verified by the Participant through 'positive confirmation' and the same has to be recorded in DPM system. The necessary changes in the DPM system will be made and notified separately, meanwhile, Participants may maintain internal records. Positive confirmation would mean: 1. Client's acknowledgment of receipt of the communication sent through registered post or courier after account opening such as welcome kit/ Client master report/ any other similar communication which is sent to residence/ correspondence address. The proof of delivery and client's acknowledgement of receipt of the communication sent must be tracked and stored. It must contain details such as name of the service provider through whom it is delivered, reference number given by the service provider, status of delivery which indicates delivered and the date of delivery. 2. Participants may also, if they find it feasible, visit the client's residence address to verify the correspondence/residence address provided by the client on the SARAL form. The details of the visit such as name of the person, his designation, organization, date and remarks (if any) must be recorded on the SARAL form or a separate document kept along with the SARAL form.

v. After opening the SARAL account, Participant must suspend the account for debit for the reason "Positive Confirmation Awaited".
vi. Participant has to obtain positive confirmation within 15 days from the activation of SARAL account. .
vii. Upon receipt of positive confirmation suspension shall be removed from the account and same must be informed to the Client on its permanent address and/or email address.
viii. In case address is not verified with positive confirmation within 15 days from date of account opening, SARAL account must be either closed in case of Nil holding after providing further notice of 30 days to clients or suspended for debit and credit if there is holding in the account with the reason 'KYC not complied'. The same must be informed to the Client on its permanent address and/or email address.
ix. Participants must maintain internal records of positive confirmation and same shall be made available to internal/concurrent auditor for verification.

3. Change of address:

a. As per the SEBI circular in case of SARAL account, in the event of change in the residence/correspondence address due to relocation or any other reason, the investor may intimate the new address for correspondence to the Participant within two weeks of such a change.
b. The prevalent procedure for change of address and upload of documents to the KYC Registration Agency must be followed. In case Client does not have the proof of address of new residence/correspondence address, the Participant may take a declaration of the residence/correspondence address on which all correspondence will be made by the Participant with the Client. The format of declaration to be obtained from the Client is given at Annexure B. Proof of Permanent address is mandatory in such case.
c. The change of address may be verified by the intermediary through 'positive confirmation', as described at Sr. No. 2 (f) (iv) above.
d. In case the Participant is unable to verify the residence/correspondence address through positive confirmation within 15 days, the Participant must suspend the account for debit and credit with the reason 'KYC not complied'. Participants shall communicate at the permanent address and/or email address advising the client to provide the correct residence/correspondence address.

4. **Monitoring**

a. In case the value of the securities held in the SARAL account exceeds the amount of Rs. Two lakhs at any point of time, Participants shall obtain residence /correspondence address proof from the client irrespective of the fact whether positive confirmation has been obtained or not.
b. In case proof of address is not obtained within 15 days from the date of intimation to client, SARAL account must be suspended for debit with the reason 'KYC not complied'. The same must be informed to the Client on its permanent address and/or email address.

5. **Conversion from SARAL account to regular account.**

a. In case the client intends to convert from SARAL account to a regular account, the proof of such residence/correspondence address must be obtained and the SARAL tag may be removed from the DPM system. Till the time the tag is not implemented in the DPM system, the Participant may maintain internal records for the same.

6. **Concurrent Audit:**
   a. For account opening, the aforesaid controls including positive confirmation shall form part of the scope of concurrent audit on 100% basis i.e. for all accounts opened.

For change of address in SARAL accounts, it shall form a part of the concurrent audit on 100% basis. The audit report formats including the same will be notified separately.

Annexure A

Amended Rule 12.1 in track change mode

12.1. Account Opening

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

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

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

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

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

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

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

Annexure B

Declaration for correspondence/residence address

I wish to change my correspondence / residence address as mentioned in the application and that the address as mentioned in the change of address request letter is correct and the same shall be used for any further communication addressed to me. In case of any change in aforesaid address, I hereby undertake to intimate you my new address within two weeks of such a change.

Client's Name:

Client's Signature:

Date:

CIRCULAR

CIR/MIRSD/1/2015 **March 04, 2015**

1. All recognised Stock Exchanges
2. Stock Brokers through Recognised Stock Exchanges
3. Depository Participants through Depositories
4. KYC registration Agencies (KRAs)

Dear Sir/ Madam

Sub: SARAL Account Opening Form for resident individuals

1. It is gathered that a majority of new investors in the securities market begin with participation in the cash segment without obtaining various other facilities such as internet trading, margin trading, derivative trading and use of power of attorney.
2. The account opening process can be simplified for such individual investors. With a view to encourage their participation, it is, therefore, decided that such individual investors can open a trading account and demat account by filling up a simplified Account Opening Form ('AOF') termed as 'SARAL AOF' given at Annexure A. This form will be separately available with the intermediaries and can also be downloaded from the Exchanges' and Depositories' website. The investors who open account through SARAL AOF will also have the option to obtain other facilities, whenever they require, on furnishing of additional information as per prescribed regulations/circulars.
3. The standard set of documents viz. Rights and Obligations document, Uniform Risk Disclosure Document and Guidance Note and documentary proof related to identity and address as specified in SEBI Circulars dated August 22, 2011 and October 5, 2011 shall continue to remain applicable. It is further clarified that the provisions laid down under the PML Act, PML Rules, SEBI Master Circular on AML dated December 31, 2010 and SEBI Circular on AML dated March 12, 2014 shall also continue to remain applicable for set of individual investors mentioned in paragraph 2 above.
4. For these set of individual investors, it has been decided to simplify the requirement of submission of 'proof of address'. The matter has been examined in the light of amendment to the PML Rules, 2005 and accordingly, the requirement of submission of 'proof of address' is as follows:
   a. Henceforth, individual investor may submit only one documentary proof of address (either residence/correspondence or permanent) while opening a trading account and / or demat account or while undergoing updation.
   b. In case the proof of address furnished by the said investor is not the address where the investor is currently residing, the intermediary may take a declaration of the residence/correspondence address on which all correspondence will be made by the intermediary with the investor. No proof is required to be submitted for such correspondence/residence address. In the event of change in this address due to relocation or any other reason, investor may intimate the new address for correspondence to the intermediary within two weeks of such a change. The residence/ correspondence address and any such change thereof may be verified by the intermediary through 'positive confirmation' such as
      (i) acknowledgment of receipt Welcome Kit/ dispatch of contract notes / any periodical statement, etc.
      (ii) telephonic conversation;
      (iii) visits, etc.
5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992.Yours faithfully,

A.S.Mithwani
Deputy General Manager
022-26449613
aliasgarm@sebi.gov.in

FORM 38 – ADDITIONAL FORM FOR OPENING SARAL ACCOUNT

Participant Name (DP ID _____) Address (Pre-printed)	Client –ID (To be filled by Participant)

I request you to open a depository account in my name as per the details provided in SARAL AOF.	**Date**							

Details of Account holder:						
Name						
PAN						
Occupation *(please tick any one and give brief details)*	☐ Private Sector	☐ Agriculturist	☐ Public Sector	☐ Retired	☐ Govern-nement service	☐ Housewife
	☐ Business	☐ Student	☐ Professional	☐ Others (Please specify)		
Brief details of occupation:						

Gross Annual Income Details				
Income Range per annum (please tick any one)				
☐ Below Rs 1 lac	☐ Rs 1- 5 lac	☐ Rs 5- 10 lac	☐ Rs 10- 25 lac	☐ More than Rs 25 lac

Please tick, if applicable: Politically Exposed Person (PEP) Related to a Politically Exposed Person (PEP)

SMS Alert facility*: ☐ Yes ☐ No
(*Ensure that mobile no. is provided in SARAL application form)

Nomination Option: **(#** As per details given in SARAL application form.**)**

☐ I/We wish to make nomination#	☐ I/We do not wish to make a nomination.

Correspondence / residence address proof not available : If yes, Please tick ☐
I confirm that my correspondence / residence address as mentioned in the Account Opening Form is correct and same shall be used for any further communication addressed to me. In case of any change in aforesaid address, I hereby undertake to intimate the new address within two weeks of such a change.

Declaration

The Bye Laws and Business Rules of NSDL and Depository Participants pertaining to an account which are in force now have been read by me/us and I/we have understood the same and I/we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. I/we hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/ we are aware that I/we may be held liable for it. I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".

Signature of holder	X

Circular No. NSDL/POLICY/ 2015/0083 Date: October 30, 2015	***Sub: Issuance of Compliance Report to Non-Compliant Account Holders under RGESS.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2013/0039 dated March 11, 2013 regarding issuance of New Retail Investor Certificate to RGESS designated depository account holders and Circular No. NSDL/POLICY/2013/0101 dated August 1, 2013 regarding issuance of Annual Statement to RGESS designated depository account. Further, as per Question No. 98 of FAQs on RGESS (informed to Participants vide Circular No. NSDL/POLICY/2014/0013 dated February 7, 2014), the annual account statement needs to be provided to Clients by Participants indicating Client's compliance with the scheme. Accordingly, in order to facilitate Participants in this regard, the Compliance Report is being issued by NSDL to Non-Compliant account holder under RGESS. In this context, Participants are requested to note that the aforesaid certificate will be issued to Non-Compliant RGESS account holders who made initial investment in RGESS designated demat account in the initial year, which needs to be in Flexible Lock-in period for subsequent two years after completion of Fixed Lock-in period of one year but **failed to maintain minimum 270 days compliance** in Flexible Lock-in period as required under RGESS as per clause (8) of RGESS notification (informed to Participants vide Circular No. NSDL/POLICY/2013/0144 dated December 30, 2013). The aforesaid RGESS Compliance Report is made available to the Participants and Clients as mentioned below: 1. The Participant can download the RGESS Compliance Report from the intranet site of NSDL i.e., https://i-assist at the link **'Compliance Report - RGESS'**. Participants are advised to provide the aforesaid certificate to their Clients in physical form or electronic form via email or website portal or any other mode which Participants may deem fit. 2. The Client can download the RGESS Compliance Report from corporate website of NSDL i.e. www.nsdl.co.in or eservices website i.e. https://eservices.nsdl.com at the link **'Compliance Report – RGESS'**. The manner of authentication of the Client and the procedure for download will be same as for downloading New Retail Investor Certificate (informed to Participants vide Circular No. NSDL/POLICY/2013/0052 dated April 9, 2013).
Circular No. NSDL/POLICY/ 2015/0081 Date: September 7, 2015	***Sub: Change of residential status of individual Client.*** Attention of Participants is invited to section 6 (5) of Foreign Exchange Management Act, 1999, in terms of which a person resident outside India can hold, own, transfer or invest in security in India if such security was acquired, held or owned by such person when he was a resident in India or inherited from a person who was a resident in India. Accordingly, in case any Resident Indian (RI) Client who is holding security in demat account which is opened under type 'resident' becomes Non-Resident Indian (NRI) then he/she is required to open a new demat account under type 'NRI' and transfer the security which he/she is holding in demat account opened under type 'resident'. As this involves opening of new account, transfer of securities in new account and closure of old account, process completion takes long time. In this context, Participants have suggested to permit the change in type and sub-type of such account from 'Resident-ordinary' or 'Resident-promoter' to 'NRI non-repartriable' or 'NRI non-repartriable-promoter' respectively.

In view of the above, all Participants are hereby informed that in case of change of residential status of Client from Resident to NRI, following procedure may be followed for changing type and sub-type of the account.

1) Obtain a written request from the Client in the prescribed format (enclosed as Annexure A) for change in type from 'Resident' to 'NRI non-repatriable' alongwith declaration that Client have complied and will continue to comply with FEMA rules and regulations.
2) Obtain photocopy of relevant pages of current passport which evidences the change of residential status of Client alongwith Resident Visa/ Work Permit/ Employment Visa/ Current Visa or any other type of visa.
3) Obtain copy of proof of foreign address [*verified with original or attested by competent authority as per SEBI guideline*] of Client alongwith necessary KYC documents to update the KYC details in DPM and KRA system.
4) Upon receipt of the aforesaid documents, Participant can change type and sub-type of demat account and also update KYC details in DPM as well as in KRA system.
5) Necessary changes in DPM system will be informed shortly. Meanwhile, on receipt of aforesaid request from Client and upon satisfactory verification of documents, Participant should submit the request to NSDL (physical or electronic at participant-interface@nsdl.co.in) alongwith copy of request received from the Client so as to enable us to change the type and sub-type of Client.

ANNEXURE A

REQUEST FOR CHANGE OF RESIDENTIAL STATUS FROM RI TO NRI

To *<DP Name>* *<DP Address>*	Date								
	DP ID	I	N						
	Client ID								

Dear Sir/Madam,

I/we are holding above demat account with you. As my/our residential status has (have) been changed from Resident Indian to Non Resident Indian, we request you to carry out the following changes in my/ our aforesaid demat account:

A. Type and Sub-type

		Current type	New type
1	**Type**	Resident ☐	NRI ☐
2	**Sub-type**	**Current sub-type** (*please tick any one*)	**New sub-type** (*please tick any one*)
		Ordinary ☐	Non-Repatriable ☐
		Promoter ☐	Non-Repatriable – Promoter ☐

B. Other details

1	**RBI Approval Reference Number** (*if any*)	
2	**RBI Approval date** (*if any*)	
3	I/we hereby declare that I/we have complied and will continue to comply with requirements under FEMA.	

	Name	Signature
Sole/First holder		
Second holder		
Third holder		

Circular No. NSDL/POLICY/ 2015/0079 Date: September 1, 2015	***Sub: Change of residential status of individual Client.*** Attention of Participants is invited to section 6 (5) of Foreign Exchange Management Act, 1999, in terms of which a person resident outside India can hold, own, transfer or invest in security in India if such security was acquired, held or owned by such person when he was a resident in India or inherited from a person who was a resident in India. Accordingly, in case any Resident Indian (RI) Client who is holding security in demat account which is opened under type 'resident' becomes Non-Resident Indian (NRI) then he/she is required to open a new demat account under type 'NRI' and transfer the security which he/she is holding in demat account opened under type 'resident'. As this involves opening of new account, transfer of securities in new account and closure of old account, process completion takes long time. In this context, Participants have suggested to permit the change in type and sub-type of such account from 'Resident-ordinary' or 'Resident-promoter' to 'NRI-NRI non-repartriable' or 'NRI-NRI non-repartriable-promoter'. In view of the above, all Participants are hereby informed that in case of change of residential status of Client from Resident to NRI following procedure may be followed for changing type and sub-type of the account. 1) Obtain a written request from the Client in the prescribed format (enclosed as Annexure A) for change in type from 'Resident' to 'NRI non-repatriable' alongwith declaration that Client have complied and will continue to comply with FEMA rules and regulations. 2) Obtain photocopy of relevant pages of current passport which evidences the change of residential status of Client alongwith Resident Visa/ Work Permit/ Employment Visa/ Current Visa or any other type of visa. 3) Obtain copy of proof of foreign address [*verified with original or attested by competent authority as per SEBI guideline*] of Client alongwith necessary KYC documents to update the KYC details in DPM and KRA system. 4) Upon receipt of the aforesaid documents, Participant can change type and sub-type of demat account and also update KYC details in DPM as well as in KRA system. 5) Necessary changes in DPM system will be informed shortly. Meanwhile, on receipt of aforesaid request from Client and upon satisfactory verification of documents, Participant should submit the request to NSDL (physical or electronic at participant-interface@nsdl.co.in) alongwith copy of request received from the Client so as to enable us to change the type and sub-type of Client.
Circular No. NSDL/POLICY/ 2015/0068 Date: August 6, 2015	***Sub: Separate mobile number and E-mail address for each Client.*** As Participants are aware, SEBI had advised Participants to ensure that separate mobile number and E-mail address are uploaded for each client (Ref. : Circular No. NSDL/POLICY/2015/0040 dated April 13, 2015). Further, Participants were advised about postponement of DPM Version Release 5.6 and providing the required alerts on the i-Assist system (Circular No. NSDL/POLICY/2015/0067 dated July 31, 2015). In this context, Participants are requested to take note of the following:

1. Considering re-scheduling of the version release 5.6, Participants are advised to maintain internal records of the permitted exceptions and additional email ID (*for custodial accounts*) in terms of aforesaid Circular dated April 13, 2015 and update the same in the DPM system after the new release.
2. The alerts required to identify client accounts where the same mobile number and email address are captured across NSDL system (*ignoring the permitted exceptions*) is made available to Participants through i-Assist (post DP login). For inter-DP alerts, the link for downloading the alerts is available through i-Assist under **"List of Same Mobile number and email address (Inter DP)".** For intra-DP alerts, a utility is made available on i-Assist under utility menu **"Generation of Intra DP Alert for mobile number and email Address (within same DP)"**. The utility is required to be executed on the Local DPM server for installation. Upon installation of the utility on the Local DPM server, the Participant will get the report of intra-DP alerts.
3. **The list of Inter DP and Intra DP alert reports are given below:**

   a. Inter DP alerts :

Sr. No.	Report	Type of Client Individual / Non-individual	Description of Report
1	Same Mobile number	Individual	Report will contain mobile numbers which are captured in demat account (across the Participants) for more than one Clients [across all the account holders].
2		Non-Individual	
3	Same email Address	Individual	Report will contain E-mail addresses which are captured in demat account (across the Participants) for more than one Clients [across all the account holders].
4		Non-Individual	

   b. Intra DP alert after execution of aforesaid utility :

Sr. No.	Report	Type of Client Individual / Non-individual	Description of Report
1	Same Mobile number	Individual	Report will contain mobile numbers which are captured in demat account (within the same DP/DP ID) for more than one Clients [across all the account holders].
2		Non-Individual	
3	Same email Address	Individual	Report will contain E-mail addresses which are captured in demat account (within the same DP/DP ID) for more than one Clients [across all the account holders].
4		Non-Individual	

4. Aforesaid reports will facilitate Participant to identify the accounts where same mobile number / email address are captured for more than one Client. Participant must verify that whether it falls within the permitted exceptions as per aforesaid Circular dated April 13, 2015 and take up the matter with Client, if it falls within the permitted exceptions, to obtain specific written request from Client. The format of the request is given at Annexure A. Participants, if so desire, can also incorporate the aforesaid request in their account opening form. In case the email ID/mobile number captured is not falling under the permitted exceptions, take up with the concerned client for updation (replace or remove) of the details in the DPM system.

5. For request for updation in email ID or mobile number received from the Client, Participant must either obtain a physical paper request from the Client or request through email or request through website of the Participant as per the prescribed procedure (*Clause 2.5 and 2.8 NSDL Master Circular on Account Opening, version 5.0*). For request for updation of permitted exceptions also, Participant must follow a similar procedure and either obtain a physical paper request from the Client or request through email or request through website of the Participant.

Format of Request
[Please tick (✓) wherever applicable]

DP ID		Client ID		Date	
Name of account holder					
□ Mobile Number					
□ Email ID					
I hereby declare that the aforesaid mobile number or E-mail ID belongs to □ Me or □ My family (*spouse, dependent children and dependent parents*).					
Signature of account holder					
Name of account holder					

Circular No. NSDL/POLICY/ 2015/0061
Date: July 15, 2015

Sub: Clarification for opening demat account in the name of Trust.

Attention of Participant is invited to point no. 1.3.2 (IV) of NSDL Master Circular Version 5.0 on Account Opening, May 2014 and NSDL Circular No: NSDL/ POLICY/2008/0018 dated March 24, 2008 regarding opening of a beneficial owner account in the name of a trust which may be a incorporated body. In this context, some of the Participants have sought clarification for opening beneficial owner account in the name of a trust which is a incorporated body.

In this regard, Participants are requested to note that a beneficial owner account may be opened in the name of the trust, which is a separate legal entity such as a registered society under the provisions of The Indian Societies Registration Act, 1860 or under the provisions of a state Act such as Bombay Public Trusts Act, 1950 or the relevant State Public Trust Act. In such cases, Participants may obtain the certified true copy of the registration certificate as issued by a Statutory Authority under any of the aforesaid Acts. In case, any Client informs about the non-applicability of the relevant Public Trusts Act or the Indian Societies Registration Act, in its specific case, then the applicant may be facilitated to hold the beneficial owner account, as proposed, on submission of a certificate obtained by the client as per Section 12AA of Income Tax Act, 1961. Participant may open the beneficial owner account of applicant under the category 'trust' and in the name of trust. Further, Participants are requested to obtain certified copy of the following documents and same shall be verified with original:

1. Resolution passed by the Board of Trustees giving the names of trustees authorised by the Board of Trustees to open and operate the depository account.

	2. Certificate of Registration granted under section 12AA of Income Tax Act, 1961. 3. Latest Income Tax Returns filed by Trust. In view of the aforesaid, point no. 1.3.2 (IV) (i) is newly inserted in NSDL Master Circular Version 5.0, May 2014 and enclosed as Annexure – A in track change mode. Participants are requested to take note of the above and ensure compliance.
Circular No. NSDL/POLICY/ 2015/0050 Date: May 14, 2015	***Sub: Opening and operation of depository account by Visually Challenged Investors.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2007/0049 dated August 21, 2007 and point no. 1.2.5 in Master Circular on Account Opening No. NSDL/POLICY/2014/0065 dated May 21, 2014 regarding opening and operation of the beneficiary account by a visually challenged person. In this context, SEBI has advised vide its email dated April 30, 2015 that SEBI is in receipt of representation that visually challenged investors are facing problems in accessing securities market. Accordingly, Participants are requested to take note of the following: 1. Any visually challenged person can open and operate the demat account including online facility like any other investor, subject to compliance with requirements as applicable to any investor. The additional steps required to be taken by the Participants in case of visually challenged persons are: a. If so requested by the client, the Participant should read out and explain to the Client, the contents of the account opening form and rights and obligations document. b. A remark should be put in the DPM system (*under the authorised signatory details in 'signatories' screen*) that the Client is "Visually Challenged". c. DIS issued to such Clients should be pre-stamped as "Visually Challenged" Participants are requested to provide the facilities without any discrimination and offer all possible assistance to any visually challenged person to avail the facility of demat account.
Circular No. NSDL/POLICY/ 2015/0040 Date: April 13, 2015	***Sub: Separate mobile number and E-mail address for each Client.*** All Participants are hereby informed that SEBI, vide its E-mail dated January 16, 2015 addressed to the depositories, has advised Participants to ensure that separate mobile number and E-mail address are uploaded for each client. However, under exceptional circumstances, the Participants may, at the specific written request of a client, upload the same mobile number or E-mail address for more than one client provided that such clients belong to one family. 'Family' for this purpose has been defined as self, spouse, dependent children and dependent parents. SEBI has also advised that Participants should have appropriate procedures in place to verify that separate mobile number and E-mail address are uploaded for each client. In this context, Participants are requested to take note of the following and ensure compliance:

1) **Applicability:** The requirement of separate mobile number / mail address for each lient is applicable for all lients. The check must be incorporated by Participants at PAN level for each holder. In case of joint accounts, there is a provision for entry of mobile number and E mail ID for each holder separately and such check must be incorporated at the holder level. Participants must ensure that mobile numbers or E-mail addresses of intermediaries including participants/ brokers/ sub-brokers/ franchisees/ custodians/ portfolio managers, etc or their employees are not captured in the account of the Client.

2) **Same mobile number/E mail ID in multiple client accounts**: Under exceptional circumstances, the Participant may, at the specific written request of a client, capture the same mobile number/ email address for more than one Client provided that such Clients belong to one family. 'Family' for this purpose would mean self, spouse, dependent children and dependent parents. For non-individual accounts, if the mobile number or E-mail ID captured is of the authorised signatory/director/trustee, then the same mobile number or E mail ID can also be captured in the demat account of the person in his individual capacity. Further, it is clarified that in case a client has opened multiple accounts, then the same mobile number and E mail ID can be captured in all such accounts having the same PAN.

3) **Enhancements to be carried out in the DPM system:**

   a) In case the same mobile number or E-mail ID is captured across multiple client accounts and the same is as per the permitted exceptions, a facility will be provided for the Participant to mark such permitted exceptions.

   b) For custodial accounts, a provision to capture an additional E-mail ID will be provided so that both the E-mail ID of the custodian as well as E-mail ID of the Client can be captured. The field where the E-mail ID of the custodian is captured will be provided to the Issuer/R&T Agent to enable them to provide corporate action related information.

   c) NSDL will generate alerts to identify client accounts where same mobile number and E-mail address are captured across the NSDL system based on PAN after considering permitted exceptions. Participants may carry out appropriate verification in such cases.

4) **Implementation:**

   a) From August 1, 2015, in respect of new accounts opened or updation of mobile number and E-mail address of existing accounts, Participants must incorporate checks to verify that separate mobile number and E-mail address are captured for each Client by comparing the same with other client accounts of the same Participant. In case an exception is found, the Participant should verify that it falls within permitted exceptions and obtain specific written client request as required.

	b) For existing accounts (*i.e. accounts opened before August 1, 2015*), Participants must identify such accounts which contain the same mobile number or E-mail ID, and in case they are not permitted exceptions, take up with the concerned client for updation by December 31, 2015. On an ongoing basis NSDL will provide alerts to Participants where the same mobile number or E-mail address are captured across multiple clients in NSDL system. Participants are required to verify and confirm the same.
Circular No. NSDL/POLICY/ 2015/0039 Date: April 13, 2015	***Sub: Availing e-KYC service***. As all Participants are aware, SEBI has already permitted use of e-KYC service launched by UIDAI. The Aadhaar e-KYC service provides an instant, electronic, non-repudiable proof of identity and proof of address along with date of birth and gender (digitally signed and encrypted). In addition, it also provides the resident's mobile number and email address (if available) to the service provider, which helps to further streamline the process of service delivery. e-KYC may be performed at the service centre of Participant using biometric authentication, as well as remotely using an OTP on a website or mobile connection. Considering the benefits and convenience of e-KYC, Participants may consider using the e-KYC services. SEBI has also vide its letter dated March 26, 2015 advised to popularise e-KYC amongst Participants through KYC Service Agency (KSA), registered and authorized by UIDAI to provide authentication and e-KYC services. Participants may contact Mr. Hiten Mehta on 022-24994330 (Email: hitenm@nsdl.co.in) or Mr. Ankush Deshpande on 022-24994540 (Email: ankushd@nsdl.co.in) to avail e-KYC services through NSDL eGovernance Infrastructure Limited which is a KSA registered and authorized by UIDAI.
Circular No. NSDL/POLICY/ 2015/0029 Date: March 2, 2015	***Sub: Account Opening Charges***. Attention of Participants is invited to SEBI Circular No MRD/DoP/SE/Dep/Cir-4/2005 dated January 28, 2005 wherein it is stated "No investor shall be required to pay any charge towards opening of Beneficiary Owner (BO) Account except for statutory charges as may be applicable". Further, Participants are aware that in term of SEBI Circular No. CIR/MIRSD/12/2013 dated December 4, 2013, the agreement to be executed between the person seeking to open an account with the Participant and the Participant was replaced with a common document "Rights and Obligations of the Beneficial Owner and Depository Participant". Thus, no statutory charges related to execution of the Participant Client agreement are required to be incurred. During the inspection of Participants, it was observed that some of the Participants are charging to beneficiary owners welcome kit, internet kit, stationary charge, documentation charges, etc., at the time of opening of demat account. In this context, Participants are advised to ensure that no charges are imposed on the beneficial owners towards account opening and ensure compliance with the SEBI circular. Further, Participants must also file revised tariff structure with NSDL, if necessary, for updation on the NSDL website.

Circular No. NSDL/POLICY/ 2015/0024 Date: February 18, 2015	***Sub: Modification in name of the account holder in DPM – error by Participant.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2013/0033 dated February 27, 2013 wherein procedure to be followed for change in name of an individual account holder in DPM was informed. In this context, Participants have represented seeking procedure to be followed in case of a data entry error by the Participant while opening an account or while effecting the change in name of the account holder who is an individual or non-individual. Accordingly, Participants are hereby informed that in case a Participant commits a typographical error while entering name of the Client in the DPM (which is noticed after activation of the account) or while processing the request for change in the name, it may be corrected by the Participant as prescribed below: a) Participant should examine the Account Opening Form, KYC Form, request for change of name and other documents submitted by the Clients/ authorized signatory (ies) and ascertain that a data entry error was indeed made while entering name of the Client in DPM. b) Once Participant has satisfied itself about the data entry error, it may modify the name of the Client suitably in DPM. The reason should be mentioned as *'Participant error'* while making this rectification in DPM. The necessary system changes will be informed in next DPM version release. c) Correction in such cases may be undertaken when error is brought to the notice of Participant by client or by auditor of Participant or is detected by Participant staff. After making required correction, intimation should be sent to the client along-with updated Client Master Report. In view of the aforesaid, point nos. 2.6.2 and 2.7.3 are newly inserted and point no. 2.6.4 is amended in Master Circular on Account Opening No. NSDL/ POLICY/2014/0065 dated May 21, 2014 and enclosed at Annexure - A in track change mode. Accordingly, relevant points are renumbered in aforesaid Master Circular on Account Opening. Participants are further advised to inform their internal auditor to conduct 100% audit of all cases involving change in name as mentioned above. **Newly inserted points:** 2.6.2 In case a Participant commits a typographical error while entering name of the Client in the DPM (which is noticed after activation of the account) or while processing the request for change in the name, it may be corrected by the Participant as prescribed below: a) Participant should examine the Account Opening Form, KYC Form, request for change of name and other documents submitted by the Client and ascertain that a data entry error was indeed made while entering name of the Client in DPM. b) Once Participant has satisfied itself about the data entry error, it may modify the name of the account holder suitably in DPM. The reason should be mentioned as ***'Participant error'*** while making this rectification in DPM.

	c) Correction in such cases may be undertaken when error is brought to the notice of Participant by client or by auditor of Participant or is detected by Participant staff. After making required correction, intimation should be sent to the client along-with updated Client Master Report. 2.7.3 In case a Participant commits a typographical error while entering name of the Client in the DPM (which is noticed after activation of the account) or while processing the request for change in the name, it may be corrected by the Participant as prescribed below: a) Participant should examine the Account Opening Form, KYC Form, request for change of name and other documents submitted by the authorized signatory (ies) and ascertain that a data entry error was indeed made while entering name of the Client in DPM. b) Once Participant has satisfied itself about the data entry error, it may modify the name of the Client suitably in DPM. The reason should be mentioned as 'Participant error' while making this rectification in DPM. c) Correction in such cases may be undertaken when error is brought to the notice of Participant by client or by auditor of Participant or is detected by Participant staff. After making required correction, intimation should be sent to the client along-with updated Client Master Report. **Amendment point** 2.6.4. After verifying the request, execute the request for name change and select the appropriate name change reason [viz.; On account of marriage, Other than marriage, and Change in father's name, and data entry error by Participant] in the DPM system. For modifying name of account holder(s), go to the Client Maintenance - Client Modification - Primary, Address and Signatory Details Modification.
Circular No. NSDL/POLICY/ 2015/0021 Date: February 10, 2015	***Sub: Simplification of procedure to be followed for change of address.*** Attention of Participants is invited to point no. 2.1 of Master Circular Version 5.0 on Account Opening, May 2014 in respect of change of address. All Participants are hereby informed that based on the suggestion/ feedback received from Participants, procedure for change of address is simplified. The revised procedure is given below: 1. While processing requests for change of address received from Clients, Participants should obtain the following documents: (a) a written application for change of address from the Client (*In case of joint holdings, all holders must sign the application and in case of non-individual,* authorised *signatory(ies) must sign*); (b) Proof of new address [*copy of any one of the documents mentioned at point no. 1.1.3 of Master Circular on Account Opening*] alongwith the original document of the new address for verification.

3. In case of change (*addition/ deletion/ modification*) in the landmark details for the address which is already captured in the DPM System, Participants may limit the changes to the landmark details, after obtaining a request from the Clients on a plain paper, which is signed by all the holder(s) (*in case of joint holdings*). Participants are advised to note that the address of the Client captured in the DPM System, as mentioned in the proof of address, should not change and only limit the change in the landmark details.
4. After effecting the change of address in the DPM System, the Participant should send a communication to the Client, confirming the change of address, to the old and the new addresses.
5. The Participant shall upload the updated information of the Client on the system of KRA.

In view of the aforesaid, point no. 2.1 of aforesaid Master Circular is revised and enclosed at Annexure-A in track change mode.

Annexure A

2. Change in demographic details :

2.1 Change of address (NSDL/POLICY/2008/0040 dated June 4, 2008 and NSDL/POLICY/2015/0021 dated , February 10, 2015):

I. While processing requests for change of address received from Clients, Participants should obtain the following documents:

(a) a written application for change of address from the Client (In case of joint holdings, all holders must sign the application and in case of non-individuals, authorised signatory(ies) must sign);

(b) Proof of new address [copy of any one of the documents mentioned in point no. 1.1.3 above] alongwith the original document of the new address for verification.

II. The Participant should verify the signature of the Client on the application with the signature of the Client available with the Participant. Further, the document pertaining to new address should be verified and attested in accordance with point no. 1.1.1 (b) and thereafter record the change of address in the DPM System.

III. In case of change (addition/ deletion/ modification) in the landmark details for the address which is already captured in the DPM System, Participants may limit the changes to the landmark details, after obtaining a request from the Clients on a plain paper, which is signed by all the holder(s) (in case of joint holdings). Participants are advised to note that the address of the Client captured in the DPM System, as mentioned in the proof of address, should not change and only limit the change in the landmark details.

IV. After effecting the change of address in the DPM System, the Participant should send a communication to the Client, confirming the change of address, to the old and the new addresses.

V. The Participant shall upload the updated information of the Client on the system of KRA.

Master circular on Account Opening version 5.0 was issued in May 2014.

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1. Account Opening:

1.1 General Guidelines:

1.1.1 Important Points:

(a) Self attested copy of PAN card is mandatory for all clients, including Promoters/ Partners/Karta/Trustees and whole time directors and persons authorized to deal in securities on behalf of company/firm/others.

(b) Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the list mentioned below at point no. 1.1.6. However, in case of PAN, Participants may verify the PAN of their Clients online at the Income Tax website without insisting on the original PAN card, provided that the Client has presented a document for Proof of Identity other than the PAN card.

(c) If any proof of identity or address is in a foreign language, then translation into English is required.

(d) Name & address of the applicant mentioned on the Know Your Client (KYC) Application Form, should match with the documentary proof submitted.

(e) If correspondence & permanent address are different, then proofs for both have to be submitted.

(f) Sole proprietor must make the application in his individual name & capacity.

(g) For non-residents and foreign nationals, (*allowed to trade subject to RBI and FEMA guidelines*), copy of passport/PIO Card/OCI Card and overseas address proof is mandatory.

(h) For foreign entities, CIN is optional; and in the absence of DIN no. for the directors, their passport copy should be given.

(i) In case of Merchant Navy NRI's, Mariner's declaration or certified copy of CDC (*Continuous Discharge Certificate*) is to be submitted.

(j) For opening an account with Depository participant or Mutual Fund, for a minor, photocopy of the School Leaving Certificate/Mark sheet issued by Higher Secondary Board/Passport of Minor/Birth Certificate must be provided.

(k) Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/ military officers, senior executives of state owned corporations, important political party officials, etc.

1.1.2 Proof of Identity (POI): - *Following is the list of documents admissible as Proof of Identity:*

(a) Unique Identification Number (UID) (*Aadhaar*)/ Passport/ Voter ID card/ Driving license.

(b) PAN card with photograph.

(c) Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/Debit cards issued by Banks.

1.1.3 Proof of Address (POA): - *Following is the list of documents admissible as Proof of Address: (Documents having an expiry date should be valid on the date of submission.)*

I. Passport/ Voters Identity Card/ Ration Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy /Aadhaar Letter issued by Unique Identification Authority of India.

II. Utility bills like - (Not more than 3 months old- as on date of receipt for documents).

a) Telephone Bill (only land line)

b) Electricity bill or

c) Gas bill

III. Bank Account Statement/Passbook - (Not more than 3 months old - as on date of receipt for documents)

Depending on the type of bank statement issued the following checks must be done:

a) **Original** bank statement: The original bank statement is printed on the stationery of the bank, carries logo & name of the bank, displays the name and address of the Client.

b) **Copy** of bank statement: In addition to point no. 1.1.3(III) (a), the authorised official of the Participant should verify the photocopy of the bank statement submitted with the corresponding original.

c) Original Bank statement on **plain paper (Computer generated):**

(i) The bank statement clearly mentions the name and address of the Client.

(ii) The bank statement is duly attested (signed and stamped) by the authorised official of the bank mentioning the name and designation of such authorized official.

(iii) Obtain a cancelled cheque leaf in original OR a photocopy of cheque and the authorized official of Participant should verify the same with the original cheque.

d) Bank statement issued in **electronic form**:

(i) Print out of the bank statement clearly mentions the name and address of the Client.

(ii) Obtain a cancelled cheque leaf in original OR a photocopy of cheque with the name of the Client pre-printed on it. However, in case of a photocopy of cheque it can be accepted provided the authorized official of Participant verifies the same with the original cheque.

IV. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.

V. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/Scheduled Co-Operative Bank/Multinational Foreign Banks/ Gazetted Officer/Notary public/Elected representatives to the Legislative Assembly/ Parliament/Documents issued by any Govt. or Statutory Authority.

VI. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.

VII. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostiled or consularised) that gives the registered address should be taken.

VIII. The proof of address in the name of the spouse may be accepted.

IX. Acceptance of third party address as correspondence address in depository account [SEBI Circular No. CIR/MRD/DP/ 37 /2010 dated December 14, 2010 (Circular No.: NSDL/POLICY/2010/0132 dated December 15, 2010)]

a) Client can also provide third party address as correspondence address in depository account provided Participant ensures that all prescribed 'Know Your Client' norms are fulfilled for the third party also. The Participant shall obtain proof of identity and proof of address for the third party. The Participant shall also ensure that customer due diligence norms as specified in Rule 9 of Prevention of Money Laundering Rules, 2005 are complied with in respect of the third party.

b) Participant should further ensure that the statement of transactions and holding are sent to the Client's permanent address at least once in a year.

c) However, the above provision shall not apply in case of PMS (Portfolio Management Services) clients as informed earlier vide letter no. IMD/ MT/165502/ 2009 dated June 05, 2009.

1.1.4 PAN:

I. The name(s) of depository account holder(s) should be compared with the name appearing on the website of the Income Tax Department (ITD). Alternatively, subscribe to the internet based service of NSDL (NSDL/POLICY/2007/0048 dated August 14, 2007) so that the name can be sought against the given PAN.

II. In case the name(s) do not match or the PAN is not present in the Income Tax database, Participants should seek necessary clarification from the account holder(s) and activate such accounts in the DPM System only after the discrepancy is resolved.

III. After verifying the details of PAN as mentioned above, the staff of the Participant should affix a stamp as 'PAN verified', on the photocopy of the PAN card(s).

IV. With respect to PAN, Clients may have reported the following problems:

(a)PAN card has been lost / misplaced or PAN card was never received but has the PAN allotment letter from the ITD;

(b)Change in the name of the Client due to marriage or voluntary action etc., (in case of individuals) or due to merger, amalgamation etc. (in case of a corporate entity).

In this regard, Participants are advised that the ITD issues a new PAN card with the same PAN with changes in PAN data, for the above reported problems. For detailed procedure, Participants may refer http://www.incometaxindia.gov.in or http://www.tin-nsdl.com (NSDL/POLICY/2006/0024 dated July 7, 2006).

In cases where there is minor mis-match in the name of Client as is mentioned in the account opening form and the name displayed on the ITD website, the Participants can collect the PAN card proof as submitted by the account holder. However, this would be subject to the Participants verifying the veracity of the claim of such Clients by collecting sufficient documentary evidence in support of the identity of the investors *[Refer point no. 1.1.2 above for list of documents which can be accepted as a valid proof of identity].* The Participant should call for any additional documents and / or clarification to ascertain and satisfy itself about the identity of the entity.

1.1.5 Exemptions/clarifications to PAN *(Sufficient documentary evidence in support of such claims to be collected.)*

a) In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.

b) Investors residing in the state of Sikkim.

c) UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.

d) In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary.

e) Participants may verify the PAN of their Clients online at the Income Tax website without insisting on the original PAN card, provided that the Client has presented a document for Proof of Identity other than the PAN card.

1.1.6 List of persons authorized to attest the documents:

a) Notary Public, Gazetted Officer, Manager of a Scheduled Commercial/ Co-operative Bank or Multinational Foreign Banks (Name, Designation & Seal should be affixed on the copy).

b) In case of NRIs, authorized officials of overseas branches of Scheduled Commercial Banks registered in India, Notary Public, Court Magistrate, Judge, Indian Embassy / Consulate General in the country where the client resides are permitted to attest the documents.

1.1.7 Bank details:

I. Any one or more of the documents given below can be accepted as proof of bank details:

a) Specimen copy of cheque/cancelled cheque

b) Copy of Bank Statement

c) Copy of Bank Passbook

d) Letter from Bank

II. The aforesaid documents specified at 1.1.7 (I) above must contain the following information to be acceptable as proof for bank details:

a) Bank Name

b) Branch Address

c) IFSC/MICR code

d) Name of account holder

e) Account Number

III. Participant need not seek from their Clients the proof of the bank details for capturing the bank details in the depository account, if they have direct access to the bank records for verification of the bank details provided by their Clients.

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

1.1.9 Participants can apply stricter criteria and accordingly, decide to accept selected documents out of the list of documents prescribed above [Refer point nos. 1.1.2 and 1.1.3], as POI and Proof of Address (*NSDL/PI/2004/2117 dated November 25, 2004*).

1.1.10 100% verification needs to be carried out in respect of account opening by the Concurrent Auditor of the Participant. The Concurrent Auditor should conduct the audit in respect of all accounts opened during the day, by the next working day. In case the audit could not be completed within the next working day due to large volume, the auditor should ensure that the audit is completed within a week's time. Participants would be required to appoint a firm of qualified Chartered Accountant(s) or Company Secretary(ies) or a Cost and Management Accountant, holding a certificate of practice for conducting the concurrent audit. Participants in case they so desire, may entrust the Concurrent Audit to their Internal Auditors. (*NSDL/POLICY/2006/0021 dated June 24, 2006, NSDL/POLICY/2007/0017 dated March 22, 2007 and NSDL/POLICY/2009/0020 dated March 16, 2009*).

1.2 Individual:

1.2.1 Account Opening for Individual:

I. The applicant should fill up the KYC Application Form (Part I) and Account Opening Form (Part II) as per the format given in Annexure J of the Business Rules of NSDL and submit the same to the Participant alongwith the agreement (*as per Annexure*

B of NSDL Bye Laws) duly executed on a stamp paper of appropriate value to the Participant. Further, the Participant shall be responsible in deciding the value of the stamp paper. The schedule of fees to be charged by the Participant to the Client should form a part of the agreement.

II. The applicant should submit any one of the documents as mentioned in point nos. 1.1.2 and 1.1.3 above, as a valid proof of identity and proof of address.

III. In-person Verification (IPV):

a) It is mandatory for all Participants to carry out IPV of their Clients. At the time of opening depository accounts, the Participant should establish the identity of the applicant(s) (*including guardian in case of minor account*) by verifying the photograph(s) affixed in the KYC Application Form (*Part - I of Annexure J*) as well as proof of identity document(s) as mentioned in point no. 1.1.2 above, **with the person** concerned. Further, in case of joint accounts, **'in-person'** verification needs to be carried out for all the holders of the account. Participants may use 'web-camera' for carrying out **'in-person'** verification for opening of depository accounts subject to compliance with other SEBI guidelines/circulars relating to opening of depository accounts including verification of documents.

b) Upon the applicant(s) submitting the KYC Application Form and the account opening form, proof of identity & address documents and PAN details, the Participant should follow the procedure as given below:

(i) Verify the identity of the applicant(s) as clarified in point no. 1.2.1 (III) (a) above.

(ii) After due verification, the Participants shall ensure that the following details are recorded on the KYC Application Form at the time of IPV:

1. name of the person doing IPV,
2. his designation,
3. organization
4. his signature and
5. date

(iii) **Manner of recording IPV details on KYC Application Form:** Participants may either affix a stamp or print the IPV details or write the same on the KYC Application Form. If **'in-person'** verification is done through web camera, then mention "IPV through webcam" as well.

(iv) **Place where IPV details are to be recorded on the KYC Application Form:** Participants may record the same at any appropriate place on the KYC Application Form as may be deemed fit by the Participant without making illegible the other details mentioned in the KYC Application Form. For non-individuals such as HUF, unregistered trust, etc. where the KYC Application Form for non-individuals is filled up and the depository account would be opened in the name of the individual (*such as karta, trustee, etc.*), the IPV details may, if Participants find it appropriate, be recorded at the Annexure to KYC Application Form where the details of the karta, trustee, etc. are mentioned.

(v) Attachment of separate sheet to the KYC Application Form or affixing stickers on the KYC Application Form for recording of IPV details will not be permitted.

c) The IPV carried out by one SEBI registered intermediary can be relied upon by another intermediary.

d) In case of Stock brokers, their sub-brokers or Authorised Persons (*appointed by the stock brokers after getting approval from the concerned Stock Exchanges in terms of SEBI Circular No. MIRSD/DR-1/Cir-16/09 dated November 06, 2009*) can perform the IPV.

e) In case of Mutual Funds, their Asset Management Companies (**AMCs**) and the distributors who comply with the certification process of National Institute of Securities Market (*NISM*) or Association of Mutual Funds (*AMFI*) and have undergone the process of 'Know Your Distributor (*KYD*)', can perform the IPV. However, in case of applications received by the mutual funds directly from the clients (*i.e. not through any distributor*), they may also rely upon the IPV performed by the scheduled commercial banks.

f) In the case of NRIs/foreign nationals, considering the infeasibility of carrying out 'in-person' verification, in such a situation photocopies of the KYC documents should be attested by any of the entities viz; Notary Public, any Court, Magistrate, Judge, Local Banker, Indian Embassy/ Consulate General of the country where NRI/FN is residing [*outside India*] to the effect that it has been verified with the originals.

IV. Participant must use separate KYC Application Form to collect information for each holder for joint accounts (*i.e. for first holder, second holder and third holder*) as well as for guardian in case the sole holder is a minor.

1.2.2 Minor Account:

a) SEBI has intimated to NSDL clarifying the position on operation of the depository accounts held in the name of minors as follows:

"Under [*The*] Hindu Minority and Guardianship Act, 1956, permission of court is required in the case of transfer by a natural guardian of immovable property of a minor. However, shares are not immovable property. Section 2 (7) of Sale of Goods Act, 1930 includes shares within the definition of "goods". Neither the Indian Contract Act nor the Sale of Goods Act provide for transfer by sale or otherwise by guardian/natural guardian of goods/movable property in the name of minor to the effect that permission of court is required in the matter of such transfer. In the case of accounts of minor in banks also, the guardian is entitled to open, operate and even close the account also. The depository account can, therefore, be operated by a natural guardian without any order from the court though the same is neither expressly permitted nor prohibited" (*NSDL/PI/2000/323 dated March 17, 2000*).

b) Account opened in the name of minor should not have joint holdings.

c) Two KYC Application Forms must be filled i.e. one for the guardian and another for the minor (*to be signed by guardian*).

1.2.3 Non Resident Indian/ Foreign National (NRI/FN):

I. While opening an account for an NRI Client, the Participant should obtain copy of the RBI approval letter, if any, for acquiring securities, alongwith the account opening form and other necessary documents.

II. Participants are required to ensure that all transactions in the account are in compliance with FEMA regulations. Accordingly, Participants are advised to obtain from the NRI/FN, necessary documents evidencing general/specific approvals as may be required under FEMA regulations.

III. RBI Clarification with respect to NRI/FN : (NSDL/PI/2000/1891 dated October 6, 2000)

RBI vide its letters dated July 18, 2000 and July 17, 2013 has issued the following clarifications with regard to Depository Account:

(a) RBI approval is not required for opening depository account.

(b) RBI has not put any condition that for opening of depository account, the non-resident shareholder must have a bank account. The depository account may be opened as per the norms of NSDL and the concerned bank.

(c) RBI has granted General Permission for sale of shares on stock exchanges by non-residents. In terms of Regulation 9(2)(i) of Notification FEMA.20/2000-RB dated May 3, 2000 as amended from time to time, transfer of shares by way of sale or gift from Non-Resident to Non-Resident does not require any specific approval of RBI.

(d) For sale of shares by negotiated deals, RBI permission (specific or general as may be applicable) needs to be obtained in accordance with FEMA guidelines.

(e) FN can sell the shares held under ESOP on stock exchange without RBI permission.

IV. While processing dematerialisation, receipt, delivery or pledge instructions from NRI Client, the Participant shall obtain a copy of the relevant RBI approval letter (e.g., RBI approval letter for sale in case of delivery instructions). The Participant need not obtain copy of the RBI approval letter for every instruction, if the same approval applies to each such instruction.

1.2.4 Illiterate person:

NSDL has prescribed the procedure for affixing thumb impression (*in Annexure J of Business Rules*) while filling an account opening form by an illiterate person. In this context, Participants are advised to follow the below mentioned procedure:

(a) Illiterate person(s), at the time of opening an account with a Participant must affix the thumb impression (*left hand thumb in case of a male and right hand thumb in case of a female*) on the agreement as well as on the KYC Application Form and Account Opening Form.

(b) All accounts opened by illiterate person(s) (hereinafter referred as Clients) must be either introduced by an existing account holder or must be attested by applicant's bank.

(c) The Client(s) must come in person to open the account and submit instruction forms and affix his/her thumb impression in the presence of the official of the Participant. The Participant should identify the Client(s) by verifying the photograph submitted by the Client(s) and read out/explain the contents of the KYC Application Form and Account Opening Form, Participant-Client agreement and delivery instruction form to the Client(s). The official of the Participant should then put his signature and remarks "Details explained to the Client(s)", on the account opening form, copy of the agreement and delivery instruction form.

(d) In case such Client(s) is/are temporarily or permanently disabled due to which he/she cannot come in person to submit the instruction form as mentioned in point (c) above, the thumb impression of the Client(s) on the instruction forms must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate or a similar authority holding a Public Office and authorised to use the Seal of his office or a manager of the account holder's bank. The Client should also produce a medical certificate about his/her disability.

(e) The instruction forms issued to such Client(s) should be pre-stamped as "Thumb Impression" on the Account Opening Form

(f) At the time of opening of account, the aforesaid rules should be explained to the Client(s) in the presence of a witness, who will have to sign the agreement and the account opening form, as a witness.

(g) Participants should note that the aforesaid guidelines are in addition to the existing guidelines with regard to opening of an account and executing instructions.

1.2.5 Blind person:

(a) The Participant should read out and explain to the Client, the contents of the KYC Application Form and Account Opening Form and Participant-Client agreement whenever so requested by the Clients. In case the Client is an illiterate, Participant should follow the procedure laid down in point no. 1.2.4.

(b) If the Client is illiterate, then Participant should put in the remark as "Visually Challenged and Thumb Impression" on the Account Opening Form.

(c) For issuance, re-issuance and processing of Delivery Instruction Slips (DIS) of such Clients, Participants are advised to follow the procedure laid down in NSDL Circular No. NSDL/PI/2004/1401 dated August 5, 2004. Participants would also be required to comply with NSDL Circular No. NSDL/POLICY/2007/0011 dated February 15, 2007 regarding SEBI circular on DIS. It is also added that the DIS issued to such Clients should be pre-stamped as "Visually Challenged" or "Visually Challenged and Thumb Impression" as the case may be. Further, these Client(s) should visit the office of the Participant to deliver the DIS, only if they are illiterate.

(d) Participants are requested to note that the above mentioned procedures will be applicable for new accounts opened since August 21, 2007 *(issuance of the revised circular)* as well as for processing of DIS for the existing Clients.

1.3 Non-Individual:

1.3.1 Account Opening for Non-Individual:

a) The applicant should fill up the KYC Application Form (Part I) and Account Opening Form (Part II) as per the format given in Annexure K of the Business Rules of NSDL and submit the same to the Participant alongwith the agreement (*as per Annexure B of NSDL Bye Laws*) duly executed on a stamp paper of appropriate value to the Participant. Further, the Participant shall be responsible in deciding the value of the stamp paper. The schedule of fees to be charged by the Participant to the Client should form a part of the agreement.

b) Any one of the documents as mentioned in point nos. 1.1.2 and 1.1.3 above can be submitted as a valid proof of identity and proof of address.

c) Participants shall ensure that in case of foreign entities, all transactions in the account are in compliance with FEMA Regulations. Accordingly, Participants are advised to obtain from such foreign entities necessary documents evidencing general/specific approvals as may be required under FEMA Regulations.

d) Obtain a declaration from the foreign entity that it has complied and will continue to comply with FEMA Regulations.

e) Participant must use separate KYC Application Form to collect information for each holder for joint accounts *(i.e. for first holder, second holder and third holder)*.

1.3.2 Additional documents to be obtained from non-individuals, over & above the POI & POA, as mentioned below:

I. Corporate:

a) Copy of the balance sheets for the last 2 financial years (*to be submitted every year*).

b) Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the company secretary/Whole time director/MD (*to be submitted every year*).

c) Photograph, POI, POA, PAN and DIN numbers of whole time directors/two directors in charge of day to day operations.

d) Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly.

e) Copies of the Memorandum and Articles of Association and certificate of incorporation.

f) Copy of the Board Resolution for investment in securities market.

g) Authorised signatories list, specimen signatures and photographs.

II. Partnership firm:

a) Copy of the balance sheets for the last 2 financial years (to be submitted every year).

b) Certificate of registration (for registered partnership firms only).

c) Copy of partnership deed.

d) Authorised signatories list with specimen signatures and photograph.

e) Photograph, POI, POA, PAN of Partners.

f) The account should be opened only in the names of Partners, operated by the partners and the securities that belong to the Partnership Firm can be held in this account.

g) Obtain an undertaking in the prescribed format from the Partners to the effect that the Partners would comply with the provisions of the Companies Act, 1956 and other applicable statutes in respect of securities of the Partnership firm held in the account opened in the names of the Partners (NSDL/POLICY/2006/0008 dated March 4, 2006).

h) Where the depository account would be opened in the name of individuals, carry out the 'in-person' verification of such individuals and record the details of IPV as per the procedure laid out in point no. 1.2.1 (III) above.

III. Depository account for Limited Liability Partnership (LLP):

(a) Copy of the balance sheets for the last 2 financial years (*to be submitted every year*).

(b) Certificate of registration.

(c) Copy of partnership deed.

(d) Authorised signatories list with specimen signatures and photograph.

(e) Photograph, POI, POA, PAN of Partners.

(f) Resolution/ Authority Letter for investment in securities market.

(g) Participant may open the depository account in the name of LLP Client under the Type 'Body Corporate' and sub-type 'Limited Liability Partnership'.

IV. **Trust:** The procedure and documents required for the opening of depository accounts in case of registered trusts/ public trusts, un-registered / private trusts and trusts established by organisations for providing terminal benefits to its employees is as follows:

a) Copy of the balance sheets for the last 2 financial years (to be submitted every year).

b) Certificate of registration (for registered trust only).

c) Copy of Trust deed.

d) List of trustees certified by managing trustees/CA.

e) Photograph, POI, POA, PAN of Trustees.

f) For registered trust where a registration certificate is issued by a Statutory Authority under the provisions of the Bombay Public Trust Act, 1950 or The Indian Societies Registration Act, 1860, in addition to the above, Participants are requested as follows:

   (i) Open the depository account under the category and in the name of trust

   (ii) Obtain certified copy of the resolution passed by the Board of Trustees giving the names of trustees authorised by the Board of Trustees to open and operate the depository account.

g) For Unregistered Trust, in addition to the above, Participants are advised as follows:

   The Department of Company Affairs had vide its circular dated June 12, 1957 clarified that the shares in a company which are the property of trust can be held in the names of trustees being Individuals, Corporations, Companies or Societies registered under the Societies Registration Act, 1860 without the addition of the statement that they are trustees. It is also further clarified in the said circular that the shares can be held in the name of a trust if the trust is a separate legal entity such as registered society. Hence, unless the trust is a separate legal entity, the depository accounts have to be opened in the names of trustees irrespective of whether they are Individuals, Corporations or Companies.

   As per the circular issued by the Department of Company Affairs, the relationship of trust between a trustee and the beneficiary is not required to be taken note of in the account by the Participants while opening the depository account. Trusts established for holding of securities for the benefit of family members, holding of securities for the benefits of employees etc would fall in this category.

   In these cases, Participants are advised to treat the applicant as a private trust and advised as follows:

   (i) If the trustee(s) are individuals, then open the depository account in the individual name under the category 'Individual'.

   (ii) In case the trustee(s) of the unregistered trust are corporations, companies or entities registered under the Bombay Public Trust Act, 1950 or The Indian Societies Registration Act, 1860, then open the accounts in their respective names. Participants should obtain certified copies of the resolution passed by such entities giving the names of the authorised official(s) i.e. trustee(s) who shall open and operate the depository account,

   (iii) Only those securities that belong to the trust can be held in such a depository account. Securities belonging to the trustee(s) in their individual capacities

will have to be held in separate depository account(s) of such person(s).

(iv) Where the depository account would be opened in the name of individuals, carry out the 'in-person' verification of such individuals and record the details of IPV as per the procedure laid out in point no. 1.2.1 (III) above.

h) Opening of accounts for Terminal Benefit Funds operated as Trusts:

In case of terminal benefit funds such as Provident Fund / Gratuity Fund / Superannuation Fund that are operated as Trusts and where a Recognition Certificate is issued by the Income Tax Authorities and / or the Regional Provident Fund Commissioner, as the case may be, Participants are advised as follows:

(i) Open the depository account under the category and in the name of trust.

(ii) Obtain copy of Recognition Certificate issued by the Income Tax Authorities and / or the Regional Provident Fund Commissioner, as the case may be,

(iii) Obtain certified copy of the resolution passed by the Board of Trustees giving the names of trustee(s) authorised by the Board of Trustees to open and operate the depository account,

(iv) Only those securities that belong to the trust can be held in such an account. Securities belonging to the trustee(s) in their individual capacities will have to held in a separate depository account(s) of such person(s).

V. HUF

a) PAN of HUF.

b) Deed of declaration of HUF/ List of coparceners.

c) Bank pass-book/bank statement in the name of HUF alongwith bank details as per point no. 1.1.7 above.

d) Photograph, POI, POA, PAN of Karta.

e) Open the beneficiary account in the name of the Karta of the HUF. The HUF account should not have joint holdings (*NSDL/PI/2002/1346 dated August 12, 2002*).

f) As the depository account would be opened in the name of individual, carry out the 'in-person' verification of such individual and record the details of IPV as per the procedure laid out in point no. 1.2.1 (III) above.

g) Since Clients are required to open HUF (*depository*) accounts in the name of 'Karta', they may face difficulty in encashing cheques / demand drafts in respect of dividend / interest warrant, since the bank account may have been opened in the name of HUF. For this purpose, RBI has clarified that a mandate may be taken by banks from the accountholder that the cheques drawn in favour of 'Karta' can also be collected in the account of HUF and vice-versa. Participants are advised to take note of the above and provide a copy of 'Client Master Report' so as to enable the Clients to suitably take up the matter with their banks. A copy of the letter received from RBI, clarifying the stand to be taken with respect to bank account that is opened in the name of HUF may be provided at the request of the Client's bank (*NSDL/PI/2005/0159 dated January 27, 2005 and NSDL/POLICY/2007/0064 dated October 19, 2007*).

VI. Unincorporated association or a body of individuals

a) Proof of Existence/ Constitution document.

b) Resolution of the managing body & Power of Attorney granted to transact business on its behalf.

c) Authorized signatories list with specimen signatures and photographs.

d) The account should be opened in the name(s) of the individual(s)/ person(s) forming unincorporated association or a body of individuals and operated by such individual(s)/ person(s).

e) Where the depository account would be opened in the name of individuals, carry out the 'in-person' verification of such individuals and record the details of IPV as per the procedure laid out in point no. 1.2.1 (III) above.

VII. Banks/Institutional Investors

a) Copy of the constitution/registration or annual report/balance sheet for the last 2 financial years.

b) Authorized signatories list with specimen signatures and photographs.

VIII. Foreign Institutional Investors (FIIs)

a) Copy of SEBI registration certificate.

b) Authorized signatories list with specimen signatures and photographs.

c) Participants need not enter into Participant-Client agreement provided:

(i) FIIs are registered with SEBI and have entered into an agreement with the Participant either directly or through their power of attorney holders in accordance with the provisions of sub-regulation (1) of regulation 16 of the SEBI (Foreign Institutional Investors) Regulations, 1995; and

(ii) Such agreement gives the Participant an authority to act on behalf of the FIIs for availing the services of the Depository; and

(iii) Such agreement has been filed with SEBI;

(iv) International Multilateral Agency, who has entered into an agreement with the Participant under regulation 17 of the SEBI (Custodians of Securities) Regulations 1996, and such agreement states that the Custodian will also act as a Participant and all provision pertaining to Participant shall be applicable; then such Participant need not enter into an agreement as per Annexure B of the Bye Laws.

IX. Army/ Government Bodies

a) Self-certification on letterhead.

b) Authorized signatories list with specimen signatures and photographs.

X. Registered Society

a) Copy of Registration Certificate under Societies Registration Act.

b) List of Managing Committee members.

c) Committee resolution for persons authorised to act as authorised signatories with specimen signatures.

d) True copy of Society Rules and Bye Laws certified by the Chairman/Secretary.

1.3.3 Escrow Account:

Participants should accept the following documents for opening of an escrow account:

(a) KYC documents of Corporate and Escrow Agent.

(b) Copy of escrow agreement duly signed by all the parties.

(c) The account should be opened in the name as mentioned in the Scheme, which is approved by a competent authority and is in accordance with SEBI regulations. Further, the operation of such account should be governed by the terms and conditions of escrow agreement.

(d) Copy of PAN card of both parties involved in such an arrangement. However, PAN details of the Corporate should be captured in the account after the same has been verified in accordance with point no. 1.1.4 above.

(e) The account should be used only for holding securities, which are required to be transferred under the specific scheme and in accordance with the SEBI regulations.

(f) As the account is opened for specific purpose, the same shall be closed immediately after the shares held in the account are transferred to the respective demat accounts or are extinguished as required under the said scheme.

1.3.4 Depository account for unclaimed shares of listed companies:

(a) The depository account may be opened in the name as "*<Name of Issuer> - Unclaimed Suspense Account*" under the type "Body Corporate" and sub-type "Others" by the Issuer.

(b) The Issuer shall submit a declaration on its letterhead, signed by the authorized signatories, stating that: *"We hereby undertake that we will ensure compliance with the provisions of the applicable SEBI guidelines for dealing with unclaimed shares. We further undertake that the said depository account will only be used for specified purposes"*.

(c) Procedure mentioned above in point nos. 1.3.1 and 1.3.2 (I) about opening of depository account in case of non-individual should be followed.

1.3.5 CM Account:

I. The CM should fill up the KYC Application Form (Part I) and Account Opening Form (Part II) as per the format given in Annexure K of the Business Rules of NSDL and submit the same to the Participant alongwith the agreement (*as per Annexure B in the Bye Laws*) duly executed on a stamp paper of appropriate value. Further, the Participant shall be responsible in deciding the value of the stamp paper. The schedule of fees to be charged by the Participant to the CM should form a part of the agreement.

II. Following documents are required for opening a CM account:

a) A copy of the letter from the Clearing Corporation/Stock Exchange intimating allotment of the CC-CM-ID to the CM signed by its authorised official.

b) A copy of the latest SEBI registration certificate (*not applicable for CMs of Commodity Exchanges*).

c) Board Resolution for authorised signatory.

d) Memorandum of Association and Articles of Association.

e) Specimen copy of the cheque for capturing the 9-digit MICR code.

III. Participant should verify the completeness of the account opening form and verify the copies submitted with the original documents.

IV. If the documents are in order, the Participant should accept them and give an acknowledgement duly signed and stamped to the CM.

V. The Participant should forward the following documents to NSDL for allotment of CM BP ID:

a) Copy of Account opening form,

b) Copy of the letter from the Clearing Corporation/Stock Exchange intimating allotment of the CC-CM-ID signed by its authorised official and copy of the latest SEBI registration certificate (*not applicable for CMs of Commodity Exchanges*). These documents should be verified and attested as per point

no. 1.1.1 (b) alongwith the stamp of the Participant, signature of Compliance Officer, name and designation.

VI. NSDL will allot the CM-BP-ID and intimate to the Participant electronically.

VII. The Participant should capture the signature(s) of the authorised signatories as given in the Account Opening Form in the DPM System.

VIII. The Participant should enter the Client account number generated from the DPM System in the Account Opening Form.

IX. The Participant should print the Client Master Report and give it to the CM alongwith a copy of the Agreement.

1.4 Additional requirement for special type of accounts

1.4.1 Promoter account: While opening such accounts, Participants are advised to obtain an undertaking from the Client that said beneficiary account(s) are opened for the sole purpose of holding and transacting for the securities held as promoter and no other securities will be held/transacted in the said account.

1.4.2 DR account: It may be mentioned that since the Client has already been identified by the Participant (*the Client should be an existing account holder*), a separate agreement may not be required. However, Participants must ensure that the Client gives a letter mentioning its intention to open a separate account for holding DR-cancelled securities and that it will be bound by the agreement it had earlier signed with the Participant (*NSDL/PI/2002/0899 dated June 7, 2002*).

1.4.3 Margin Account: While opening such accounts, Participants are advised to obtain an undertaking from the CM/Broker that the said beneficiary account(s) are opened for the sole purpose of holding and transacting for Client margin purposes and no other securities will be held/transacted in the said account.

1.5 Procedure to be followed if there are more than three holders (NSDL/PI/99/231 dated April 8, 1999):

In the account opening module of the DPM System, there is a provision for only three joint names as presently, allotments in the primary market and purchases in the secondary market are permitted only with a maximum of three joint names. However, there are very old cases of shareholdings where the number of joint holders are four or even more. The issue of dematerialisation of such holdings was discussed in the SEBI meeting held on February 12, 1999 and it was decided that Depositories shall formulate a system to incorporate more than three joint names for Client accounts and Participants shall be advised accordingly. It was also decided that no credits, other than on account of dematerialisation of securities would be allowed to such accounts. In view of this, Participants are advised to follow the procedure given below for the same :

1.5.1 A separate account must be opened in the name of the joint holders with four or more names. The standing instructions to receive credits, receipt instructions, new issue applications and any other instruction which has the effect of crediting this account should not be accepted. Appropriate annexure should be attached to the account opening form in order to include various details viz; name, address, signatures, etc. of more than three holders. An undertaking should be obtained from the Client on the lines that “the Client shall not use this account for the purpose of allotments in the primary market or purchases from the secondary market and hence no instructions other than for dematerialisation, bonus, rights & preferential offer will be given by the Client to any person which has the effect of crediting this account”.

1.5.2 While opening the account, the Participant shall capture the names of the four or more joint holders by numbering them in the DPM and entering the first holder's name in the first holder's field and accommodating the rest of the names in the fields for second and the third holder, eg. : - In case of joint holdings in four joint names of Mr. A, Mr. B, Mr. C & Mr. D, the account can be opened in the DPM as follows; First Holder's Name : 1. Mr. A; Second Holder's Name 2. Mr B; Third Holder's Name 3. Mr. C 4. Mr. D.

1.5.3 The Participant shall process the dematerialisation request as per the usual procedure while ensuring that the pattern of holding as per the certificate tallies with the pattern of holding as per the account. After the balances in such joint account become nil, the aforesaid joint account should be closed.

1.5.4 Participants are further advised that in case of holdings of a "Trust" held in the joint names of four or more trustees, the procedure given above for opening the account can be adopted without any restrictions on receiving credits into that account.

1.6 Commodity Account (NSDL/PI/2003/1882 dated November 27, 2003, *NSDL/PI/2005/1441 dated August 9, 2005 and NSDL/POLICY/2009/0007 dated January 20, 2009):*

As legal status of warehouse receipts is different from that of securities, it is necessary for Participants to enter into a separate agreement with persons seeking to open a depository account for the purpose of holding and dealing in electronic warehouse receipts.

1.6.1 Account opening procedure will be similar to depository account. All precautions and procedures for account opening, change in address, etc. as applicable to securities account shall be followed. For the purpose, Participant should be empanelled with Commodity Exchanges (*who have established connectivity with NSDL*) for providing depository services relating to warehouse receipts.

1.6.2 Such accounts shall hold only electronic warehouse receipts of respective Commodity Exchanges and cannot be mixed up with other securities. Further, the Participant needs to open separate accounts and enter into separate agreements with the Clients for holding warehouse receipts of NCDEX and MCX. In case the Client intends to hold warehouse receipts of National Spot Exchange Limited (NSEL), the account opened for holding warehouse receipts of MCX can be used, provided the Participant is empanelled with both MCX and NSEL. If the Participant is exclusively empanelled with NSEL, Clients need to open a depository account and execute the prescribed agreement with the Participant for holding electronic warehouse receipt of NSEL.

1.6.3 Commodity flag should be enabled for these depository accounts.

1.6.4 Participants may make their own business/contractual agreement with the Commodity Exchanges / warehouse owners, as they deem fit, including terms and conditions related to collection of rent, etc. If Participants are required to collect any charges/ tax/rent on behalf of Commodity Exchanges / Warehouse, Participants may have to ensure that such function has adequate legal basis.

1.6.5 NSDL will issue circular relating to activation of Commodities Identifier [*ICIN*] (*equivalent to ISIN*) as and when such ICINs are activated in the system. The transaction statement will contain ICIN-wise balances. Commodity descriptor will contain unit of measurement, for e.g.:- "(*ICIN No.*) Castor Seed Grade A, Ahmedabad (*in MTs*)." MT = Metric Tonnes.

1.6.6 Initial credit of electronic warehouse receipts into depository account will be effected by way of corporate action.

1.6.7 Procedure for transfer, pledge and freeze will be the same as is applicable to securities.

1.6.8 Participants are advised to note that for making a request for delivery of commodities/ metals represented by warehouse receipts "Physical Delivery Request Form" (*PDRF*) in the prescribed format should be filled-up by the Clients and after processing the requests such instructions should be executed in the DPM System by the Participants using 'Remat/Repurchase Screen' under the type 'Remat'. The procedure for rematerialisation of warehouse receipts will be same as is applicable for securities. Participant shall issue acknowledgment for receipt of the remat request by entering remat request (transaction) number on the acknowledgment portion and attest the signature of the Client on the copy of PDRF. Client will submit this acknowledgment and attested copy of PDRF to the warehouse at the time of taking delivery.

1.6.9 Commodity depository accounts for Partnership firm: Commodity depository accounts can be opened in the name of "Partnership firm" under type/sub-type "Body Corporate/ Others", as the structure and regulations governing transactions in commodities do not prohibit a partnership firm to hold commodities in the name of partnership firm. For the purpose, Participant should be empanelled with Commodity Exchanges for providing depository services relating to warehouse receipts.

1.7 Guideline for capturing details in DPM system:

The Participant should enter the details of the Client as mentioned in the KYC Application Form and Account Opening Form, in the DPM System after verifying with the POI and Proof of Address. It may be mentioned that Participants can avail the facility of Bulk Verify and Release with respect to opening of Client accounts in the DPM System (*NSDL/PI/2007/0019 dated April 4, 2007*).

1.7.1 Capturing of PAN details:

a) After verification of PAN details as per point no. 1.1.4 above the PAN of Client should be captured in the DPM system. In case of joint accounts, the PAN of each of the joint holder should be captured in the DPM System after making verification as explained above. As all Participants are aware, DPM System is enabled to capture PAN of all joint holder(s) of a depository account.

b) Thereafter, PAN flag(s) should be enabled in the DPM System (*NSDL/ POLICY/2006/0012 dated March 25, 2006*).

c) Participants are restricted from modifying the PAN of a holder in a Client account in DPM System, once the PAN flag has been enabled. However, Participant may approach NSDL for modifying the PAN or PAN flag and NSDL will provide a facility for Participants to register a request for modification of PAN for such holders in Client account (*NSDL/POLICY/2007/0052 dated September 13, 2007*).

d) In case of HUF, Partnership Firm, Unregistered/ Private Trust etc. although the account is opened in the name of karta, partner(s), trustee(s) etc. PAN of HUF, Partnership Firm, Unregistered/ Private Trust etc. should be captured in the DPM system after due verification as per aforesaid procedure.

e) In case minor account, PAN details of the minor should be captured in the DPM System after due verification. (*NSDL/POLICY/2006/0031 dated August 9, 2006*).

1.7.2 Capturing of address:

a) Participants can capture two addresses in the DPM System for a Client (*first holder/sole holder*) i.e. local and correspondence addresses. The Client Master Report and Export will carry both these addresses.

b) For both, local and correspondence addresses of a Client, Participants should ensure that they collect and verify the KYC documents as mentioned in point nos. 1.1.1 (b), 1.1.2 and 1.1.3 only then the same should be captured in the DPM System.

c) The local address would be the default address that would be forwarded to the Registrar & Transfer Agent (RTA) as well as used for printing Transaction Statement (SOT) from DPM System. However, the Client has the option to request the Participant to use the other address i.e. correspondence address for the aforesaid purposes. In such a situation, the Participant should disable the default indicator under the option "Beneficiary Address Local" (*referred to as 'Address Preference Flag' in batch file import format*).

d) Participants may capture the landmark details in the DPM System, which are not mentioned in the proof of address submitted by the Client but are mentioned by Client in the account opening form. The landmark details could include details like name of the building / mall / junction / school / garden / hotel / bank / railway station / company name / bus depot etc with the preceding words such as 'near by', 'adjacent to', 'behind', 'next to', 'opposite to', 'off' etc.

e) In case the NRI/FN/Foreign entities have submitted only proof of address as foreign address, in such a situation, Participants may capture the foreign address in both local and foreign address fields given in DPM system.

1.7.3 Capturing of Bank details

a) Capture 9-digit MICR codes and IFSC for all the accounts opened. Participants are advised to capture bank address details strictly in the manner described below:

Row 1 : Building / Tower / Apartment / Palace / Chamber / Mansion

Row 2 : Street / Road / Marg / Lane / Avenue / Rasta

Row 3 : Area name

Row 4 : City name

Pin code : Bank address PIN code

b) In case of HUF, Partnership Firm, Unregistered/ Private Trust etc. although the account is opened in the name of karta, partner(s), trustee(s) etc. Bank details of HUF, Partnership Firm, Unregistered/ Private Trust etc. should be captured in the DPM system after due verification as per aforesaid procedure.

1.7.4 Signature of Client:

a) The Participant should capture the Client's signature(s) as given in the KYC Application Form and/or Account Opening Form in the DPM System. For non-individuals alongwith signature of authorised signatory(ies), capture the mode of operation in the DPM system.

b) In case the trustee(s)/ partner(s) etc. are individuals, capture the signature(s) of the individuals. In case the trustee(s)/ partner(s) etc. of the unregistered trust/ partnership firm are corporations, companies or entities registered under the Bombay Public Trust Act, 1950 or The Indian Societies Registration Act, 1860, capture the signature(s) of the authorised signatories in the DPM System.

c) Illiterate Person: A remark should be put in the DPM System (*under the authorised signatory details under "Signatories" screen*) at the time of opening the account that the account holder is illiterate or disabled.

d) Blind Person: A remark should be put in the DPM System (*under the authorised signatory details in 'signatories' screen*) that the Client is "Visually Challenged".

1.7.5 Standing Instruction indicator: For ease of data entry, the Standing Instruction indicator in the DPM System would be in an enabled status with respect to all types of Client accounts except for accounts with sub-type "DR" at the time of opening depository accounts. For those Clients who have not opted for Standing Instructions, the Participant should disable the Standing Instruction indicator in the DPM System.

1.7.6 SMS flag: For ease of data entry, the SMS flag of the account holder will automatically get enabled in the DPM System after the Participant captures the mobile number (*Participants are advised to strictly capture the ten digit mobile number with the first digit as "6" / "7" / "8" / "9"*) of the respective account holders at the time of opening of depository accounts. If the Client submits the mobile number but does not wish to opt for the SMS Alert facility, the Participant should capture the mobile number in the DPM System and disable the SMS flag either from the front end of the DPM System or through back office file import (*NSDL/POLICY/2008/0059 dated September 1, 2008 & Circular No.: NSDL/POLICY/2010/0010 dated January 28, 2010*).

1.7.7 NRI (*Repatriable/Non- Repatriable*) account (*NSDL/PI/98/007 dated January 2, 1998*):

I. The account should be opened in the name of the NRI in the DPM System under repatriable category when securities are held on repatriable basis and under non-repatriable category when securities are held on non-repatriatable basis.

II. Participants are advised to capture the following details in the DPM System against the RBI reference number and date:

(a) If the NRI has at any time purchased securities from the secondary market, i.e., under Portfolio Investment Scheme, then the RBI reference number and date mentioned in the RBI approval letter should be entered.

(b) If the NRI has never purchased securities from the secondary market, but the securities have been allotted in the primary market, i.e., under Direct Investment Scheme, then the Participant should mention the following :

RBI Reference No. : "Under General Permission"

RBI Approval Date : Present date

(*Subsequently, whenever the NRI gives dematerialisation or receipt instructions in respect of purchase of securities from the secondary market, the RBI reference number and date should be entered therein*)

(c) If the NRI does not hold any securities, then the Participant should mention the following :

RBI Reference No. : "No Holdings"

RBI Approval Date : Present date

(*Subsequently, whenever the NRI gives dematerialisation or receipt instructions in respect of purchase of securities from the secondary market, the RBI reference number and date should be entered therein*)

1.7.8 Promoter account: Separate sub-types are available in the DPM system to enable promoters to separately hold securities issued as "Promoter" of the company.

1.7.9 DR Account:

A sub-type "DR" is present for the Client types viz.; 'Resident', 'Non Resident Indian',

'Foreign Institutional Investor', 'Corporate Bodies', 'Foreign National' and 'Mutual Fund'. This sub-type is for the purpose of enabling investors to separately hold equity shares issued upon cancellation of Depository Receipts (GDR/ADR) held by them. Further, the existing account holders under Client type 'Foreign National' have been categorised under the sub-type "FN".

In this context, Participants are advised as follows:

(a) In order to receive the securities issued upon cancellation of the Depository Receipts (DRs) held by the investors, they will have to open a separate account with sub-type "DR" under the relevant Client type/category and ensure that only such securities are credited in this account.

(b) The standing instruction indicator in the DPM System should not be enabled for accounts with sub-type "DR". The Clients will have to give specific receipt instructions to the Participants for receiving securities issued upon cancellation of DRs.

1.7.10 Margin Account:

(a) Sub-type viz. "Margin Account" can be selected under the Client types viz.; 'Resident' and 'Body Corporate' under Client Maintenance Module in DPM System.

(b) Sub-type "Margin Account" enables CMs to open beneficiary accounts to hold securities for Client margin purposes.

1.7.11 The Participant should save the details and enter the Client account number (Client ID) generated by DPM System in the Account Opening Form.

1.8 Information to KYC Registration Agency and Clients:

1.8.1 Information to KYC Registration Agency (KRA):

a) After doing the initial KYC of the new clients, the Participant shall forthwith upload the KYC information on the system of the KRA and send the KYC documents i.e. KYC Application Form and supporting documents of the clients to the KRA within 10 working days from the date of execution of documents by the Client and maintain the proof of dispatch.

b) The KRA system shall be applicable for all new Client accounts opened from January 1, 2012. Only for the Client accounts opened between January 1 and January 31, 2012, the Participants may upload the KYC data on the KRA system and send the relevant KYC documents to KRA, by February 15, 2012. However, for Client accounts opened from February 1, 2012, the Participants shall continue to follow the requirement of sending the same within 10 working days as given in point no. 1.7.1 (a) above. SEBI has also advised that the existing Clients can continue to trade/ invest/ deal with their intermediaries as per the current practice.

c) In case a Client's KYC documents sent by the Participant to KRA are not complete, the KRA shall inform the same to the Participant who shall forward the required information / documents promptly to KRA.

d) For existing Clients, the KYC data may be uploaded by the Participant provided they are in conformity with details sought in the uniform KYC form prescribed vide SEBI circular no. MIRSD/SE/Cir-21/2011 dated October 5, 2011. While uploading these Clients' data the Participant shall ensure that there is no duplication of data in the KRA system.

e) The Participant shall maintain electronic records of KYCs of Clients and keeping physical records would not be necessary.

f) The Participant shall promptly provide KYC related information to KRA, as and when required.

g) The Participant shall have adequate internal controls to ensure the security / authenticity of data uploaded by it.

h) Upon receipt of information on change in KYC details and status of the clients by the Participant or when it comes to the knowledge of the Participant, at any stage, the Participant shall be responsible for uploading the updated information on the system of KRA and for sending the physical documents to KRA, wherever necessary.

1.8.2 Information to Client:

I. The Participant should give the Client Master Report alongwith a copy of the Agreement including charge structure to Client. Such information may be provided to the Client through email provided Participant ensures the following:

a) The Client Master Report and the scanned copy of the duly signed Participant Client agreement alongwith the charge structure is provided to the Client at the email address recorded in the DPM system. In case the Participant is not able to provide the same to its Clients by email due to any reason (including bounced emails), the Participant should ensure that the same is provided to the Client in paper form.

b) Maintain the records of delivery/non-delivery of emails to Clients.

c) When the Client provides email address at the time of account opening, inform the Client that such information will be sent by email to the Client.

d) In case the Client has opted for DIS booklet alongwith account opening or in case of BSDA, the DIS booklet must be separately issued to the Client.

II. Such information should be provided only after the account is in "Active" status in the DPM System. In case the Participant is using a separate series of Client IDs generated from the DPM system, the Client ID may be intimated to the Clients subject to the following conditions:

a) At the time of intimation of such Client ID, the Client must be clearly communicated that the Client ID is yet to be activated.

b) After the Client ID is in "Active" status, separate communication (letter / email or any other mode which the Participant may deem fit) must be sent to the Client.

2. Change in demographic details:

2.1 Change of address (*NSDL/PI/2004/1622 dated September 7, 2004 & NSDL / POLICY / 2008 / 0040 dated June 4, 2008*):

2.1.1 For depository account opened in the name of individual

I. While processing requests for change of address received from Clients, Participants should obtain the following documents:

(a) a written application for change of address from the Client (*In case of joint holdings, all holders must sign the application*);

(b) POI [*copy of any one of the documents mentioned in point no. 1.1.2 above of the Client (sole holder or either of the holders) visiting the office of the Participant*];

(c) latest transaction statement of the account received from the Participant. In case a Client (*sole holder or either of the holders*) personally visits the Participant's office to submit an application (*signed by all holders in case of joint holdings*) for change of address alongwith necessary documents (*POI / proof of address*) mentioned in point nos. 1.1.2 and 1.1.3, the Participant need not obtain the transaction statement from such Client (*NSDL/ POLICY/2007/0030 dated June 18, 2007*);

(d) Proof of new address [*copy of any one of the documents mentioned in point no. 1.1.3 above*] alongwith the original documents of the new address for verification.

II. The Client should personally visit the office of the Participant where the Client maintains and operates his/her account and submit the application for change of address. However, in case the Client expresses inability to personally visit the office of the Participant, the application for change of address alongwith other documents can be submitted through an authorised representative, whose identity the Participant must verify by collecting any of the proof of identity documents as stated in point no. 1.1.2 above.

III. The Client or its authorised representative should sign the application once again in the presence of the officials of the Participant.

IV. The Participant should verify the signature of the Client on the application and the identity documents with the signature of the Client available with the Participant. Further, the document pertaining to new address should be verified and attested in accordance with point no. 1.1.1 (b) and thereafter record the change of address in the DPM System.

V. In case of change (*addition/ deletion/ modification*) in the landmark details for the address which is already captured in the DPM System, Participants may limit the changes to the landmark details, after obtaining a request from the Clients on a plain paper, which is signed by all the holder(s) (*in case of joint holdings*). Participants are advised to note that the address of the Client captured in the DPM System, as mentioned in the proof of address, should not change and only limit the change in the landmark details.

VI. After effecting the change of address in the DPM System, the Participant should send a communication to the Client, confirming the change of address, to the old and the new addresses.

2.1.2 For depository account opened in the name of non-individual

(a) A written application for change of address of the corporate entity, signed by the authorised signatories should be submitted to the Participant.

(b) Atleast one of the authorised signatories should visit the office of the Participant in person to submit its application for change of address alongwith necessary documents. However, in case authorised signatories expresses their inability to personally visit the Participant's office, the application for change of address alongwith other documents including the latest transaction statement can be submitted through an authorised representative whose identity the Participant must verify by collecting any of the proof of identity documents as stated in point no. 1.1.2 above.

(c) The authorised signatories or their authorised representative should sign the application once again in the presence of the officials of the Participant.

(d) Participant should collect Proof of new address (*copies of documents mentioned under point no. 1.1.3 alongwith the original document of new address, for verification by the Participant*).

(e) An authorised official of the Participant shall verify the application and the abovementioned documents should be verified and attested in accordance with point no. 1.1.1 (b) above and thereafter record the change of address in the DPM System.

(f) After effecting the change of address in the DPM System, the Participant should send a communication to the Client, confirming the change of address, to the old and the new addresses.

2.2 Change of Signature (*NSDL/PI/2004/0045 dated January 7, 2004*):

2.2.1 For depository account opened in the name of Individual:

Participants are advised to follow the below mentioned procedure for effecting change of signature of Clients:

a) The Client should make a request in writing specifying reasons for change in signature.

b) New signature should be duly attested by Client's banker.

c) Client should visit the Participant's office personally and produce valid POI. (*NSDL/POLICY/2007/0030 dated June 18, 2007*)

d) In the presence of officials of Participant, Client should affix his/her new signature.

e) An authorised official of the Participant shall, under his signature, verify the identity proof with the proof and photograph that were furnished at the time of opening of account and thereafter, if found satisfactory, make necessary changes in its records.

2.2.2 For depository account opened in the name of non-individual - Change of authorised signatory:

In case of change in authorised signatory, the Client should provide a fresh board resolution mentioning authorised signatories who shall operate the depository account alongwith the specimen signature and photograph of the new authorised signatory. Participants need not obtain the details of the existing authorised signatories if they remain unchanged. Thereafter, Participants are advised to capture the signature of the new authorised signatories in the DPM System. Participants should ensure that the signatures of the outgoing authorised signatories should be dislodged from the DPM System.

2.3 Change in status of Standing Instruction:

If the Client requests for change in standing instruction, Participant should carry out the changes in the DPM System based on proper authorisation received from the Client (*signed by all the holders in case of joint holdings*). In case the 'execution date' for change in standing instruction is provided by the Client that date must be entered in the DPM system. If 'execution date' for change in standing instruction is not provided by the Client, then the 'current date' of execution of such instruction must be entered (*NSDL/POLICY/2009/0090 dated October 1, 2009*).

2.4 Change in bank details:

2.4.1 Participant should obtain written request signed by the authorised signatories. Participant should ensure that the request submitted by the Client is completely

filled, including the bank account particulars of the Client and properly signed (*signed by all the holders in case of joint holdings and by authorised signatories in case of body-corporate*) (*NSDL/PI/97/119 dated July 22, 1997*).

2.4.2 Any one or more of the documents given below can be accepted as proof of bank details:

a) Specimen copy of cheque/cancelled cheque

b) Copy of Bank Statement

c) Copy of Bank Passbook

d) Letter from Bank

2.4.3 The aforesaid documents specified at 2.4.2 above must contain the following information to be acceptable as proof for bank details:

a) Bank Name

b) Branch Address

c) IFSC/MICR code

d) Name of account holder

e) Account Number

2.4.4 Update the IFSC/MICR code while updating the bank account details of the Client (*NSDL/POLICY/2007/0023 dated April 24, 2007*).

2.4.5 Participants need not seek from their Clients the proof of the bank details for capturing the bank details in the depository account, if they have direct access to the bank records for verification of the bank details provided by their Clients.

2.5 Change in SMS flag and / or mobile numbers:

2.5.1 Participant must obtain a written request from the Client for change in mobile number and/or SMS flag. In case request is received through email or website of Participant, refer procedure mentioned at point no. 2.7.

2.5.2 For joint holdings, the written request must be signed by the holder whose mobile number and / or SMS flag is being changed.

2.5.3 Participants are advised to strictly capture the ten digit mobile number with the first digit as “6” / “7” / “8” / “9” and/or update the SMS flag, as requested by the client.

2.5.4 For ease of data entry, the SMS flag gets enabled automatically upon capture / modification of mobile numbers in DPM System. Thus, Participants must take due care at the time of modifying mobile numbers in the DPM System, particularly for Clients who have not opted for SMS alert facility. If the Client submits the mobile number but does not wish to opt for the SMS Alert facility, the Participant should capture the mobile numbers in the DPM System and disable the SMS flag from front end of DPM System or through back office.

2.6 Change of name of account holder(s) in individual depository account:

2.6.1. For effecting change in name in the depository account of an individual BO, a request letter duly signed by the holder whose name is changing alongwith self attested copies of the following document(s) are required:

Sr. No.	Reason for name change	Documents required
(a)	On account of marriage	(i) Marriage Certificate or (ii) Copy of Passport showing husband's name or (iii) Publication of name change in official gazette.
(b)	On account of reasons other than marriage	(i) Publication of name change in official gazette.
(c)	Change in father's name	(i) Publication of name change in official gazette.

2.6.2. Participant must verify the copies of the document(s) with the originals and must write the remarks "verified with the originals" on the copies of the document(s).

2.6.3. After verifying the request, execute the request for name change and select the appropriate name change reason [*viz.; On account of marriage, Other than marriage and Change in father's name*] in the DPM system. For modifying name of account holder(s), go to the Client Maintenance - Client Modification - Primary, Address and Signatory Details Modification.

2.6.4. The name of the account holder in depository accounts can be changed for any of the holders for the following Types and Subtypes.

Type	Subtype
Resident	Ordinary
	Margin Account
	Ordinary-DR
NRI	NRI-Repartriable
	NRI-NonRepartriable
	DR
Foreign National	DR
	FN
QFI	Individual

2.6.5. After the name change is carried out, the Participant should send a communication via letter / email / Client Master Report / Client Modification Letter generated from the DPM System or its back office or any other mode which the Participant may deem fit to the Clients informing about changes carried out in their name.

2.7 Change in name of Body-Corporate accounts (*NSDL/POLICY/2008/0085 dated December 16, 2008*):

2.7.1 The DPM System allows Participants to make name change in Corporate accounts for Client types viz., Body-Corporate, Bank, Financial Institution (FI), FII, Mutual Fund (MF), Trust and various sub-types as given in the enclosed Annexure I.

2.7.2 Documents required to be collected by Participants at the time of change of name of Corporates are given below:

(a) In case the entity is registered under the Companies Act, 1956, and the name of company has been changed, the following documents should be obtained from the Client:

i) Letter requesting for change of name signed by the authorized signatories.

ii) Certified true copy of fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies.

iii) Certified true copy of Board Resolution for change of name.

(b) In case of other corporate entities, where the name of corporate has been changed, the following documents should be obtained from the Client:

i) Letter requesting for change of name signed by the authorized signatories.

ii) Certified true copy of Board Resolution for change of name.

iii) Certificate of registration issued by SEBI / relevant Statutory Authorities, as applicable.

(c) In case of amalgamation / scheme of arrangement of the entity registered under The Companies Act, 1956, the following procedure needs to be followed:

I) Obtain the following documents:

i. Letter requesting for change of name signed by the authorized signatories specifying the details of the depository account.

ii. Certified true copy of court order sanctioning the amalgamation / scheme of arrangement.

iii. Certified true copy of Form 21 filed with Registrar of Companies (*RoC*) as required under section 394(3) of The Companies Act, 1956 alongwith certified true copy of challan of payment made to RoC as generated from the website of Ministry of Corporate Affairs viz.; http://www.mca.gov.in/MCA21/.

iv. The KYC Application Form alongwith the supporting KYC documents as stipulated in the SEBI Circular No. MIRSD/SE/Cir-21/2011 dated October 5, 2011 for the transferee company/resulting entity. In case the KYC details of the transferee/ resulting entity are already registered with any of the KRA, as per Regulation 16 (b) SEBI {KYC (*Know Your Client) Registration Agency*} Regulations, 2011 *"When the client approaches another intermediary subsequently, it will be optional for the intermediary to verify and download the client's details from the system of KRA or to take fresh KYC as per existing system"*.

II) Upon receipt of the aforesaid documents, the Participant must;

i. Verify the PAN details of the transferee/resulting entity as per the procedure stipulated at point no. 1.1.4 above for Account Opening and modify the PAN.

ii. Update the address, authorized signatory and other details such as Bank account details of the transferee/resulting entity, if different, in the depository account after following the stipulated procedure for change of address, authorized signatory, etc. Further, in case Client has submitted a fresh set of KYC documents to the Participant, which have been uploaded by the Participant on the KRA system and there is any change in the demographic details, there is no need for the Client to submit the same set of documents once again for updation of details in the depository account.

iii. Update the name of the transferee/resulting entity in the depository account.

(d) In case of amalgamation/ scheme of arrangement of other corporate entities, Participants are requested to close the existing account and open new account by following the prevailing process, as at present.

2.7.3 The change of name for a Corporate account can be carried out in the DPM System through Client Modification Module - Primary and Address Details Modification.

2.7.4 While carrying out the modifications, the name of any existing account holder of an account can neither be deleted nor any new name can be added. Participants can only make changes to the name(s) of existing account holder(s) of the account.

2.7.5 When the instruction is captured and verify/released, the DPM System will flash:

a) an alert message on the screen as to whether the Participant wishes to make changes to the PAN, email ID, mobile number etc. of the account holder. Participants may ignore such message if there are no changes to be carried out with respect to the aforesaid details.

b) a warning message on the screen to re-capture the signatures of the authorized signatories. Participants may ignore such message if Participants have already re-captured the signatures of the authorized signatories or there is no change to the authorized signatories.

2.7.6 The Client Name Audit Report in the DPM System will display the old as well as new name of the Corporate.

Note :

1. Name change to the Corporate account can be carried out only through the front end application of the DPM System.
2. The pledge details in the DPM System of the Participant of the pledgee will continue to reflect the old name of the Corporate, if the Corporate is the pledgor.
3. Subsequent to name change, the Transaction Statement (SOT) report will reflect the new name of the Corporate for the SOT generated for the past dates as well. The Statement of Holding (SOH) report will also reflect the new name of the Corporate. Hence, it is for the Corporate to decide whether it wants to open a new account or continue with the existing account with the new name.

2.8 Changes in Client Details based on request received from Client through email or website of Participants:

Participant may add, modify or delete the details viz; Phone number, Fax number, Mobile number, Email ID and SMS facility based on the request received from the Client through email or website of Participant provided it ensures compliance with the following:

2.8.1 Request received through email:

a) Request is received from the email address which is recorded in the DPM system.

b) On receipt of request, a confirmation email is sent to the Client at the email address recorded in the DPM system requesting the Client to reply to email.

c) The Client replies to the email sent as mentioned at point no. (b) above.

2.8.2 Request received through the website of Participant:

a) There are adequate systems and security features in place to authenticate the Client and to ensure that the Client itself has made a request for change.

b) Participant must implement Secure Socket Layer (SSL) security for its internet facility featuring site authentication and encrypted communication and appropriate Client authentication so as to restrict the access only to the Client.

c) Participant will be liable to conclusively prove the origin, date and time of receipt of request by it.

2.8.3 The records relating to requests received through email or web portal are maintained by Participant for the stipulated period and are available for audit/inspection, as and when called for.

2.8.4 After the changes are effected, keep the Client informed about the change through alternate means (*e.g.: if mobile number is changed, an email or letter must be sent; if email address is changed, an SMS or letter at the address of the Client must be sent, etc.*).

2.9 Procedure for name change of CM account:

2.9.1 The following documents should be forwarded to NSDL for effecting change of name in the CM account.

(a) Copy of the latest SEBI registration certificate in the new name (*not applicable for CMs of Commodity Exchanges*).

(b) Letter from the Clearing Corporation/Stock Exchange signed by its authorised official mentioning the CC-CM-ID and effecting the change of name in its system.

(c) Copy of document/ certificate received from ROC notifying the name change.

(d) Copy of High Court Order in case of name changes due to mergers/amalgamations.

2.9.2 These documents should be verified and attested as per the procedure mentioned at point no. 1.1.1(b) above and signed by Compliance Officer.

2.10 After effecting the changes in the DPM System for the abovementioned demographic details [point nos. from 2.1 to 2.7 above], the Participant should send a communication (letter / email / Client Master Report / Client Modification Letter generated from the DPM System or its back office or any other mode which the Participant may deem fit) to such Client informing about the changes effected in the account of the Client.

3. Nomination:

3.1 Procedure to be followed with respect to Nomination (NSDL/POLICY/2009/0002 dated January 3, 2009, NSDL/POLICY/2009/0004 dated January 9, 2009 and NSDL/POLICY/2009/0081 dated September 5, 2009):

3.1.1 At the time of opening his/their account, the Client will be required to tick the appropriate option as given below:

(i) "I/We wish to make a nomination and do hereby nominate the following person in whom all rights and / or amount payable in respect of securities held in the Depository by me / us in the said beneficiary owner account shall vest in the event of my / our death."

(ii) "I/We do not wish to make a nomination."

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

3.1.3 The nomination can be made only by individuals holding beneficiary accounts on their own behalf singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, karta of HUF, holder of power of attorney cannot nominate. If the account is held jointly, all joint holders will sign the nomination form.

3.1.4 A minor cannot nominate. However, a minor can be a 'nominee'. In that event, the name and address of the Guardian of the minor nominee shall be provided by the beneficiary owner. The details with respect to date of birth of the minor nominee and the flag to indicate such nominee should be captured in the DPM System (*NSDL/PI/2005/1102 dated June 22, 2005*).

3.1.5 The Nominee shall not be a trust, society, body corporate, partnership firm, karta of HUF or a power of attorney holder. A non-resident Indian can be a Nominee, subject to the exchange controls in force, from time to time.

3.1.6 Nomination in respect of the beneficiary account stands rescinded upon closure of the beneficiary account. Similarly, the nomination in respect of the securities shall stand terminated upon transfer of the securities.

3.1.7 Transfer of securities in favour of a Nominee shall be valid discharge by the depository against the legal heir.

3.1.8 The cancellation of nomination can be made by individuals only holding beneficiary accounts on their own behalf singly or jointly by the same persons who made the original nomination. Non-individuals including society, trust, body corporate, partnership firm, karta of HUF, holder of power of attorney cannot cancel the nomination. If the beneficiary account is held jointly, all joint holders will sign the cancellation form.

3.1.9 On cancellation of the nomination, the nomination shall stand rescinded and the depository shall not be under any obligation to transfer the securities in favour of the Nominee.

3.1.10 Participants must send a communication to their existing Clients who have not yet opted for nomination, to submit a declaration specifically stating the following:

- I/We the undersigned wish to make a nomination in respect of my Beneficial Owner (BO) account and the nominee details are as follows:
- I/We the undersigned do not wish to make a nomination in respect of my BO account.

3.1.11 Further, Participants are also requested to refer rule 12.6.3 of Business Rules of NSDL with respect to details on nomination.

3.2 Make a nomination / Cancel the Nomination in Individual account:

In case the Clients request to make a nomination / cancel the nomination in their depository accounts, Participants should carry out the changes in the DPM System after obtaining written request alongwith Annexure JA, which is duly signed by the Client (*signed by all the holders in case of joint holdings*).

4. Minor attaining majority (*NSDL/POLICY/2008/0034 dated May 21, 2008*).

On minor attaining majority (i.e. 21 years of age in case of minor whose Guardian is court-appointed or 18 years where minor's account is represented by a natural guardian), Participants should follow the procedure given hereunder:

Sr. No.	Procedure	Reference	Remark
4.1	Ascertain the cases where Minors have attained Majority.	Access the module 'Reports' / Master List / Minor turned Adult available in the DPM System	Report displays accounts that are in status 'Active', 'Suspended for Debit' and 'Suspended for Debit & Credit'
4.2	Communicate to the Client (Minor attained Majority) immediately advising him/ her to submit a fresh account opening form alongwith necessary KYC documents & PAN card alongwith photograph of the Client and also comply with **'in-person'** verification.	Point no. 1.2.1 of this Circular and Annexure J of Business Rules	Income Tax Department (ITD) issues a new PAN card with same PAN with relevant changes on PAN card, on Minor attaining majority. For detailed procedure, Participants may refer http://www.incometaxindia.gov.in or http://www.tin-nsdl.com.
4.3	Suspend the account for debit and disable the standing instruction for credit pertaining to the account of Minor.	DPM System.	This is in case where the Client does not respond within one month from the date of communication as mentioned in point no. 4.2 above.
4.4	KYC documents and PAN as mentioned under point no. 4.2 herein above should be verified and attested.	Point no. 1.1.1 (b) of this Circular.	
4.5	Execute a fresh Participant-Client agreement with the Client.	Annexure B of the Bye Laws of NSDL.	Retain the KYC documents of Guardian alongwith Participant – Client agreement executed earlier at the time of account opening by the Guardian on behalf of the Client as a part of account opening documents.
4.6	Capture the new demographic details in the DPM System after due verification of same.	Point no. 1.7 of this Circular	Ensure that the demographic details captured in the DPM System match with the details in the new account opening form, KYC documents and PAN card submitted by the Client. If there is mismatch in the demographic details captured in the DPM System or if Client submits a request for modification of such details like change of Bank details, address details, etc. follow the relevant procedure.
4.7	Capture the signature of the Client (Minor turned Major) in the system in place of the signature of the Guardian (captured earlier).	DPM System	

Sr. No.	Procedure	Reference	Remark
4.8	Select "None" or "Nominee" as the case may be in the field 'Nominee/Guardian' in the DPM System to disable the entire Guardian details in the said account. If "Nominee" is selected enter the nomination details.	Point nos. 3 of this Circular and Annexure JA of Business Rules	Select the option after the aforesaid procedure as mentioned in aforesaid points is followed and the identity of the Client is verified. As the Client has become Major, he/she can now make a nomination in his/her account in favour of any person by filing with the Participant a request for making a nomination in prescribed form.
4.9	Any request or instruction(s) from the guardian, which is/are to be processed or is having execution date falling on or after the date the Minor has turned Major, shall be processed/executed only after receipt of confirmation from the Client (Minor turned Major).		As Clients who have attained Majority are legally entitled to execute a contract, Participants are advised NOT to accept any requests or instructions signed by the Guardian on behalf of the Client on or after the date the Client has turned Major.
4.10	Client (Minor turned major) account is suspended for debit for non-compliance with PAN requirement		
	Follow the procedure mentioned in point nos. 4.1 to 4.8 above and capture the PAN details in the DPM System and enable the PAN flag.	Point no. 1.6.1 of this Circular	
4.11	Accounts already suspended in cases where Clients have not responded		
	Follow the procedure as mentioned under point no. 4.2 to 4.8 above.		This is in cases where the accounts pertaining to Minor Clients are suspended for debit and the standing instruction for credit is disabled on account of failure of the Clients to respond within the period of one month from the date of communication to Client from Participants.

5. Power of Attorney registration/ de-registration (*NSDL/PI/2000/982 dated June 23, 2000*):

5.1 Sample Clause

A sample clause is given hereunder which if it forms a part of the Power of Attorney could suffice:

"To sell or otherwise deal with or dispose of and to purchase, subscribe or otherwise acquire in any manner from the market or under public or rights issues or otherwise and accept the transfers of any stocks, funds, shares, debentures, Government and other promissory notes, securities, bonds, debentures, annuities or other mercantile negotiable instruments which

shall or may at any time belong to me or which hereafter be transferred to me, whether solely or jointly and whether in my own right or having any other interest of whatsoever nature and however arising and in any capacity whatsoever including those belonging to others with my name and for such purposes to sign, execute or endorse all instruments of transfer and other documents for any purpose what so ever by the virtue of these present."

5.2 General points regarding Power of Attorney:

5.2.1 A Power of Attorney executed prior to the promulgation of The Depositories Act is valid and enforceable.

5.2.2 It is the responsibility of the Participant to verify whether the Power of Attorney is adequate and sufficiently authorising the holder of the Power of Attorney i.e., the donee to operate the account of the beneficial owner.

5.2.3 Participants should ensure that the signatures of the account holder(s) and the Power of Attorney holder are captured in the DPM System (*NSDL/POLICY/2007/0054 dated September 22, 2007*).

5.2.4 With respect to accounts that are operated through Power of Attorney, Participant should ensure to enable the Power of Attorney flag of such accounts. *(NSDL/PI/2005/1102 dated June 22, 2005)*

5.3 Addition / Deletion / Modification of Power of Attorney holder(s):

In case the depository account is operated by Power of Attorney and there is an addition / deletion / modification of Power of Attorney holder(s) of such an account, Participants should carry out the changes in the DPM System after obtaining written request which is duly signed by the Client (*signed by all the holders in case of joint holdings and in case Power of Attorney is given by any one holder to any person; same can be added/ deleted/ modified based on the instruction of that holder*) or in case of non-individual account duly signed by the authorised signatories and new Power of Attorney in case of addition / modification. In case of deletion, Power of Attorney holder(s) can also submit the request for deletion of Power of Attorney holder(s) from the depository account. Participants should ensure to dislodge the signature of the Power of Attorney holder(s) from the DPM System for deletion.

5.4 Execution of power of attorney (POA) by client in favour of Stock Broker or Stock Broker & Depository Participants (*SEBI Circular Nos. CIR/MRD/DMS/13/2010 dated April 23, 2010 and CIR/MRD/DMS/28/2010 dated August 31, 2010*):

5.4.1 A Power of Attorney is executed by the client in favour of the stock broker/ stock broker and depository participant to authorize the broker to operate the client's demat account to facilitate the delivery of shares. SEBI had issued guidelines to standardize the norms to be followed by stock broker/ stock broker and depository participant.

5.4.2 Standardizing the norms for PoA must not be construed as making the PoA a condition precedent or mandatory for availing broking or depository participant services. PoA is merely an option available to the client for instructing his broker or depository participant to facilitate the delivery of shares and pay-in/pay-out of funds etc. No stock broker or depository participant shall deny services to the client if the client refuses to execute a PoA in their favour.

Clarification by SEBI: Only internet based trading exempted

Guidelines for execution of Power of Attorney by Clients favouring Stock Brokers / Stock Broker and Depository Participants

PoA favouring Stock Brokers

PoA executed in favour of a Stock Broker by the client should be limited to the following:

5.4.3 Securities

I. Transfer of securities held in the beneficial owner account(s) of the client(s) towards stock exchange related margin / delivery obligations arising out of trades executed by the Client(s) on the stock exchange through the same Stock Broker.

Clarification by SEBI: Margin / Delivery obligations shall also include settlement obligations, if any.

II. Pledge the securities in favour of Stock Broker for the limited purpose of meeting the margin requirements of the client(s) in connection with the trades executed by the clients on the stock exchange through the same Stock Broker. Necessary audit trail should be available with the Stock Broker for such transactions.

III. To apply for various products like Mutual Funds, Public Issues (shares as well as debentures), rights, offer of shares, tendering shares in open offers etc. pursuant to the instructions of the Client(s). However, a proper audit trail should be maintained by the Stock Broker to prove that the necessary application/act was made/done pursuant to receipt of instruction from Client.

Clarification by SEBI: Redemptions are also included in PoA pursuant to Client's instructions.

POA favouring Stock Brokers and Depository Participants

PoA executed in favour of a Stock Broker and Depository Participant by the client should:

5.4.4 identify/ provide the particulars of the beneficial owner account(s) of the client(s) that the Stock Broker is entitled to operate.

5.4.5 provide the list of clients' & brokers' demat accounts where securities can be moved. Such demat accounts should be accounts of related party only.

Clarification by SEBI: The list of clients' & brokers' demat accounts may be updated / amended by proper communication without executing a new PoA every time. Copies of such communications may be preserved as annexure to the PoA.

5.4.6 be executed in the name of the concerned SEBI registered entity only and not in the name of any employee or representative of the Stock Broker/Depository Participant.

5.4.7 not provide the authority to transfer the rights in favour of any assignees of the Stock Broker/Depository Participant.

5.4.8 be executed and stamped as per the rules / law prevailing in the place where the PoA is executed or the place where the PoA is kept as a record, as applicable.

5.4.9 contain a clause by which the Stock Broker would return to the client(s), the securities or fund that may have been received by it erroneously or those securities or fund that it was not entitled to receive from the client(s).

5.4.10 be revocable at any time, without notice.

Clarification by SEBI: PoA executed in favour of a Stock Broker / Stock Broker and Depository Participant by the client should be revocable at any time. However, such revocation shall not be applicable for any outstanding settlement obligation arising out of the trades carried out prior to receiving request for revocation of PoA. Further, the PoA revocation requests should be dated and time stamped by the brokers for ensuring proper audit trail.

5.4.11 be executed by all the joint holders (in case of a demat account held jointly). If the constitution of the account is changed for whatever reason, a new PoA should be executed.

5.4.12 authorize the Stock Broker/Depository Participant to send consolidated summary of Client's scrip-wise buy and sell positions taken with average rates to the client by way of SMS / email on a daily basis, notwithstanding any other document to be disseminated as specified by SEBI from time to time.

General Guidelines

The POA shall not facilitate the stock broker to do the following:

5.4.13 Transfer of securities for off market trades.

Clarification by SEBI: The PoA shall not facilitate off-market trades between parties other than the related parties as mentioned in the PoA.

5.4.14 for opening a Beneficial Owner account with any Depository Participant.

5.4.15 Execute trades in the name of the client(s) without the client(s) consent.

5.4.16 Prohibit issue of Delivery Instruction Slips (DIS) to beneficial owner (client).

5.4.17 Prohibit client(s) from operating the account.

5.4.18 Merging of balances (dues) under various accounts to nullify debit in any other account.

5.4.19 Open an email ID/ email account on behalf of the client(s) for receiving statement of transactions, bills, contract notes etc. from stock broker / Depository Participant.

5.4.20 Renounce liability for any loss or claim that may arise due to any blocking of funds that may be erroneously instructed by the Stock Broker to the designated bank.

Stock Broker / Depository Participant should ensure that:

5.4.21 A duplicate/ certified true copy of the PoA is provided to the Client(s) after execution.

5.4.22 In case of merger/ demerger of the Stock Broker/Depository Participant with another entity/ into another entity, the scheme of merger/ demerger should be approved by High Court and one month prior intimation given to the client about the corporate restructuring to facilitate investor/ client to continue or discontinue with the broker.

6. Shifting / Closure of Clearing Member (CM) Account

The CM may close an existing CM account and open a new CM account with another Participant. The CM will have to submit an application for closure of existing CM account to its Participant and an application for opening a new CM account along with requisite documents for shifting of the CM account as explained below to the new Participant. The existing CM account will be closed by the old Participant after balances are moved out by the CM. The CM will be assigned a new CM-BP-ID by NSDL and a new CM account will be opened by the new Participant. Further, the CM may also submit the closure application upon closure of business/suspension, Participant may close the CM account. The procedure for closure and shifting of CM account is as follows:

6.1 The CM will submit the application for closing the CM account to the Participant (old) in duplicate.

6.2 The Participant (old) will verify that the application for closing the CM account is duly filled and if in order, issue an acknowledgement to the CM on the duplicate copy (*signed & stamped by the authorised official*).

6.3 If the application is not in order, the Participant will return the application to the CM for rectification.

6.4 The CM will submit the following documents to the Participant (new):

(a) Application for opening a CM account (*as mentioned in point no. 6.2*)

(b) Letter from Clearing Corporation/Clearing House regarding allotment of CC-CM-ID signed by its authorised official.

(c) Application for shifting of CM account (in the prescribed format).

(d) Acknowledgement copy (*signed & stamped by the authorised official*) of the application for closure of the CM account from the Participant (old).

(e) Copy of the latest SEBI registration certificate.

(f) Intimation for Pay-Out and Auto DO facilities in new CM account (*in the prescribed format*).

6.5 Participant should verify the completeness of the account opening form and verify the copies submitted with the original documents.

(a) If the application is not in order the Participant will return the application to the CM for rectification.

(b) If the application is in order, the Participant (new) will forward the copy of the account opening form along with the above mentioned documents to NSDL. All the documents should be verified with its original and a stamp **"Verified with Original"** should be put on the same alongwith the name, designation and signature of compliance officer or alternate compliance officer. NSDL will allot the new CM-BP-ID to the Clearing Member.

(c) The Participant (new) will open the CM account after the new CM-BP-ID is downloaded to DPM.

(d) The Participant (new) should forward the 'Intimation for Pay-Out and Auto DO' facilities in new CM Account received from CM to NSDL (*in the prescribed format*) within seven days from opening of new CM account.

(e) The new CM account will be marked to generate Auto DO instructions and receive receipts-in due on Pay-out after NSDL receives intimation from Participant (new).

(f) NSDL will intimate the Participant (old) to initiate the procedure for closure of the existing CM account.

(g) On receipt of intimation from NSDL, the Participant (old) will disable the standing instruction (if any). After the completion of one BOD and EOD cycle, the Participant will verify the balances in the CM account. If the balances happen to be zero and there are no outstanding instructions for the CM account, the Participant will close the CM account. Subsequent to closure of the CM account, NSDL will revoke the old CM BP ID of the CM.

(h) In case balances in its clearing account are not zero, the Participant (old) will inform the CM to move its balances in a reasonable time.

(i) After transfer of balances (*if any*) as mentioned in point no. (h) above the Participant (old) will again verify the balances in the CM account. If the balances happen to be zero, the Participant will follow the procedure mentioned in point no. (g) above.

(j) If the balance in the old CM account has not been reduced to zero within one week of opening of the new CM account, the Participant (old) shall inform NSDL forthwith that the balance has not been reduced to zero.

APPLICATION FOR SHIFTING OF CLEARING ACCOUNT

To be forwarded through **Depository Participant (new)**

Date:

Mr. Prashant Vagal
Senior Vice President
National Securities Depository Limited
Trade World 4th Floor
Kamala Mills Compound
Senapati Bapat Marg Lower Parel
Mumbai - 400 013

Dear Sir,

Sub: Shifting of Clearing Member Account

This is to inform you that we wish to shift our Clearing Member Account as per the details mentioned below:

Name of Clearing Member (CM)	
Name of Clearing Corporation (CC)	
CC - CM -ID (Allotted by CC)	
CM- BP-ID (existing) (Allotted by NSDL)	
Name of Depository Participant (Old)	
Name of Depository Participant (New)	

We request you to please allot a new CM-BP-ID to facilitate shifting of the Clearing Member Account.

Yours faithfully,
(Clearing Member)

Annexure - A

(To be given on the letter head of the Clearing Member to its New Participant)

INTIMATION FOR PAY-OUT AND AUTO DO IN NEW CM ACCOUNT

Date:

Name of the Compliance Officer
Depository Participant Name (DP ID)
Address

Dear Sir/Madam,

Subject: Activation of Pay-out and Auto DO facility.

This has reference to the shifting of CM Pool Account from (Existing DP Name & DP ID) to (New DP Name & DP ID). In this regard, we wish to activate the Pay-out and Auto DO (ADO) facilities in the new CM Pool Account from the date(s) as given below:

Name of Clearing Member (CM)		
Name of Clearing Corporation/Clearing House (CC/CH)		
CC - CM -ID (Allotted by CC/CH)		
	New	**Existing**
CM- BP-ID (Allotted by NSDL)		
Name of Depository Participant		
Pay-out Date		NA
Auto DO Date		NA

Note : Separate request should be submitted for each CC / CH.

Yours faithfully,

(Signature / Authorised Signatories)
To be signed by the authorized signator(ies) of the Clearing Member

Annexure - B
(To be given on the letter head of Participant)
INTIMATION FOR PAY-OUT AND AUTO DO IN NEW CM ACCOUNT

Date:
Mr. Prashant Vagal
Senior Vice President
CC Interface Division

National Securities Depository Limited
4th Floor, A wing, Trade World,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400013
email ID: prashantv@nsdl.co.in

Dear Sir,

Subject: Activation of Pay-out and Auto DO facilities.

We wish to inform you that (Name of Clearing Member) of NSCCL / ICCL / MCXSX - CCL has opened CM Pool Account with us and requested to activate the Pay-out and Auto DO (ADO) facilities in the new CM Pool Account from the date(s) as mentioned in the letter attached.

We hereby confirm that the date(s) given in the letter attached are correct and request you to enable the Payout indicator and Auto DO indicator in the new CM Pool Account.

Yours faithfully,

(Signature)

To be signed by **Compliance Officer / Alternate Compliance Officer of Participant**

Disclaimer: While every care has been exercised by NSDL in compiling the master circular out of the various circulars/guidelines issued by NSDL from time to time, NSDL does not warrant

completeness or accuracy of information and disclaims all liabilities, losses and damages arising out of the use of this information. For any specific/latest information, Participants are requested to refer to the relevant circular(s) issued by NSDL from time to time.

Annexure I - Types and Sub-types for Corporate accounts where change of name can be effected in DPM System

Sr.No.	Type	Sub-Type
1	FI	Govt. sponsored FI
2	FI	SFC
3	FI	Others
4	FI	Govt. sponsored FI - Promoter
5	FI	SFC-Promoter
6	FI	Others-Promoter
7	FII	Mauritius Based
8	FII	Others
9	FII	DR
10	Body Corporate	Domestic
11	Body Corporate	OCB-Repatriable
12	Body Corporate	Govt.Companies
13	Body Corporate	Central Government
14	Body Corporate	State Government
15	Body Corporate	Co-operative Body
16	Body Corporate	NBFC
17	Body Corporate	Non-NBFC
18	Body Corporate	Broker
19	Body Corporate	Group Company
20	Body Corporate	Foreign Bodies
21	Body Corporate	Others
22	Body Corporate	OCB-NonRepatriable
23	Body Corporate	OCB-DR
24	Body Corporate	Foreign Bodies - DR
25	Body Corporate	Margin Account
26	Body Corporate	Domestic-Promoter
27	Body Corporate	Govt.Companies - Promoter
28	Body Corporate	Central Government - Promoter
29	Body Corporate	State Government - Promoter
30	Body Corporate	NBFC-Promoter
31	Body Corporate	Non-NBFC-Promoter
32	Body Corporate	Group Company - Promoter
33	Body Corporate	Foreign Body-Promoter
34	Body Corporate	Others-Promoter
35	Body Corporate	Co-operative Body - Promoter
36	Body Corporate	Foreign Venture Capital
37	Body Corporate	Domestic - DR
38	Body Corporate	Limited Liability Partnership

Sr.No.	Type	Sub-Type
39	Body Corporate	Limited Liability Partnership - DR
40	Mutual Fund	DR
41	Mutual Fund	MF
42	Bank	Foreign Bank
43	Bank	Co-operative Bank
44	Bank	Nationalised Bank
45	Bank	Others
46	Bank	Others-Promoter
47	Bank	Nationalised Bank - Promoter
48	Bank	Foreign Bank - Promoter
49	Bank	Co-operative Bank - Promoter
50	Trust	

Circular No.: NSDL/POLICY/2014/0044
Date: April 4, 2014

Subject: Amendments to Bye Laws and Business Rules of NSDL.

All Participants are hereby notified that pursuant to Circular No.: NSDL/POLICY/2013/0143 dated December 27, 2013 regarding simplification of demat account opening process, the following amendments to NSDL Bye Laws and Business Rules have been made:

Sr. no.	Bye Laws		Annexures
1	Addition of	Bye Laws 9.1.6	Amended / new Bye Laws are enclosed at Annexure A and in the track change mode at Annexure B.
2	Deletion of	Bye Laws 6.4.1, 9.1.5 and Annexure B	
3	Renumbering	Bye Laws 6.4.2 to 6.4.6 are renumbered as 6.4.1 to 6.4.5 and Bye Laws 9.1.6 is renumbered as 9.1.5.	
4	Amendments to	Bye Laws 2.1.5, 6.3.26, 6.4.1 (renumbered), 6.4.3 (renumbered), 9.1.4 and 10.2.7.	

Sr. no.	Rules		Annexures
1	Addition of	Rules 6.6, 12.1.3, 14.3.2 to 14.3.4 and Annexure X	Amended / new Rules are enclosed at Annexure C and in the track change mode at Annexure D.
2	Deletion of	Rule 18.1.1 [Sr. No. I (9)]. Remaining items will be renumbered accordingly.	
3	Renumbering	Rules 12.1.3, 12.1.4, 12.1.5 and 14.3.2 are renumbered as 12.1.4. 12.1.5, 12.1.6 and 14.3.5	
4	Amendments to	Rules 5.3, 12.1.4 (renumbered), 12.8.3, 14.3.1, 18.1.1 [Sr. No. I (1)], 18.1.1 [Sr. No. I (2)] and 22.4	
		Annexure J and Annexure K	Amended Annexure J and K are enclosed - with and without track change mode.

In this context, Participants are requested to take note of the following:

1. Participants can use the existing stock of Account Opening Forms until the stock last.
2. Amendments in KYC Application Form and Account Opening Form pursuant to Circular No.: NSDL/POLICY/2013/0143 dated December 27, 2013 regarding Know Your Client (KYC) requirements will be notified shortly.

Annexure

1. Amended Bye Laws 2.1.5, 6.3.26, 6.4.1 (Renumbered Bye Law), 6.4.3 (Renumbered Bye Law), 9.1.4 and 10.2.7.

2.1.5. Client: in relation to a Participant means a Beneficial Owner who has opened an account with that Participant;

6.3.26. Subject to compliance with the foregoing, the Transferee Participant and the Clients electing to continue with the relationship shall be bound in the same manner and on the same terms and conditions as if the Transferee Participant had itself originally opened the accounts of the Clients. Such assignment from the Transferor Participant to the Transferee Participant shall be subject to the equities to which the parties were subject as at the date of the transfer. After such transfer, the Transferee Participant shall notify the Clients in writing as regards the completion of the assignment of the business in favour of the Transferee Participant.

6.4.1. Every Participant shall provide the Rights and Obligations Document and obtain acknowledgement thereof of the client in the form and manner prescribed in the Business Rules.

Provided that this Bye Law shall not be applicable in case of:

i) foreign institutional investors registered with the Securities and Exchange Board of India and who have entered into an agreement with the Participant either directly or through their power of attorney holders in accordance with the provisions of sub regulation (1) of regulation 16 of the SEBI (Foreign Institutional Investors) Regulations, 1995; and

ii) foreign portfolio investor who have entered into an agreement with the Participant either directly or through their power of attorney holders in accordance with the provisions of sub regulation (1) of regulation 26 of SEBI (Foreign Portfolio Investors) Regulations, 2014; and

iii) such agreement gives the Participant an authority to act on behalf of the foreign institutional investors or the foreign portfolio investor for availing the services of the Depository; and

iv) International Multilateral Agency, who has entered into an agreement with the Participant under Regulation 17 of the SEBI (Custodians of Securities) Regulations 1996, and such agreement states that the Custodian will also act as a Participant and all provisions pertaining to Participant shall be applicable;

6.4.3. Every Participant shall provide a statement of accounts including transaction statement and holdings statement to the Clients in such form and manner as specified under the Business Rules.

9.1.4. The Client will have to make an application for this purpose to the Participant in the form and manner specified under the Business Rules.

10.2.7. Every Participant shall maintain the following records and documents, namely:

i) records of all the transactions entered into with a Depository and with a Client;

ii) details of securities dematerialised, rematerialised on behalf of Clients ;

iii) records of instructions received from Clients and statements of account provided to Clients; and,

iv) records of approval, notice, entry and cancellation of pledge or hypothecation, as the case may be.

2. New Bye Laws 9.1.6

9.1.6 Upon such application by the Client and its acceptance by the Participant by opening the account as per Bye Law 9.1.3 to 9.1.5, the Participant and the Client shall be deemed to have entered into an agreement under the provisions of the Depositories Act, SEBI (Depositories and Participants) Regulations, 1996, these Byelaws and the Business Rules.

1. Amended Rules 5.3, 12.1.4 (Renumbered Rule), 12.8.3, 14.3.1, 18.1.1 [Sr. No. I (1)], 18.1.1 [Sr. No. I (2)], 22.4 and deleted Rule 18.1.1 [Sr. No. I (9)].

5.3. FEES AND CHARGES

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

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

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

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

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

14.3.1 The Participant shall furnish a statement of accounts including transaction statement and holdings statement to every Client, who has opened an account with it, giving the details of the security-wise transactions and balances, in the accounts of the Clients. Such a statement shall be furnished to the Clients at monthly intervals and to the Clients opting for Basic Services Demat Account at quarterly intervals unless the Client and the Participant have agreed for provision of such statements at shorter intervals. A specimen of such statement is given in Annexure V.

Provided however, if there is no transaction in the account, or if the balance has become Nil during the year, the Participant shall send one physical statement of holding annually to such Clients and shall resume sending the transaction statement as and when there is a transaction in the account.

18.1

18.1.1. The Depository may impose a penalty on the Participant to the extent indicated for non compliance as described below:

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
I	**Operational deviations**	
1.	Account opened without obtaining adequate proof of identity or any other document - as prescribed under guidelines of NSDL/SEBI/ PMLA/Account opened without obtaining adequate proof of address as prescribed under guidelines of NSDL/SEBI/PMLA or adequate proof of address not	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹.5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary
	collected for change of address as prescribed under guidelines of NSDL/SEBI/PMLA. Record of in-person verification not maintained as prescribed under guidelines of NSDL/ SEBI/PMLA.	Action Committee if total penalty imposed in one inspection under this head exceeds ₹ 50000.
2.	Supplementary agreement executed or undertaking/letter obtained or any modification made in any document which has clauses contradictory to SEBI/Depository prescribed guidelines or Power of attorney executed in favour of Participant in contradiction to SEBI/Depository prescribed guidelines.	₹ 1000 per occasion.

22.4 The Participant shall close all zero balance Client accounts held with it after giving a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository.

2. New Rules 6.6, 12.1.3, 14.3.2, 14.3.3, 14.3.4 and Annexure X

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

12.1.3 Participant shall provide a copy of Rights and Obligations Document as specified at Annexure X to the Client and shall obtain an acknowledgement for the same. Participant may provide copy of Rights and Obligations Document to the Client in electronic form, if opted by the Client.

14.3.2 The Participant may provide statement of accounts including transaction statement and holdings statement to the Clients in electronic form, if opted by the Client. However, if Client is desirous of receiving such statements in physical form, Participant shall be duty bound to provide the same.

Provided that if a Participant does not have the facility of providing the such statements in the electronic mode, then the Participant shall be obliged to forward such statement in physical form.

14.3.3 For providing statement of accounts including transaction statement and holdings statement in electronic form, the Participant must ensure that:

i. Such statement must be digitally signed in accordance with Information Technology Act, 2000.

ii. Such statement is provided to the Client in physical form if the Participant is not able to provide such statement to its Clients by email or on website due to any reason (including bounced emails).

iii. Such statement should be password protected if the Participant is providing the same through email.

iv. If the Participant is providing such statement through website:

a) Implement Secure Socket Layer (SSL) security for Internet facility featuring site authentication, encrypted communication and appropriate Client authentication so as to restrict the access of such statement only to the Client.

b) Such statement should be made available on the website for a period of atleast 12 months.

14.3.4 Participant or Client can terminate such arrangement by giving 10 days prior notice.

Annexure X

Rights and Obligations of the Beneficial Owner and Depository Participant

General Clause

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars/Notifications/Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.
2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.

Beneficial Owner information

3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.
4. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

Fees/Charges/Tariff

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that "*no charges are payable for opening of demat accounts*"
6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars/directions/notifications issued from time to time.
7. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same.

Dematerialization

8. The Beneficial Owner shall have the right to get the securities, which have been admitted on the Depositories, dematerialized in the form and manner laid down under the Bye Laws, Business Rules and Operating Instructions of the depositories.

Separate Accounts

9. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DP's own securities held in dematerialized form.
10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted

for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye-Laws/ Operating Instructions/Business Rules of the Depositories.

Transfer of Securities

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.
12. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions.

Statement of account

13. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/depository in this regard.
14. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account.
15. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.
16. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

Manner of Closure of Demat account

17. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.
18. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

Default in payment of charges

19. In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the Beneficial Owner, the DP may charge interest at a rate as specified by the Depository from time to time for the period of such default.
20. In case the Beneficial Owner has failed to make the payment of any of the amounts as provided in Clause 5&6 specified above, the DP after giving two days notice to the Beneficial Owner shall have the right to stop processing of instructions of the Beneficial Owner till such time he makes the payment along with interest, if any.

Liability of the Depository

21. As per Section 16 of Depositories Act, 1996,
    1. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the beneficial owner due to the negligence of the depository or the participant, the depository shall indemnify such beneficial owner.
    2. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository, the depository shall have the right to recover the same from such participant.

Freezing/ Defreezing of accounts

22. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.
23. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or any statutory authority.

Redressal of Investor grievance

24. The DP shall redress all grievances of the Beneficial Owner against the DP within a period of thirty days from the date of receipt of the complaint.

Authorized representative

25. If the Beneficial Owner is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

Law and Jurisdiction

26. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other rights which the DP or the Beneficial Owner may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.
27. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/ notices issued by SEBI and Rules, Regulations and Bye-laws of the relevant Depository, where the Beneficial Owner maintains his/ her account, that may be in force from time to time.
28. The Beneficial Owner and the DP shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of the depository and that such procedure shall be applicable to any disputes between the DP and the Beneficial Owner.
29. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye-laws and Regulations and circulars/notices issued there under by the depository and /or SEBI.
30. Any changes in the rights and obligations which are specified by SEBI/Depositories shall also be brought to the notice of the clients at once.
31. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

Annexure - J

PART I - KNOW YOUR CLIENT (KYC) APPLICATION FORM (For Individuals)

Name and address of intermediary (pre-printed)

Please fill this form in ENGLISH and in BLOCK LETTERS

A. IDENTITY DETAILS															Photograph Please affix your recent passport size photograph Signature Across photograph
1	Name of the Applicant														
2	Father's / Husband's Name														
3	a) Gender	☐ Male ☐ Female	b) Marital status	☐ Single ☐ Married	c) Date of Birth	D	D	M	M	Y	Y	Y	Y		
4	a) Nationality	☐ Indian ☐ Other (Please specify,_____)			b) Status	☐ Resident Individual ☐ Non Resident ☐ Foreign National									
5	a) PAN				b) Unique Identification Number (UID) / Aadhaar, if any										
6	Specify the proof of identity submitted	☐ PAN card ☐ Any other (Please specify; _____)													
B. ADDRESS DETAILS															
1	Correspondence Address	_____ _____ _____													
		City/town/village		PIN Code											
		State		Country											
2	Specify the proof of address submitted for correspondence address														
3	Contact Details	Tel. (Off.)		Tel. (Res.)											
		Fax No.		Mobile No.											
		Email ID													
4	Permanent Address (*If different from above. Mand tory for Non-Resident Applicant to specify overseas address*)	_____ _____ _____													
		City/town/village		PIN Code											
		State		Country											
5	Specify the proof of address submitted for permanent address														

C. OTHER DETAILS

1 Gross Annual Income Details (please specify):

Income Range per annum	Networth
☐ Below ₹ 1 lac	Amount (₹) ____________
☐ ₹ 1- 5 lac	
☐ ₹ 5- 10 lac	As on (date) D D M M Y Y Y Y
☐ ₹ 10- 25 lac	(Networth should not be older than 1 year)
☐ More than ₹ 25 lac	

2 Occupation (please tick any one and give brief details): ____________

☐ Private Sector	☐ Agriculturist
☐ Public Sector	☐ Retired
☐ Government Service	☐ Housewife
☐ Business	☐ Student
☐ Professional	☐ Others (Please specify; ____________)

3 Please tick, if applicable: ☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)

4 Any other information

D. DECLARATION

I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.

Signature of the Applicant ____________ Date D D M M Y Y Y Y

= =

FOR OFFICE USE ONLY

☐ (Originals verified) True copies of documents received

☐ (Self-Attested) Self Certified Document copies received

Signature of the Authorised Signatory ____________									**Seal/Stamp of the intermediary**
Date	D	D	M	M	Y	Y	Y	Y	

Annexure - J

PART II - ACCOUNT OPENING FORM

(*FOR INDIVIDUALS*)

Name and address of intermediary (pre-printed)

Participant Name (DP ID _____) Address (Pre-printed)	**Client -ID** (To be filled by Participant)

I/We request you to open a depository account in my/our name as per the following details: (*Please fill all the details in CAPITAL LETTERS only*) **Date** D D M M Y Y Y Y

A) Details of Account holder(s):

	Name	PAN
Sole/ First Holder		
Second Holder		
Third Holder		

B) For HUF, Association of Persons (AOP), Partnership Firm, Unregistered Trust, etc., although the account is opened in the name of the natural persons, the name & PAN of the HUF, Association of Persons (AOP), Partnership Firm, Unregistered Trust, etc., should be mentioned below:

a) Name _____ b) PAN

C) Type of account

- ☐ Ordinary Resident
- ☐ Qualified Foreign Investor
- ☐ Margin
- ☐ NRI-Repatriable
- ☐ Foreign National
- ☐ Others (Please specify) _____
- ☐ NRI-Non Repatriable
- ☐ Promoter

D) In case of NRIs/ Foreign Nationals

RBI Approval Reference Nusmber	
RBI Approval date	D D M M Y Y Y Y

E) Bank details

1	Bank account type	☐ Savings Account ☐ Current Account ☐ Others (Please specify) _____
2	Bank Account Number	
3	Bank Name	
4	Branch Address	_____ _____ _____
	City/town/village	PIN Code
	State	Country
5	MICR Code	
6	IFSC	

F)	**Standing Instructions**		
	1	I/We authorise you to receive credits automatically into my/our account.	☐ Yes ☐ No
	2	Account to be operated through Power of Attorney (PoA)	☐ Yes ☐ No
	3	**SMS Alert facility:** [*Mandatory if you are giving Power of Attorney (PoA). Ensure that the mobile number is provided in the KYC Application Form*]	

Sr. No.	Holder	Yes	No
1	Sole/First Holder	☐	☐
2	Second Holder	☐	☐
3	Third Holder	☐	☐

G)	4	Mode of receiving Statement of Account [*Tick any one*]	☐ Physical Form
			☐ Electronic Form [*Read Note 4 and ensure that email ID is provided in KYC Application Form*].

H) **Guardian Details** (*where sole holder is a minor*):

[For account of a minor, two KYC Application Forms must be filled i.e. one for the guardian and another for the minor (*to be signed by guardian*)]

Guardian Name	
PAN	
Relationship of guardian with minor	

I) **Nomination Option**

☐ I/We wish to make a nomination. **[*As per details given below*]**	☐ I/We do not wish to make a nomination. **[*Strike off the nomination details below*]**

Nomination Details

I/We wish to make a nomination and do hereby nominate the following person in whom all rights and / or amount payable in respect of securities held in the Depository by me / us in the said beneficiary owner account shall vest in the event of my / our death.

1	Name of the Nominee (Mr./Ms.)		Photograph of nominee
2	Relationship with the Applicant (if any)		Signature of nominee across photograph
3	Address of Nominee		

City/town/village		PIN Code	
State		Country	

4	Contact Details of nominee	Tel. (Off.)		Tel. (Res.)	
		Fax No.		Mobile No.	
		Email ID			
5	Signature of nominee	X			
To be filled-up (Sr. Nos. 6-11) only if nominee is a minor:					
6	Date of Birth (in case of minor nominee)	D D M M Y Y Y Y			
7	Name of Guardian (Mr./Ms.) (in case of minor nominee)			Photograph of guardian (for minor nominee)	
8	Address of Guardian			Signature of guardian across photograph	
		City/town/village		PIN Code	
		State		Country	
9	Contact Details of Guardian	Tel. (Off.)		Tel. (Res.)	
		Fax No.		Mobile No.	
		Email ID			
10	Relationship of Guardian with nominee				
11	Signature of Guardian	X			

Signature of two Witnesses for nomination

Name of witness	Address	Signature of witness with DATe
a.	_____ _____ _____ _____	X
b.	_____ _____ _____ _____	X

Declaration

The rules and regulations of the Depository and Depository Participants pertaining to an account which are in force now have been read by me/us and I/we have understood the same and I/we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. I/we hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/ we are aware that I/we may be held liable for it. In case non-resident account, I/we also declare that I/we have complied and will continue to comply with FEMA regulations. I/we acknowledge the receipt of copy of the document, “Rights and Obligations of the Beneficial Owner and Depository Participant”.

Name(s) of holder(s)		Signature of witness with DATe
Sole/ First Holder/ Guardian (in case sole holder is minor) (Mr./Ms.)		X
Second Holder (Mr./Ms.)		X
Third Holder (Mr./Ms.)		X

Notes :

1. All communication shall be sent at the address of the Sole/First holder only.
2. Thumb impressions and signatures other than English or Hindi or any of the other language not contained in the 8th Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate.
3. Instructions related to nomination, are as below:
   I. The nomination can be made only by individuals holding beneficiary owner accounts on their own behalf singly or jointly. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the account is held jointly all joint holders will sign the nomination form.
   II. A minor can be nominated. In that event, the name and address of the Guardian of the minor nominee shall be provided by the beneficial owner.
   III. The Nominee shall not be a trust, society, body corporate, partnership firm, karta of Hindu Undivided Family or a power of Attorney holder. A non-resident Indian can be a Nominee, subject to the exchange controls in force, from time to time.
   IV. Nomination in respect of the beneficiary owner account stands rescinded upon closure of the beneficiary owner account. Similarly, the nomination in respect of the securities shall stand terminated upon transfer of the securities.
   V. Transfer of securities in favour of a Nominee shall be valid discharge by the depository and the Participant against the legal heir.
   VI. The cancellation of nomination can be made by individuals only holding beneficiary owner accounts on their own behalf singly or jointly by the same persons who made the original nomination. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot cancel the nomination. If the beneficiary owner account is held jointly, all joint holders will sign the cancellation form.
   VII. On cancellation of the nomination, the nomination shall stand rescinded and the depository shall not be under any obligation to transfer the securities in favour of the Nominee.
4. For receiving Statement of Account in electronic form:
   I. Client must ensure the confidentiality of the password of the email account.
   II. Client must promptly inform the Participant if the email address has changed.
   III. Client may opt to terminate this facility by giving 10 days prior notice. Similarly, Participant may also terminate this facility by giving 10 days prior notice.
5. Strike off whichever is not applicable.

= =

Acknowledgement

Participant Name, Address & DP ID

Received the application from Mr/Ms______________________________ as the sole/first holder alongwith ____________________________ and ______________________________ as the second and third holders respectively for opening of a depository account. Please quote the DP ID & Client ID allotted to you in all your future correspondence.

Date: | D | D | M | M | Y | Y | Y | Y | **Participant Stamp & Signature**

Annexure - K

PPART I - KNOW YOUR CLIENT (KYC) APPLICATION FORM (For Non-Individuals)

[*Name and address of intermediary (pre-printed)*]

Photograph

Please affix the recent passport size photograph and sign across it

Please fill this form in ENGLISH and in BLOCK LETTERS

A. IDENTITY DETAILS

1	Name of the Applicant				
2	Date of incorporation	D D M M Y Y Y Y	Place of incorporation		
3	Date of commencement of business			D D M M Y Y Y Y	
4	a) PAN		b) Registration No. (e.g. CIN)		
5	**Status (please tick any one):**				

☐ Private Limited Co.	☐ Bank	☐ Partnership
☐ Public Ltd. Co.	☐ Government Body	☐ FI
☐ Body Corporate	☐ Non Government Organization	☐ FII
☐ Trust	☐ Defense Establishment	☐ HUF
☐ Charities	☐ Society	☐ AOP
☐ NGO's	☐ LLP	☐ BOI

☐ Others (Please specify) _____

B. ADDRESS DETAILS

1	Correspondence Address	_____			
		City/town/village		PIN Code	
		State		Country	
2	Specify the proof of address submitted for correspondence address				
3	Contact Details	Tel. (Off.)		Tel. (Res.)	
		Fax No.		Mobile No.	
		Email ID			
4	Registered Address (if different from above):				
		City/town/village		PIN Code	
		State		Country	
5	Specify the proof of address submitted for registered address				

C. OTHER DETAILS

1	Gross Annual Income Details (please specify): Income Range per annum	
	☐ Below ₹ 1 lac	☐ ₹ 10- 25 lac
	☐ ₹ 1- 5 lac	☐ ₹ 25 lac- 1 crore
	☐ ₹ 5- 10 lac	☐ More than ₹ 1 crore
2	Networth	
	Amount (₹) _____ As on (date) D D M M Y Y Y Y (Networth should not be older than 1 year)	
3	Name, PAN, residential address and photographs of Promoters/ Partners/Karta/Trustees and whole time directors:	If space is insufficient, enclose these details separately [*Illustrative format enclosed*]
4	DIN/UID of Promoters/Partners/Karta and whole time directors:	
5	Please tick, if applicable, for any of your authorized signatories/Promoters/Partners/Karta/Trustees/whole time directors:	☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)
6	Any other information	

D. DECLARATION

I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.

Name & Signature of the Authorised Signatory(ies)	**Date** D D M M Y Y Y Y

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FOR OFFICE USE ONLY

☐ (Originals verified) True copies of documents received

☐ (Self-Attested) Self Certified Document copies received

Signature of the Authorised Signatory		**Seal/Stamp of the intermediary**
Date	D D M M Y Y Y Y	

Details of Promoters/ Partners/ Karta / Trustees and whole time directors forming a part of Know Your Client (KYC) Application Form for Non-Individuals

Sr. No.	Name	Relationship with Applicant (*i.e. promoters, whole time directors etc.*)	PAN	Residential / Registered Address	DIN/UID	Photograph
1						
2						
3						
4						
5						

Name & Signature of the Authorised Signatory(ies)

Date	D	D	M	M	Y	Y	Y	Y

Annexure - K

PART II - ACCOUNT OPENING FORM

(*FOR NON-INDIVIDUALS*)

Participant Name (DP ID _____) Address (Pre-printed)	**Client -ID** (To be filled by Participant)

We request you to open a depository account in our name as per the following details: (*Please fill all the details in CAPITAL LETTERS only*) **Date**

A) Details of Account holder(s):

	Name	PAN
Sole/ First Holder		
Second Holder		
Third Holder		

B) Type of account

- ☐ Body Corporate
- ☐ FI
- ☐ FII
- ☐ Qualified Foreign Investor
- ☐ Mutual Fund
- ☐ Trust
- ☐ Bank
- ☐ CM
- ☐ Other (Please specify) _____

C) For HUF, Partnership Firm, Unregistered Trust, Association of Persons (AOP) etc., although the account is opened in the name of the karta, partner(s), trustee(es) etc., the name & PAN of the HUF, Partnership Firm, Unregistered Trust, Association of Persons (AOP) etc., should be mentioned below:

a) Name		b) PAN	

D) In case of FIIs/Others (as may be applicable)

RBI Approval Reference Number	
RBI Approval date	D D M M Y Y Y Y

E) Bank details

1	Bank account type ☐ Savings Account ☐ Current Account ☐ Others (Please specify) _____	
2	Bank Account Number	
3	Bank Name	
4	Branch Address	_____ _____
	City/town/village	PIN Code
	State	Country
5	MICR Code	
6	IFSC	

F)	**Clearing Member Details** (to be filled up by Clearing Members only)		
	1	Name of Stock Exchange	
	2	Name of Clearing Corporation/ Clearing House	
	3	Clearing Member ID	
	4	SEBI Registration Number	
	5	Trade Name	
	6	CM-BP-ID **(to be filled up by Participant)**	

G)	**Standing Instructions**		
	1	We authorise you to receive credits automatically into our account.	☐ Yes ☐ No
	2	Account to be operated through Power of Attorney (PoA)	☐ Yes ☐ No
	3	**SMS Alert facility**	

Sr. No.	Holder	Yes	No
1	Sole/First Holder	☐	☐
2	Second Holder	☐	☐
3	Third Holder	☐	☐

H)	4	Mode of receiving Statement of Account [*Tick any one*]	☐ Physical Form
			☐ Electronic Form [*Read Note 3 and ensure that email ID is provided in KYC Application Form*].

Declaration

The rules and regulations of the Depository and Depository Participants pertaining to an account which are in force now have been read by us and we have understood the same and we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. We hereby declare that the details furnished above are true and correct to the best of our knowledge and belief and we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, we are aware that we may be held liable for it. I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".

Authorised Signatories (Enclose a Board Resolution for Authorised Signatories)

Sole/First Holder	Name	Signature(s)
First Signatory		X
Second Signatory		X

Third Signatory		X
Other Holders		
Second Holder		X
Third Holder		X

Mode of Operation for Sole/First Holder (In case of joint holdings, all the holders must sign)	
☐ Any one singly	
☐ Jointly by	
☐ As per resolution	
☐ Others (please specify)	

Notes:

1. In case of additional signatures, separate annexures should be attached to the application form.
2. Thumb impressions and signatures other than English or Hindi or any of the other language not contained in the 8th Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate.
3. For receiving Statement of Account in electronic form:
   I. Client must ensure the confidentiality of the password of the email account.
   II. Client must promptly inform the Participant if the email address has changed.
   III. Client may opt to terminate this facility by giving 10 days prior notice. Similarly, Participant may also terminate this facility by giving 10 days prior notice.
4. Strike off whichever is not applicable.

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Acknowledgement

Participant Name, Address & DP ID

Received the application from M/s _____ as the sole/first holder alongwith _____ and _____ as the second and third holders respectively for opening of a depository account. Please quote the DP ID & Client ID allotted to you (CM-BP-ID in case of Clearing Members) in all your future correspondence.

As on (date) | D | D | M | M | Y | Y | Y | Y |

Participant Stamp & Signature

Circular No. NSDL/POLICY/ 2014/0038 Date: March 28, 2014	***Subject: SEBI {KYC (Know Your Client) Registration Agency} (Amendment) Regulations, 2014.*** Attention of Participants is invited to SEBI's notification no. LAD-NRO/GN/ 2013-14/46/522 dated March 13, 2014 *(copy enclosed)* regarding amendment of the Securities and Exchange Board of India {*KYC (Know Your Client) Registration Agency*} Regulations, 2011 [*SEBI (KRA) Regulations, 2011*]. As Participants are aware that as per earlier KRA Regulations, there is an option available to the Participant that he may access the centralised KRA system in case of a client who is already KYC compliant or carry out fresh KYC process. Participants are requested to take note that pursuant to aforesaid amendments to the KRA regulations, the option to the Participant of taking fresh KYC documents again from the client has been done away with. However, as provided in the Regulations, the Participant can undertake enhanced KYC measures commensurate with the risk profile of its clients. Participants are requested to take note of the above and ensure compliance with the same. The consequential changes in the Master Circular on account opening will be incorporated separately.

THE GAZETTE OF INDIA

EXTRAORDINARY

PART III – SECTION 4

PUBLISHED BY AUTHORITY

NEW DELHI, MARCH 13, 2014

SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 13th March, 2014

SECURITIES AND EXCHANGE BOARD OF INDIA

{KYC (Know Your Client) REGISTRATION AGENCY} (AMENDMENT)

REGULATIONS, 2014

No. LAD-NRO/GN/2013-14/46/522 - In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to amend the Securities and Exchange Board of India {KYC(Know Your Client) Registration Agency} Regulations, 2011, namely:-

1. These regulations may be called the Securities and Exchange Board of India {KYC(Know Your Client) Registration Agency} (Amendment) Regulations, 2014.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India {KYC(Know Your Client) Registration Agency} Regulations, 2011,
   (i) in regulation 16, for clause (b), the following shall be substituted, namely,-
   "(b) When the client approaches another intermediary subsequently, the intermediary shall verify and download the client's details from the system of KRA:

   Provided that upon receipt of information on change in KYC details and status of the clients by the intermediary or when it comes to the knowledge of the intermediary, at any stage, the intermediary shall be responsible for uploading the updated information on the system of KRA and retaining the physical documents."

U.K. SINHA

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Footnote:

1. The SEBI {KYC(Know Your Client) Registration Agency} Regulations, 2011 were published in the Gazette of India on 02 December, 2011 vide No. LAD-NRO/GN/2011-12/29/36772.
2. The SEBI {KYC(Know Your Client) Registration Agency} Regulations, 2011 were subsequently amended on 22nd March, 2013 by Securities and Exchange Board of India {KYC(Know Your Client) Registration Agency} (Amendment) Regulations, 2013 vide No. LAD-NRO/GN/2012-13/35/6998.

Circular No. NSDL/POLICY/ 2013/0143 Date: December 27, 2013	***Sub: Know Your Client Requirements*** Attention of Participants is invited to SEBI's Circular No. CIR/MIRSD/13/2013 dated December 26, 2013 regarding Know Your Client (KYC) requirements. Copy of the same is enclosed for information. Amendments to the Business Rules will be notified separately for compliance.

CIRCULAR

CIR/MIRSD/ 13 /2013 **December 26, 2013**

1. All Recognized Stock Exchanges
2. Stock Brokers through Recognized Stock Exchanges
3. Depository Participants through Depositories
4. Association of Mutual Funds in India
5. Mutual funds through AMFI
6. Portfolio Managers
7. KYC Registration Agencies (KRAs)
8. Alternative Investment Funds (AIFs)
9. Collective Investment Schemes (CIS)
10. Custodians

Dear Sir/Madam,

Sub: Know Your Client Requirements

1. Please refer to SEBI circulars no. CIR/MIRSD/16/2011 dated August 22, 2011 and MIRSD/SE/Cir-21/2011 dated October 5, 2011 on uniform Know Your Client ('KYC') norms.
2. Vide above mentioned circulars, SEBI simplified the account opening process for the investors. A standard Account Opening Form (AOF) has been prescribed which is divided in 2 parts - Part I contains the basic KYC details of the investor used by all SEBI registered intermediaries and Part II captures additional information specific to the area of activity of the intermediary. Further, with the centralised KRA system in place, the client has to undertake the KYC process i.e. Part I of the AOF only once which means he need not undergo the KYC process again when he approaches different intermediaries in securities markets.
3. It has now been decided in consultation with various market participants to shift certain information in Section C of Part I to Part II of the AOF (for both individuals and non-individuals). Revised Part I of AOF is enclosed. Part II shall be modified by the intermediary accordingly.
4. Information as contained in revised Part I of AOF shall only be required to be captured in the systems of KRAs from the date of this circular. However, in view of existing pre-printed forms available with the intermediaries, a time period of six months, effective from the date of this circular, is provided to bring about the aforementioned modifications in the KYC form.
5. The above modifications would assist in avoiding repeated modifications in the KRA system as information provided by the clients in Section C changes over a period of time and will facilitate in making the KYC uniform for the entire financial sector.
6. Intermediaries dealing with Eligible Foreign Investors investing under Portfolio Investment Scheme may be guided by the clarifications issued vide SEBI circular CIR/MIRSD/07/2013 dated September 12, 2013.
7. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully,
A. S. Mithwani
Deputy General Manager
022-26449613

cl: KYC Application Form.doc

KNOW YOUR CLIENT (KYC) APPLICATION FORM

For individuals

Please fill this form in ENGLISH and in BLOCK LETTERS.

PHOTOGRAPH

Please affix your recent passport size photograph and sign across it

A. IDENTITY DETAILS

1. Name of the Applicant: _____
2. Father's/ Spouse Name: _____
3. a. Gender: Male/ Female b. Marital status: Single/ Married c. Date of birth: _____ (dd/mm/yyyy)
4. a. Nationality:_____ b. Status: Resident Individual/ Non Resident/ Foreign National
5. a. PAN: b. Aadhaar Number, if any: _____
6. Specify the proof of Identity submitted: _____

B. ADDRESS DETAILS

1. Residence Address: _____

   _____ City/town/village: _____ Pin Code: _____ State: _____ Country: _____
2. Contact Details: Tel. (Off.) _____ Tel. (Res.) _____ Mobile No.: _____ Fax: _____ Email id: _____
3. Specify the proof of address submitted for residence address: _____
4. Permanent Address (if different from above or overseas address, mandatory for Non-Resident Applicant): _____

   _____ City/town/village: _____ Pin Code: _____ State: _____ Country: _____

DECLARATION

I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.

_____

Signature of the Applicant **Date: (dd/mm/yyyy)**

FOR OFFICE USE ONLY

☐ Originals verified and Self-Attested Document copies received

(.....)

Name & Signature of the Authorised Signatory

Date **Seal/Stamp of the intermediary**

KNOW YOUR CLIENT (KYC) APPLICATION FORM

For Non-individuals

PHOTOGRAPH

Please affix your recent passport size photograph and sign across it

Please fill this form in ENGLISH and in BLOCK LETTERS.

A. IDENTITY DETAILS

1. **Name of the Applicant:** _____
2. **Date of incorporation:** _____ (dd/mm/yyyy) **& Place of incorporation:** _____
3. **Date of commencement of business:** _____ (dd/mm/yyyy)
4. **a. PAN:** _____ **b. Registration No. (e.g. CIN):** _____
5. **Status (please tick any one):**

   Private Limited Co./Public Ltd. Co./Body Corporate/Partnership/Trust/Charities/NGO's/FI/ FII/HUF/AOP/ Bank/Government Body/Non-Government Organization/Defense Establishment/BOI/Society/LLP/ Others (please specify)

B. ADDRESS DETAILS

1. **Address for correspondence:** _____

   _____ City/town/village: _____ Pin Code: _____ State: _____ Country: _____
2. **Contact Details:** Tel. (Off.) _____ Tel. (Res.) _____ Mobile No.: _____ Fax: _____ Email id: _____
3. **Specify the proof of address submitted for correspondence address:** _____
4. **Registered Address** (if different from above): _____

   _____ City/town/village: _____ Pin Code: _____ State: _____ Country: _____

C. OTHER DETAILS

1. **Name, PAN, residential address and photographs of Promoters/Partners/Karta/Trustees and whole time directors:**

   _____
2. a) **DIN of whole time directors:** _____

   b) **Aadhaar number of Promoters/Partners/Karta:** _____

DECLARATION

I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.

_____

Name & Signature of the Authorised Signatory **Date: _____ (dd/mm/yyyy)**

FOR OFFICE USE ONLY

Originals verified and Self-Attested Document copies received

(.....)

Name & Signature of the Authorised Signatory

Date ..... **Seal/Stamp of the intermediary**

Circular No. NSDL/POLICY/ 2013/0107 Date: September 13, 2013	***Sub: Know Your Client Requirements for Eligible Foreign Investors*** Attention of Participants is invited to SEBI's Circular No. CIR/MIRSD/ 07 /2013 dated September 12, 2013 regarding Know Your Client Requirements for Eligible Foreign Investors. Copy of the same is enclosed for information and compliance.

CIRCULAR

CIR/MIRSD/ 07 /2013 September 12, 2013

1. **All Recognized Stock Exchanges**
2. **Stock Brokers through Recognized Stock Exchanges**
3. **Depository Participants through Depositories**
4. **Mutual funds**
5. **Association of Mutual Funds in India**
6. **Portfolio Managers**
7. **KYC Registration Agencies (KRAs)**
8. **Alternative Investment Funds (AIFs)**
9. **Collective Investment Schemes (CIS)**
10. **Custodians**

Dear Sir/Madam,

Sub: Know Your Client Requirements for Eligible Foreign Investors

1. This has reference to SEBI circular No CIR/MIRSD/ 11 /2012 dated September 5, 2012 whereby certain clarifications were issued on 'Know Your Client' requirements in case of foreign investors viz. Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors. This circular is issued in partial modification to the provisions of circular dated September 5, 2012.
2. Eligible foreign investors investing under Portfolio Investment Scheme ('PIS') route shall be classified as Category I, II and III as provided in Annexure A. The intermediary shall follow risk based Know Your Client norms. Accordingly, certain clarifications are hereby issued, as given in Annexure B, based on the category of these investors.
3. Eligible foreign investors investing under PIS route shall be subject to KYC review as and when there is any change in material information / disclosure.
4. The provisions of this circular are applicable for both the new and existing clients.
5. 5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Sub Rule 14(i) of Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

A.S.Mithwani
Deputy General Manager
022-26449613
aliasgarm@sebi.gov.in

Encl:

1) **Annexure A - Category of eligible foreign investors investing under PIS route**
2) **Annexure B - Clarifications**

	Annexure A
Category	Eligible Foreign Investors
I.	Government and Government related foreign investors such as Foreign Central Banks, Governmental Agencies, Sovereign Wealth Funds, International/ Multilateral Organizations/ Agencies
II.	a) Appropriately regulated broad based funds such as Mutual Funds, Investment Trusts, Insurance /Reinsurance Companies, Other Broad Based Funds etc. b) Appropriately regulated entities such as Banks, Asset Management Companies, Investment Managers/Advisors, Portfolio Managers etc. c) Broad based funds whose investment manager is appropriately regulated d) University Funds and Pension Funds e) University related Endowments already registered with SEBI as FII/Sub Account
III.	All other eligible foreign investors investing in India under PIS route not eligible under Category I and II such as Endowments, Charitable Societies/Trust, Foundations, Corporate Bodies, Trusts, Individuals, Family Offices, etc.

Annexure B

Document Type		**Category - I**	**Category - II**	**Category - III**
Entity Level	Constitutive Docs	Required	Required	Required
	Proof of Address	Required Power of Attorney, mentioning the address, is acceptable as address proof	Required Power of Attorney, mentioning the address, is acceptable as address proof	Required - Address proof other than Power of Attorney should be submitted.
	PAN Card	Required	Required	Required
	Financials	Exempt	Exempt	Risk based - Financial data sufficient.
	SEBI Registration Certificate	Required	Required	Required
	Board Resolution	Exempt	Required	Required
	KYC Form	Required	Required	Required
Senior	List	Required	Required	Required
Management (Whole Time Directors/ Partners/ Trustees/ etc.)	Proof Of Identity	Exempt	Exempt	Entity declares on letterhead - full name, nationality and DoB OR Photo-identity proof'
	Proof of Address	Exempt	Exempt	Declaration on letter head
	Photographs	Exempt	Exempt	Exempt

Annexure B				
Document Type		**Category - I**	**Category - II**	**Category - III**
Authorized Signatories	List & Signatures	Required - List of Global Custodian ('GC') signatories can be given in case of POA to GC	Required - List of GC signatories can be given in case of POA to GC	Required
	Proof Of Identity	Not required	Not required	Required
	Proof of Address	Not required	Not required	Not required
	Photographs	Not required	Not required	Required
Ultimate Beneficial Owner ('UBO')	List	Exempt	Required - Can declare "no UBO over 25%"	Required
	Proof Of Identity	Exempt	Exempt	Required
	Proof of Address	Exempt	Exempt	Exempt
	Photographs	Exempt	Exempt	Exempt

Note: Copies of all the documents, wherever applicable, to be submitted by the applicant should be self attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the SEBI circular no. MIRSD/SE/Cir-21/2011 dated October 5, 2011.

Circular No. NSDL/POLICY/ 2013/0049 Date: April 2, 2013	**Sub: Amendment to SEBI {(Know Your Client) Registration Agency} Regulations, 2011 and relevant circulars** Attention of all Participants is invited to Circular No. NSDL/POLICY/2013/0043 dated March 25, 2013 regarding the Securities and Exchange Board of India *{KYC (Know Your Client) Registration Agency}* (Amendment) Regulations, 2013. In this context, SEBI has vide its Circular No. CIR/MIRSD/ 4 /2013 dated March 28, 2013 (copy enclosed) informed that aforesaid Regulations have been notified with effect from March 22, 2013 whereby the requirement for sending original KYC documents of the clients to the KRA has been removed and SEBI Circular No. MIRSD/Cir- 26 /2011 dated December 23, 2011 and Circular No. MIRSD/ Cir-5 /2012 dated April 13, 2012 shall stand modified to that extent. The other provisions of these circulars shall remain unchanged. Participants are requested to take note of the same and ensure compliance with the same.

CIRCULAR

CIR/MIRSD/ 4 /2013 **March 28, 2013**

1. **KYC Registration Agencies (KRAs),**
2. **Stock Brokers through Stock Exchanges,**
3. **Depository Participants (DPs) through Depositories,**
4. **Mutual Funds (MFs) through Association of Mutual Funds in India (AMFI)**
5. **Portfolio Managers (PMs)**
6. **Alternative Investment Funds (AIFs)**

7. Collective Investment Schemes (CIS),

Dear Sirs,

Sub: Amendment to SEBI {(Know Your Client) Registration Agency} Regulations, 2011 and relevant circulars

1. Please refer to SEBI circular nos. MIRSD/Cir- 26 /2011 dated December 23, 2011 and MIRSD/ Cir-5 /2012 dated April 13, 2012.
2. The Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Amendment Regulations, 2013 have been notified vide No. LAD-NRO/GN/2012-13/35/6998 with effect from March 22, 2013 whereby the requirement for sending original KYC documents of the clients to the KRA has been removed (copy enclosed).
3. The aforesaid circulars dated December 23, 2011 and April 13, 2012 shall stand modified to that extent. The other provisions of these circulars shall remain unchanged.
4. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulation 17 of the SEBI (KYC (Know Your Client) Registration Agency) Regulations, 2011 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully,

A. S. Mithwani
Deputy General Manager
022-26449613
email: aliasgarm@sebi.gov.in

Encl: a/a

THE GAZETTE OF INDIA
EXTRAORDINARY PART III -
SECTION 4 PUBLISHED BY
AUTHORITY NEW DELHI,
MARCH 22, 2013
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 22nd March, 2013
SECURITIES AND EXCHANGE BOARD OF INDIA
{KYC (Know Your Client) REGISTRATION AGENCY} (AMENDMENT)
REGULATIONS, 2013

No. LAD-NRO/GN/2012-13/35/6998 - In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to amend the Securities and Exchange Board of India {KYC(Know Your Client) Registration Agency} Regulations, 2011, namely:-

1. These Regulations may be called the Securities and Exchange Board of India {KYC(Know Your Client) Registration Agency} (Amendment) Regulations, 2013.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India {KYC(Know Your Client) Registration Agency} Regulations, 2011, —
   (i) in regulation 15, in clause (e), the word "original' and the words "both physical and" shall be omitted;
   (ii) in regulation 16, -

(A) for clause (a), the following shall be substituted, namely,

"(a) The intermediary shall perform the initial KYC/due diligence of the client, upload the KYC information with proper authentication on the system of the KRA, furnish the scanned images of the KYC documents to the KRA, and retain the physical KYC documents:

Provided that in the case of clients of a mutual fund, the Registrar to an Issue and Share Transfer Agent appointed by the mutual fund may perform the initial KYC/due diligence of the client, upload the KYC information with proper authentication on the system of the KRA, and furnish the scanned images of KYC documents to the KRA."

(B) after clause (a), the following new clause shall be inserted, namely-"(aa) The intermediary or the mutual fund, as the case may be, shall furnish the physical KYC documents or authenticated copies thereof to the KRA, whenever so desired by the KRA."

(C) in clause (b), the words "for sending the physical documents to KRA, wherever necessary" shall be substituted with the words "retaining the physical documents".

U.K. SINHA
CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA

Footnote:

The SEBI {KYC(Know Your Client) Registration Agency} Regulations, 2011 were published in the Gazette of India on 02 December, 2011 vide No. LAD-NRO/GN/2011-12/29/36772.

Circular No. NSDL/POLICY/ 2013/0043 Date: March 25, 2013	***Sub: Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} (Amendment) Regulations, 2013.*** Attention of Participants is invited to SEBI's notification no. LAD-NRO/GN/ 2012-13/35/6998 dated March 22, 2013 regarding the Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} (Amendment) Regulations, 2013 (copy enclosed). Participants are requested to take note of these regulations and ensure compliance with the same.

THE GAZETTE OF INDIA
EXTRAORDINARY
PART III – SECTION 4
PUBLISHED BY AUTHORITY
NEW DELHI, MARCH 22, 2013
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 22nd March, 2013
SECURITIES AND EXCHANGE BOARD OF INDIA
{KYC (Know Your Client) REGISTRATION AGENCY} (AMENDMENT)
REGULATIONS, 2013

No. LAD-NRO/GN/2012-13/35/6998 - In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to amend the Securities and Exchange Board of India {KYC(Know Your Client) Registration Agency} Regulations, 2011, namely:-

1. These Regulations may be called the Securities and Exchange Board of India {KYC(Know Your Client) Registration Agency} (Amendment) Regulations, 2013.

2. They shall come into force on the date of their publication in the Official Gazette.

3. In the Securities and Exchange Board of India {KYC(Know Your Client) Registration Agency} Regulations, 2011, ?

   (i) in regulation 15, in clause (e), the word "original' and the words "both physical and" shall be omitted;

   (ii) in regulation 16, -

      (A) for clause (a), the following shall be substituted, namely,-

      "(a) The intermediary shall perform the initial KYC/due diligence of the client, upload the KYC information with proper authentication on the system of the KRA, furnish the scanned images of the KYC documents to the KRA, and retain the physical KYC documents:

      Provided that in the case of clients of a mutual fund, the Registrar to an Issue and Share Transfer Agent appointed by the mutual fund may perform the initial KYC/due diligence of the client, upload the KYC information with proper authentication on the system of the KRA, and furnish the scanned images of KYC documents to the KRA."

      (B) after clause (a), the following new clause shall be inserted, namely- "(aa) The intermediary or the mutual fund, as the case may be, shall furnish the physical KYC documents or authenticated copies thereof to the KRA, whenever so desired by the KRA."

      (C) in clause (b), the words "for sending the physical documents to KRA, wherever necessary" shall be substituted with the words "retaining the physical documents".

U.K. SINHA
CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA

Footnote:

The SEBI {KYC(Know Your Client) Registration Agency} Regulations, 2011 were published in the Gazette of India on 02 December, 2011 vide No. LAD-NRO/GN/2011-12/29/36772.

Circular No: NSDL/POLICY/ 2012/0091 Date: September 6, 2012	***Sub: SEBI's clarification on Know Your Client Requirements*** Attention of Participants is invited to SEBI's Circular No. CIR/MIRSD/11/2012 dated September 5, 2012 (copy enclosed) regarding Know Your Client Requirements. Copy of the same is enclosed for information and compliance. *dated August 28, 2012*).

CIRCULAR

CIR/MIRSD/ 11 /2012 September 5, 2012

1 Stock Brokers through Recognized Stock Exchanges
2. Depository Participants through Depositories
3. Mutual funds
4. Association of Mutual Funds in India
5. Portfolio Managers
6. KYC Registration Agencies (KRAs)
7. Alternative Investment Funds (AIFs)
8. Collective Investment Schemes (CIS)

Dear Sir,

Sub: Know Your Client Requirements

1. This has reference to SEBI circulars No CIR/MIRSD/16/2011 dated August 22, 2011 and MIRSD/SE/Cir-21/2011 dated October 5, 2011 on know your client norms for the securities market.
2. SEBI has received representations regarding operational issues in the implementation of aforesaid SEBI Circulars in case of foreign investors viz. Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors. In consultation with the Stock Exchanges, Depositories and Intermediaries, certain clarifications are issued, as given in Annexure A, with respect to these investors.
3. Further, the intermediaries shall strictly follow the risk based due diligence approach as prescribed by SEBI Master Circular on AML No. CIR/ISD/AML/3/2010 dated December 31, 2010. Also, they shall conduct ongoing client due diligence based on the risk profile and financial position of the clients as prescribed in the Circular.
4. The provisions of this circular are applicable for both new and existing clients.
5. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

A.S.Mithwani
Deputy General Manager
022-26449163
aliasgarm@sebi.gov.in

Encl:

1) Annexure A: Clarifications

Annexure A

Sr. No.	Relevant requirements on KYC From as per SEBI Circulars dated August 22, 2011 and Octoer 5, 2011	Relevant requirements on KYC From as per SEBI Circulars dated August 22, 2011 and Octoer 5, 2011
1	Authorized signatories list with specimen signatures to be submitted.	If the client has authorized the Global Custodian -an entity regulated by an appropriate foreign regulatory authority or Local Custodian registered with SEBI as a signatory by way of a Power of Attorney ('PoA') to sign on its behalf, such PoA may be accepted.
2	Intermediary has to get the KYC form filled from the clients.	The Global Custodian or the Local Custodian may fill the KYC form, if authorized through the PoA.
3	PAN to be taken for individual promoters holding control -either directly or indirectly, Partners/ Trustees, whole time directors/two directors in charge of day to day operations and persons authorized to deal in securities on behalf of company/firm/others.	Not applicable.

Sr. No.	Relevant requirements on KYC From as per SEBI Circulars dated August 22, 2011 and Octoer 5, 2011	Relevant requirements on KYC From as per SEBI Circulars dated August 22, 2011 and Octoer 5, 2011
4	For foreign nationals, (allowed to trade subject to RBI and FEMA guidelines), copy of passport/ PIO Card/OCI Card is mandatory.	Proof of Identity document duly attested by the entities authorized for the same as per SEBI Circular dated October 5, 2011 or authorised signatories as mentioned at point 1 above may be adequate in lieu of the passport copy.
5	For foreign entities, CIN is optional; and in the absence of DIN no. for the directors their passport copy should be given.	CIN no. is provided as an example and requires the client's registration number in its respective country. If the foreign entity does not have CIN, the equivalent registration number of the entity may be mentioned. If it does not have any registration number, then SEBI Registration number may be mentioned. In case the directors (as per point 3 above), of the client do not have an equivalent of DIN in the client's respective jurisdiction, "Not Applicable" may be stated. Copy of the Passport may not be provided.
6	It shall be mandatory for all the intermediaries addressed in this circular to carry out In person verification of their clients.	In person verification is not applicable for a non-individual Client. In case of QFI – Individual Client, IPV shall be carried out by SEBI registered intermediary as per SEBI Circular dated August 22, 2011.
7	Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the list mentioned in the circular dated Aug 22, 2011.	In the absence of originals for verification, documents may be attested as per SEBI Circulars dated August 22, 2011 and October 5, 2011 or authorised signatories as mentioned at point 1 above.
8	**A.** Copy of the balance sheets for the last 2 financial years (to be submitted every year), annual gross income and net worth details. **B.** Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the company secretary/Whole time director/MD (to be submitted every year). POI and POA of individual promoters holding control -either directly or indirectly.	**A.** Though it is not mandatory, the intermediaries shall carry out due diligence as per the PMLA and SEBI Master Circular on AML about the financial position of the client. **B.** List of beneficial owners with shareholding or beneficial interest in the client equal to or above 25% to be obtained. If Global Custodian /Local Custodian provides an undertaking to submit these details, then intermediary may take such undertaking only. Any change in the list to be obtained based on risk profile of the client.

Sr. No.	Relevant requirements on KYC From as per SEBI Circulars dated August 22, 2011 and Octoer 5, 2011	Relevant requirements on KYC From as per SEBI Circulars dated August 22, 2011 and Octoer 5, 2011
9	Name, residential address, photograph, POI and POA of Partners/Trustees, whole time directors/ two directors in charge of day to day operations and individual promoters holding control -either directly or indirectly.	**A.** Not required if Global Custodian /Local Custodian gives an undertaking to provide the following documents as and when requested for by intermediary: 1) A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf; and 2) An officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf. **B.** If Global Custodian/Local Custodian does not provide such undertaking as stated in A above, intermediary shall take required details from Foreign Investors.
10	Copy of SEBI registration certificate to be provided.	Custodian shall verify the SEBI registration certificate copy with the originals or with the details available on SEBI website and provide duly certified copy of such verified SEBI registration certificate to the intermediary.
11	Every client has to provide the trading account related details, as required by Annexure 3 to the SEBI circular dated August 22, 2011.	Annexure 3 to the circular dated August 22, 2012 pertaining to trading account related details is not applicable for FIIs and Sub Accounts. However, Intermediaries are required to update details of any action taken or proceedings initiated against the entity by the foreign regulators or SEBI/ Stock exchanges. For QFI, the intermediary shall collect the following details from Annexure 3: • Bank Account details • Depository account • Regulatory Actions as mentioned above
12	Intermediary shall provide a set of all the executed documents to the client, free of charge.	Intermediary shall display these standard documents prescribed by SEBI on its web site, intimate the clients regarding the link and email a copy of the same to the client.
13	Place of incorporation	If place of incorporation is not available, Intermediary should take Registered office address/ principal place of business of entity.
14	Date of commencement of business	Not applicable

Sr. No.	Relevant requirements on KYC From as per SEBI Circulars dated August 22, 2011 and Octoer 5, 2011	Relevant requirements on KYC From as per SEBI Circulars dated August 22, 2011 and Octoer 5, 2011
15	Copies of the Memorandum and Articles of Association and certificate of incorporation	If FII or Sub Account does not have certificate of Incorporation or Memorandum and Articles of Association, then any reasonable equivalent legal document evidencing formation of entity may be allowed.
16	Copy of the Board Resolution for investment in securities market	Not applicable.

Exemptions -

In case of Sovereign Wealth Fund, Foreign Governmental Agency, Central bank, International or Multilateral organization and Central or State Government Pension Fund, the intermediary shall satisfy itself about their status and thereafter, only provisions at point 9 above shall be applicable. Further, these entities shall also be a part of KRA centralised system of KYCs.

Circular No: NSDL/POLICY/ 2012/0043 Date: April 16, 2012	***Sub: Uploading of the existing clients' KYC details in the KYC Registration Agency (KRA) system by the intermediaries.*** Attention of Participants is invited to SEBI's Circular No. MIRSD/Cir-5/2012 dated April 13, 2012 regarding uploading of the existing clients' KYC details in the KYC Registration Agency (KRA) system by the intermediaries. Copy of the same is enclosed for information and compliance.
Circular No: NSDL/POLICY/ 2012/0017 Date: February 7, 2012	**Sub: Applicability of KYC Requirements & KRA Regulations** Attention of Participants is invited to SEBI Circular No. MIRSD/SE/Cir-21/ 2011 dated October 5, 2011 *[Ref.: Circular Nos. NSDL/POLICY/2011/0081 dated October 10, 2011 and NSDL/POLICY/2011/0103 dated December 5, 2011],* Circular No. MIRSD/Cir-23/2011 dated December 2, 2011 *[Ref.: Circular No.: NSDL/POLICY/2011/0104 dated December 7, 2011],* SEBI {KYC (Know Your Client) Registration Agency (KRA)}, Regulations, 2011 and Circular No. MIRSD/Cir-26/2011 dated December 23, 2011 *[Ref.: Circular Nos.: NSDL/ POLICY/2011/0110 dated December 24, 2011 and NSDL/POLICY/2011/0113 dated December 29, 2011].* Further to the above, SEBI has clarified that the abovementioned Circulars are applicable for all the Clients of stock brokers/depository participants, without any exemption to any category of clients like institutions or FIIs. Participants are requested to take note of the same and comply with the requirements.
Circular No: NSDL/POLICY/ 2012/0006 Date: January 12, 2012	***Sub: Verification of copies of documents with their corresponding original*** Attention of Participants is invited to SEBI Circular No. MIRSD/SE/Cir-21/ 2011 dated October 5, 2011 [*Ref Circular Nos. NSDL/POLICY/2011/0081 dated October 10, 2011* and *NSDL/POLICY/2011/0103 dated December 5, 2011]* regarding uniform Know Your Client (KYC) requirements for securities markets and SEBI Circular No. MIRSD/Cir-26/2011 dated December 23, 2011 [*Ref.: Circular Nos.: NSDL/POLICY/2011/0110 dated December 24, 2011 and NSDL/ POLICY/2011/0113 dated December 29, 2011*] inter-alia regarding guidelines for in-person verification (IPV).

	As per point no. (A) (2) of instructions/ check list for filling KYC Form of aforesaid SEBI Circular dated October 5, 2011 "*Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification*". In this context, Participants are requested to take note that persons who can carry out IPV as per Para 3 of the aforesaid SEBI Circular dated December 23, 2011 may also carry out verification of documents with the originals.
Circular No: NSDL/POLICY/ 2011/0113 Date: December 29, 2011	***Sub: Clarification for In-Person Verification (IPV)*** Attention of Participants is invited to SEBI Circular No. MIRSD/Cir-26/2011 dated December 23, 2011 [*Ref.: NSDL Circular No. NSDL/POLICY/2011/0110 dated December 24, 2011*] inter-alia regarding guidelines for in-person verification (IPV). As per para 3 (ii) of the aforesaid SEBI circular, "*The intermediary shall ensure that the details like name of the person doing IPV, his designation, organisation with his signatures and date are recorded on the KYC form at the time of IPV*". In this context, Participants are requested to take note of the following: **1. Manner of recording IPV details on KYC Application Form**: Participants may either affix a stamp or print the IPV details or write the same on the KYC Application form. **2. Place where IPV details are to be recorded on the KYC Application Form**: a) Participants may record the same at any appropriate place on the KYC Application Form as may be deemed fit by the Participant without making illegible the other details mentioned in the KYC Application Form. For non-individuals such as HUF, unregistered trust, etc. where the KYC Application Form for non-individuals is filled up and the depository account would be opened in the name of the individual (*such as karta, trustee, etc.*), the IPV details may, if Participants find it appropriate, be recorded at the Annexure to KYC Application Form where the details of the karta, trustee are mentioned. b) Attachment of separate sheet to the KYC Application Form or affixing stickers on the KYC Application Form for recording of IPV details will not be permitted.
Circular No: NSDL/POLICY/ 2011/0110 Date: December 24, 2011	***Sub: Guidelines in pursuance of the SEBI KYC Registration Agency (KRA) Regulations, 2011 and for In-Person Verification (IPV).*** Attention of Participants is invited to SEBI's Circular No. MIRSD/Cir- 26 /2011 dated December 23, 2011 (*copy enclosed*) regarding guidelines in pursuance of the SEBI KYC Registration Agency (*KRA*) Regulations, 2011 and for In-Person Verification (*IPV*). In this context, Participants are requested to take note of the following: 1. The KRA system shall be applicable for all new Client accounts opened from January 1, 2012. Only for the Client accounts opened between January 1 and January 31, 2012, the Participants may upload the KYC data on the KRA system and send the relevant KYC documents to KRA, by February 15, 2012. However, for Client accounts opened from February 1, 2012, the Participants shall continue to follow the requirement of sending the same within 10 working days as given in para 1(i) of aforesaid SEBI Circular. SEBI has also advised that the existing Clients can continue to trade/ invest/ deal with their intermediaries as per the current practice.

2. Back office system should be ready by January 15, 2012, as per the file formats provided vide our email dated December 21, 2011 (*copy enclosed*).

CIRCULAR

MIRSD/Cir-26 /2011 December 23, 2011

SEBI Registered Intermediaries:

1 KYC Registration Agencies (KRAs),
2 Stock Brokers through Stock Exchanges,
3 Depository Participants (DPs) through Depositories,
4 Mutual Funds (MFs)
5 Portfolio Managers (PMs)
6 Venture Capital Funds (VCFs)
7 Collective Investment Schemes (CIS),

Association of Mutual Funds in India (AMFI)

Dear Sirs,

Subject: Guidelines in pursuance of the SEBI KYC Registration Agency (KRA) Regulations, 2011 and for In-Person Verification (IPV)

Please refer to SEBI circular no. MIRSD/Cir-23/2011 dated December 2, 2011 providing you a copy of the KRA Regulations, 2011 notified on December 2, 2011. With a view to implement the Regulations effectively, the following guidelines are being issued:

1. Guidelines for Intermediaries:

i. After doing the initial KYC of the new clients, the intermediary shall forthwith upload the KYC information on the system of the KRA and send the KYC documents i.e. KYC application form and supporting documents of the clients to the KRA within 10 working days from the date of execution of documents by the client and maintain the proof of dispatch.

ii. In case a client's KYC documents sent by the intermediary to KRA are not complete, the KRA shall inform the same to the intermediary who shall forward the required information / documents promptly to KRA.

iii. For existing clients, the KYC data may be uploaded by the intermediary provided they are in conformity with details sought in the uniform KYC form prescribed vide SEBI circular no. MIRSD/SE/Cir-21/2011 dated October 05, 2011. While uploading these clients' data the intermediary shall ensure that there is no duplication of data in the KRA system.

iv. The intermediary shall carry out KYC when the client chooses to trade/ invest / deal through it.

v. The intermediaries shall maintain electronic records of KYCs of clients and keeping physical records would not be necessary.

vi. The intermediary shall promptly provide KYC related information to KRA, as and when required.

vii. The intermediary shall have adequate internal controls to ensure the security / authenticity of data uploaded by it.

2. Guidelines for KRAs:

i. KRA system shall provide KYC information in data and image form to the intermediary.

ii. KRA shall send a letter to the client within 10 working days of the receipt of the initial/ updated KYC documents from intermediary, confirming the details thereof and maintain the proof of dispatch.

iii. KRA(s) shall develop systems, in co-ordination with each other, to prevent duplication of entry

of KYC details of a client and to ensure uniformity in formats of uploading / modification / downloading of KYC data by the intermediary.

iv. KRA shall maintain an audit trail of the upload / modifications / downloads made in the KYC data, by the intermediary in its system.

v. KRA shall ensure that a comprehensive audit of its systems, controls, procedures, safeguards and security of information and documents is carried out annually by an independent auditor. The Audit Report along with the steps taken to rectify the deficiencies, if any, shall be placed before its Board of Directors. Thereafter, the KRA shall send the Action Taken Report to SEBI within 3 months.

vi. KRA systems shall clearly indicate the status of clients falling under PAN exempt categories viz. investors residing in the state of Sikkim, UN entities / multilateral agencies exempt from paying taxes / filing tax returns in India.

vii. A client can start trading / investing/ dealing with the intermediary and its group / subsidiary / holding company as soon as the initial KYC is done and other necessary information is obtained while the remaining process of KRA is in progress.

3. In-Person Verification (IPV):

With regard to the requirement of in-person' verification (IPV), SEBI has issued guidelines to the stock brokers and depository participants (DPs). However, in line with the uniformity brought out in the KYC procedure across intermediaries, the IPV requirements for all the intermediaries have now been streamlined and harmonized, as follows:

i. It shall be mandatory for all the intermediaries addressed in this circular to carry out IPV of their clients.

ii. The intermediary shall ensure that the details like name of the person doing IPV, his designation, organization with his signatures and date are recorded on the KYC form at the time of IPV.

iii. The IPV carried out by one SEBI registered intermediary can be relied upon by another intermediary.

iv. In case of Stock brokers, their sub-brokers or Authorised Persons (appointed by the stock brokers after getting approval from the concerned Stock Exchanges in terms of SEBI Circular No. MIRSD/DR-1/Cir-16/09 dated November 06, 2009) can perform the IPV.

v. In case of Mutual Funds, their Asset Management Companies (AMCs) and the distributors who comply with the certification process of National Institute of Securities Market (NISM) or Association of Mutual Funds (AMFI) and have undergone the process of 'Know Your Distributor (KYD)', can perform the IPV. However, in case of applications received by the mutual funds directly from the clients (i.e. not through any distributor), they may also rely upon the IPV performed by the scheduled commercial banks.

In view of the above provisions, the following SEBI circulars/letters pertaining to IPV stand modified accordingly:

i. Letter No. 47/2006/ISD/SR/122539 dated April 4, 2008

ii. Letter No. MIRSD/DPS-III/130466/2008 dated July 02, 2008

iii. Circular No. SEBI/MIRSD/Cir. No. 02/2010 dated January 18, 2010

iv. Circular no. CIR/MIRSD/22/2011 dated October 25, 2011

4. Applicability:

The KRA system shall be applicable for all new client accounts opened from January 1, 2012. Only for the client accounts opened between Jan 1 and Jan 31, 2012, the intermediaries may upload the KYC data on the KRA system and send the relevant KYC documents to KRA, by February 15, 2012. However, for client accounts opened from February 1, 2011, the intermediaries shall continue to follow the requirement of sending the same within 10 working days as given in para 1(i) of this circular. The existing clients can continue to trade / invest/ deal with their intermediaries as per the current practice.

5. **The Stock Exchanges and Depositories are directed to:**

   i. bring the provisions of this circular to the notice of their Stock Brokers and DPs, as the case may be, and also disseminate the same on their websites;

   ii. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another, as considered necessary;

   iii. monitor the compliance of this circular through half-yearly internal audits and inspections; and

   iv. communicate to SEBI, the status of the implementation of the provisions of this circular.

6. In case of mutual funds, compliance of this circular shall be monitored by the boards of Asset Management Companies and the Trustees and in case of other intermediaries by their Board of Directors.

7. The names of KRAs would be notified separately.

8. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulation 17 of the SEBI (KYC (Know Your Client) Registration Agency) Regulations, 2011 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully,
B. N. Sahoo
Deputy General Manager
022-26449250
email: biranchins@sebi.gov.in

Circular No: NSDL/POLICY/ 2011/0104 Date: December 7, 2011	***Sub: Securities and Exchange Board of India (KYC Registration Agency) Regulations, 2011.*** Attention of Participants is invited to SEBI's Circular No. MIRSD/Cir-23/2011 dated December 2, 2011 regarding the Securities and Exchange Board of India (KYC Registration Agency) Regulations, 2011 and notification no. LAD-NRO/GN/2011-12/29/36772 dated December 2, 2011 (copies enclosed). The Regulations cover the registration of KRAs, functions and responsibilities of the KRAs and intermediaries, code of conduct, data security, etc.

CIRCULAR

MIRSD/Cir-23/2011 **December 2, 2011**

SEBI Registered Intermediaries –

Stock Brokers through Stock Exchanges

Depository Participants (DPs) through Depositories,
Mutual Funds (MFs) Portfolio Managers (PMs),
Collective Investment Schemes (CIS) Venture Capital Funds (VCFs)

Association of Mutual Funds in India (AMFI)

Dear Sirs,

Subject: The Securities and Exchange Board of India (KYC Registration Agency) Regulations, 2011.

1 As you are aware, SEBI simplified the account opening process for investors vide Circular No. CIR/MIRAD/16/2011 dated August 22, 2011. Further, SEBI vide circular MIRSD/SE/Cir-21/2011 dated October 05, 2011 issued guidelines for uniform KYC requirements for investors while opening accounts with any intermediary in the securities market.

2 At present, if a client intends to open accounts with different intermediaries for the purpose of trading / investment in the securities market, he has to undergo the process of Know Your Client

(KYC) again and again. Therefore, to avoid duplication of KYC process with every intermediary, a mechanism for centralization of the KYC records in the securities market has been developed.

3 An intermediary shall perform the initial KYC of its clients and upload the details on the system of the KRA. When the client approaches another intermediary, the intermediary can verify and download the client's details from the system of the KRA. As a result, once the client has done KYC with a SEBI registered intermediary, he need not undergo the same process again with another intermediary.

4 Accordingly, SEBI has formulated the KYC Registration Agency (KRA) Regulations, which have been notified vide notification no. LAD-NRO/GN/2011-12/29/36772 dated December 2, 2011 (copy enclosed). The Regulations cover the registration of KRAs, functions and responsibilities of the KRAs and intermediaries, code of conduct, data security, etc.

5. The Stock Exchanges & Depositories are directed to:

a. bring the provisions of this circular to the notice of the Stock Brokers & DPs, respectively, and disseminate the same on their websites;

b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another;

c. monitor the compliance of this circular through half-yearly internal audits and inspections; and

d. communicate to SEBI, the status of the implementation of the provisions of this circular through Monthly Development Report of the following month.

6. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully,

B. N. Sahoo
Deputy General Manager
022-26449250
email: biranchins@sebi.gov.in

Encl. : Copy of KRA Regulations

THE GAZETTE OF INDIA
EXTRAORDINARY
PART – III – SECTION 4
PUBLISHED BY AUTHORITY
NEW DELHI, DECEMBER 02, 2011
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION

Mumbai, the 02nd December, 2011

SECURITIES AND EXCHANGE BOARD OF INDIA {KYC (Know Your Client) REGISTRATION AGENCY} REGULATIONS, 2011

No. LAD-NRO/GN/2011-12/29/36772%In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) the Securities and Exchange Board of India hereby makes the following regulations, namely: -

CHAPTER I

PRELIMINARY

Short title & commencement

1. (1) These regulations may be called the Securities and Exchange Board of India {KYC (Know Your Client) REGISTRATION AGENCY} Regulations, 2011.

(2) They shall come into force on the date of their publication in the Official Gazette.

Definitions

2. (1) In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below -

(a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(b) "Board" means the Securities and Exchange Board of India established under section 3 of the Act;

(c) "Certificate" means a certificate of registration granted by the Board under these regulations;

(d) "Client" means a person seeking to do/has done his KYC through intermediary with KRA;

(e) "Inspecting authority" means any one or more person appointed by the Board to exercise powers conferred under chapter IV;

(f) "Intermediary" means an entity associated with securities market and registered under sub-section (1A), (1B) and (1) of Section 12 of the Act; who is required to do KYC of its clients;

(g) "Intermediaries Regulations" means Securities and Exchange Board of India (Intermediaries) Regulations, 2008;

(h) "KYC Registration Agency (KRA)" is a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under these regulations which hereinafter shall be deemed to be an intermediary in terms of the provisions of the Act;

(i) "KYC" means the procedure prescribed by the Board for identifying and verifying the Proof of Address, Proof of Identity and compliance with rules, regulations, guidelines and circulars issued by the Board or any other authority for Prevention of Money Laundering from time to time;

(j) "Operating Instructions" means operating instructions made by a KRA under Regulation 15;

(k) "Rules" means Prevention of Money Laundering Rules, 2005;

(l) "Prescribed" means prescribed by a general or special order or circular issued under the Act or these regulations.

(2) All other words and expressions used but not defined in these regulations shall have the same meaning as have been assigned to them under the Act or the Securities Contracts (Regulation) Act, 1956, (42 of 1956) or the Companies Act, 1956 (1 of 1956), or Prevention of Money Laundering Act (PML), 2005 or the PML Rules, 2005 or any statutory modification or re-enactment thereto, as the case may be.

CHAPTER II

REGISTRATION OF KRA

Application for grant of certificate of initial registration

3. An application for the grant of a certificate of registration as a KRA shall be made to the Board in Form as specified in Schedule I and shall be accompanied by such fees and in such manner as specified in Schedule II of these regulations.

Application to conform to the requirements

4. An application, which is not complete in all respects and does not conform to the instructions prescribed in the Form and the requirements specified therein or the information, is false or misleading in any manner shall be rejected by the Board.

Provided that before rejecting any such application, the applicant shall be given, in writing, an opportunity to remove, within thirty days of the date of communication in this regard, such objections as may be indicated by the Board.

Notwithstanding anything contained in the first proviso, the Board may, on being satisfied that it is necessary, extend the time period by such further time, as it deems fit, in order to enable the applicant to remove the objections indicated by the Board.

Furnishing of information, clarification and personal representation

5. (1) The Board may require the applicant to furnish such further information or documents or clarifications as the Board considers necessary for the purpose of consideration of the application.

(2) The applicant or his authorized representative shall, if so required, appear before the Board for personal representation in connection with the grant of certificate of registration.

Consideration of application for grant of certificate of initial registration

6. (1) The Board shall not consider an application, unless the applicant is a fit and proper person to the satisfaction of the Board and belongs to one of the following categories, namely:

(a) a wholly owned subsidiary of a recognized stock exchange, having nation-wide network of trading terminals, or;

(b) a wholly owned subsidiary of a depository or any other intermediary registered with the Board or;

(c) a wholly owned subsidiary of a Self Regulatory Organization (SRO) registered under SEBI (Self Regulatory Organization) Regulations, 2004,

Provided that any conflict of interest does not exist between the role of the applicant as KRA and other commercial activities of the applicant, its associates and group companies.

Provided further that the applicant shall have to satisfy to the Board about the organizational capabilities, technology and systems and safeguards for maintaining data privacy and preventing unauthorized sharing of data.

Notwithstanding the aforementioned, the Board shall have the power to examine any possible case of conflict of interest in applications.

(2) The applicant as mentioned in sub regulation (a) to (c) of regulation 6(1) above shall have a net worth of at least Rs 25 crore on a continuous basis.

Grant of certificate of initial registration

7. (1) The Board, on being satisfied that the applicant is eligible, shall send intimation to that effect to the applicant, for the grant of certificate of initial registration, and grant a certificate in the Form as specified in Schedule I.

(2) The certificate of initial registration granted under sub-regulation (1) shall be valid for a period of five years from the date of its issue to the applicant.

(3) The grant of certificate of initial registration shall be subject to the payment of such fees and in such manner as specified in Schedule II of these regulations.

Grant of certificate of permanent registration

8. (1) The K R A which has been granted a certificate of initial registration under regulation 7 may, three months before the expiry of the period of certificate of initial registration, make an application for grant of certificate of permanent registration in the Form as specified in Schedule I.

(2) An application under sub-regulation (1) shall be accompanied by such fees and in such manner as specified in Schedule II of these regulations.

(3) The application for grant of a certificate of permanent registration shall be accompanied by details of the changes that have taken place in the information that was submitted to the Board while seeking initial registration, as the case may be, and a declaration stating that no changes other than those as mentioned in such details have taken place.

(4) The application for permanent registration made under sub-regulation (1) shall be dealt with in the same manner as if, it were a fresh application for grant of a certificate of initial registration.

(5) The Board, on being satisfied that the applicant is eligible, shall send intimation to that effect, to the applicant and shall grant a certificate of permanent registration in the format as specified in Schedule I.

(6) The grant of certificate of permanent registration shall be subject to payment of such fees and in such manner as specified in Schedule II of these regulations.

Criteria for fit and proper person

9. For the purpose of determining whether an applicant is a fit and proper person, the Board may take into account the criteria specified in Schedule II of Intermediaries Regulations.

KRA to abide by code of conduct

10. The KRA holding a certificate of registration shall at all times abide by the Code of Conduct as specified in Schedule III of these regulations.

Procedure where certificate of registration is not granted

11. (1) Where an application for the grant of certificate of initial or permanent registration does not satisfy the requirements specified in regulation 6 & 9, the Board shall reject the application after giving the applicant an opportunity of being heard.

(2) The decision of the Board to reject the application shall be communicated to the applicant in writing within thirty days of such decision, stating therein the grounds on which the application has been rejected.

(3) Any applicant, aggrieved by the decision of the Board, may apply within a period of thirty days from the date of receipt of such intimation to the Board for reconsideration of its decision.

(4) The Board shall reconsider an application made under sub-regulation (3) and communicate its decision thereon, as soon as possible in writing to the applicant.

Effect of refusal to grant certificate of permanent registration

12. A KRA whose application for grant of certificate of permanent registration has been refused by the Board, on and from the date of the receipt of the communication, shall cease to carry on any activity as a KRA;

Provided that the Board may, in the interest of the investors of the securities market, permit KRA to carry on activities undertaken prior to the receipt of the intimation of refusal subject to such condition as the Board may specify.

Surrender of certificate of registration

13. (1) A KRA, who has been granted a certificate of registration under the Act or the regulations made there under, desirous of giving up its activity and surrender the certificate, may make a request for such surrender to the Board.

(2) While disposing a surrender request under these regulations, the Board may require the KRA to satisfy the Board about the factors, as it deems fit, including but not limited to the following–

a. the arrangements made by KRA for maintenance and preservation of records and other documents required to be maintained under these regulations;

b. redressal of investor grievances;

c. transfer of records of its clients;

d. the arrangements made by it for ensuring continuity of service to the clients;

e. defaults or pending action, if any.

(3) While accepting the surrender, the Board may impose such conditions upon the KRA, as it deems fit, for protection of the interests of investors and the securities market, and such person shall comply with such conditions.

(4) On and from the date of the surrender or cancellation of the certificate, the KRA shall

(a) return the certificate of registration so cancelled to the Board and shall not represent itself to be a holder of the certificate for carrying out the activity for which such certificate had been granted;

(b) cease to carry on any activity in respect of which the certificate had been granted;

(c) transfer its activities to another entity holding a valid certificate of registration to carry on such activity and allow its clients to withdraw any assignment given to it, without any additional cost to such client;

(d) make provisions as regards liability incurred or assumed by it;

(e) take such other action including the action relating to any records or documents that may be in custody or control of such person, within the time period and in the manner, as may be required under the these regulations, or as may be directed by the Board.

CHAPTER III

FUNCTIONS AND OBLIGATIONS OF KRA AND INTERMEDIARY

Documents to be obtained by the KRA for the purpose of KYC

14. The KRA shall obtain the KYC documents of the client from the intermediary; as prescribed by the Board and in terms of the rules, regulations, guidelines and circulars issued by the Board or any other authority for Prevention of Money Laundering, from time to time.

Functions and obligations of the KRA

15. The KRA has the following functions and obligations –

(a) KRA may prepare the Operating Instructions in co-ordination with other KRA(s) and issue the same to implement the requirements of these regulations.

(b) KRA(s) shall have electronic connectivity and with other KRA(s) in order to establish inter-operability among KRAs.

Explanation: Inter-operability means the ability of the KRA to determine whether the KYC documents of the client are in the custody of another KRA.

(c) KRA shall have a secure data transmission link with other KRA(s) and with each intermediary that uploads the KYC documents on its system and relies upon its data.

(d) KRA shall be responsible for storing, safeguarding and retrieving the KYC documents and submit to the Board or any other statutory authority as and when required.

(e) KRA shall retain the original KYC documents of the client, in both physical and electronic form for the period specified by Rules, as well as ensuring that retrieval of KYC information is facilitated within stipulated time period.

(f) Any information updated about a client shall be disseminated by KRA to all intermediaries that avail of the services of the KRA in respect of that client.

(g) KRA shall ensure that the integrity of the automatic data processing systems for electronic records is maintained at all times.

(h) KRA shall take all precautions necessary to ensure that the KYC documents/records are

not lost, destroyed or tampered with and that sufficient back up of electronic records is available at all times at a different place.

(i) KRA shall have adequate mechanisms for the purposes of reviewing, monitoring and evaluating its controls, systems, procedures and safeguards.

(j) KRA shall cause an audit of its controls, systems, procedures and safeguards to be carried out periodically and take corrective actions for deficiencies, if any and report to Board.

(k) KRA shall take all reasonable measures to prevent unauthorized access to its database and have audit of its systems and procedures at regular intervals as prescribed by the Board.

(l) KRA shall have checks built in its system so that an intermediary can access the information only for the clients who approach him.

(m) KRA shall appoint a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by the Board or the Central Government and for redressal of client's grievances. The compliance officer shall immediately and independently report to the Board any non-compliance observed by him.

(n) KRA shall send a letter to each client after receipt of the KYC documents from the intermediary, confirming the client's details thereof.

(o) KRA shall take adequate steps for redressal of the grievances of the clients within one month of the date of receipt of the complaint and keep the Board informed about the number, nature and other particulars of the complaints from such investors.

Functions and obligations of an Intermediary

16. The Intermediary has the following functions and obligations –

(a) The intermediary shall perform the initial KYC/due diligence of the client, shall upload the KYC information on the system of the KRA and send the original KYC documents to KRA forthwith from the date of account opening or within the time as prescribed by the board from time to time. However, in case of mutual funds, an RTA appointed by the mutual fund may also undertake the KYC of the client and send the original documents to the mutual fund or KRA.

(b) When the client approaches another intermediary subsequently, it will be optional for the intermediary to verify and download the client's details from the system of KRA or to take fresh KYC as per existing system. However, upon receipt of information on change in KYC details and status of the clients by the intermediary or when it comes to the knowledge of the intermediary, at any stage, the intermediary shall be responsible for uploading the updated information on the system of KRA and for sending the physical documents to KRA, wherever necessary.

(c) An intermediary shall not use the KYC data of a client obtained from the KRA for purposes other than it is meant for; nor shall it make any commercial gain by sharing the same with any third party including its affiliates or associates.

(d) The intermediary shall have the ultimate responsibility for the KYC of its clients, by undertaking enhanced KYC measures commensurate with the risk profile of its clients.

Power of the Board to issue clarifications

17. n order to remove any difficulties in the application or interpretation of these regulations, the Board shall have the power to issue clarifications and guidelines in the form of notes or circulars which shall be binding on the KRA and the intermediaries.

CHAPTER IV

INSPECTION of KRA Board's right to inspect

18. (1) The Board may appoint one or more persons as inspecting authority to undertake inspection of the books of accounts, records, documents, infrastructure, systems and procedures, of a KRA, for any purpose specified in sub-regulation (2).

(2) The Board may inspect a KRA for the following purposes:

(a) that the books of accounts, records and KYC documents, as prescribed by the Board, are being maintained by the KRA;

(b) to look into the complaints received by the KRA from clients or any other person;

(c) to ascertain whether the provisions of the Act and these regulations are being complied with;

(d) to ascertain whether the systems, procedures and safeguards being followed by a KRA are adequate;

(e) to ensure that privacy of clients' data is maintained and the same is not shared with any other agency/associates in violation of these regulations;

(f) to ensure that the affairs of a KRA are being conducted in a manner which are in the interest of the investors and securities market.

Notice before inspection

19. (1) Before undertaking an inspection under regulation 19, the Board shall give not less than 10 days notice to the KRA, for that purpose.

(2) Notwithstanding anything contained in sub-regulation (1), where the Board is satisfied that in the interest of the investors no such notice should be given, it may, by an order in writing direct that the inspection of the affairs of the KRA be taken up without such notice.

(3) On being empowered by the Board, the inspecting authority shall undertake inspection and the KRA against whom an inspection is being carried out shall be bound to discharge his obligations as provided under regulation 20.

Obligations upon inspection by the Board

20. (1) It shall be the duty of the KRA whose affairs are being inspected, and of every director, officer and employee thereof, to produce to the inspecting authority such books, accounts, records and other documents in its custody or control and furnish him with such statements and information relating to its activities as a KRA, within such reasonable period as the inspecting authority may require.

(2) The KRA shall allow the inspecting authority to have reasonable access to the premises occupied by it or by any other person on their behalf and also extend reasonable facility for examining any books, records, documents and computer data in the possession of the KRA or any other person on their behalf and also provide copies of the documents or other materials which, in the opinion of the inspecting authority are relevant for the purposes of the inspection.

(3) The inspecting authority, in the course of inspection, shall be entitled to examine or to record the statements of any director, officer or employee of the KRA.

(4) It shall be the duty of every director, officer or employee of the KRA to give to the inspecting authority all assistance in connection with the inspection, which the inspecting authority may reasonably require.

Submission of Report to the Board

21. The inspecting authority shall, as soon as possible, on completion of the inspection, submit a report to the Board:

Provided that if directed to do so by the Board the inspecting authority shall submit interim reports.

Communication of findings, etc.

22. (1) The Board shall, after consideration of the inspection report, communicate the findings of

the inspecting authority to the KRA, seek its comments on the same and if required, give it an opportunity of being heard.

(2) On receipt of the reply, if any, from the KRA, the Board may call upon him to take such measures, as the Board may deem fit, in the interest of the securities market and for due compliance with the provisions of the Act, and these regulations.

Action on inspection report

23. The Board shall after consideration of the inspection report take such action as provided under Chapter V of the Intermediaries Regulations and in terms of the Act.

Appointment of Auditor

24. (1) The Board shall have the power to appoint a qualified independent auditor to inspect, into the books of accounts, records, documents, infrastructures, systems and procedures of a KRA.

(2) The Board shall be entitled to recover from the KRA such expenses including fees paid to the auditors, as may be incurred by it for the purposes of inspecting the books of accounts, records, documents, infrastructures, systems and procedures of the KRA.

CHAPTER V

PROCEDURE FOR ACTION IN CASE OF DEFAULT

Liability for action in case of default

25. A KRA shall be liable for action if it –

(a) contravenes any of the provisions of the Act, and these regulations;

(b) fails to furnish any information relating to its activity as a KRA as required under these regulations;

(c) does not co-operate in any inspection or investigation or enquiry conducted by the Board;

(d) fails to comply with any direction of the Board;

(e) fails to pay the requisite fees to the Board;

and shall be dealt with in the manner provided under the Chapter V of the Intermediaries Regulations.

SCHEDULE I

SECURITIES AND EXCHANGE BOARD OF INDIA {KYC (KNOW YOUR CLIENT) REGISTRATION AGENCY} REGULATIONS, 2011 [Regulation 3]

FORM A

Application for grant of certificate of initial/permanent registration

INSTRUCTIONS FOR FILLING UP FORM –

1 Applicants must submit to the Board a completed application form together with appropriate supporting documents and applicable application fees. Supporting documents should be attested as true by a notary public.

2 This application form should be filled in accordance with the regulations.

3 Application for registration will be considered, only if it is complete in all respects.

4 All answers must be typed.

5 Information which needs to be supplied in more detail may be given on separate sheets which should be attached to the application form.

6 All signatures on the application must be original.

7 Every page of the form as well as every additional sheet must be initialed by the authorised signatory of the applicant.

Part I

1. General details of the applicant and its affiliates: Management Compliance Matrix/Structure

1.1. Name of the applicant:

1.2. Address of the registered office, address for correspondence, telephone numbers, fax numbers, e-mail, website, name and telephone number of the contact person, address of branch office, if any:

1.3. Date and place of incorporation/establishment and registration number given by the Registrar of Companies or any other authority:

1.4. Legal status of the applicant and the law, under which it is incorporated, established or registered, if any including where the applicant is a listed entity, the details of the exchanges (whether in India or abroad) where the applicant is listed:

1.5. Brief description of the principal activity of the applicant: (along with copies of the constitutional documents of the applicant)

1.6. Year of commencement of such activities (if applicable):

1.7. Shareholding pattern of the applicant (please set out the names of all such persons who hold whether directly or indirectly more than 5% of the shareholding or voting rights in the company):

Name of the shareholder	No. of Shares	[% of shareholding] / [% of voting rights]

Where control over the applicant is exercised by a person by way of an agreement or arrangement, details and documentation in relation to such agreement or arrangement as the case may be.

1.8. Details of significant affiliates of the applicant operating in India or abroad and activities carried out by them including details as regards the legal status of each such affiliates and the law, under which it is incorporated, established or registered, if any.

Legal Status and details of registration	
Name	
Address	
Telephone no	
Fax No	
E mail address	

1.9 The Category to which the applicant belongs in terms of Regulation 6:

1.10 Networth of the applicant for the past three financial years(enclose copy of balance sheet and a copy of the latest networth certified by a practicing chartered accountant)

1.11 Whether any disciplinary /penal action has been taken by SEBI/any other statutory authority in the last five years against the applicant or its parent company: If so, furnish details including status of the proceedings and whether the penalty has been paid

FORM B

SECURITIES AND EXCHANGE BOARD OF INDIA {KYC (KNOW YOUR CLIENT) REGISTRATION AGENCY} REGULATIONS, 2011

[Regulations 7 and 8]

Certificate of Registration

I. In exercise of the powers conferred by sub-section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the regulations made thereunder the Board hereby grants an

initial/permanent certificate of registration to _____ as a KYC Registration Agency, subject to the conditions specified in the Act and in the regulations made thereunder.

II. Registration Number for the KYC Registration Agency is IN/...../……./….../....

III. This certificate of registration shall be valid from …. to …./ for permanent , unless suspended or cancelled by the Board.

Date:
Place: Mumbai

By Order
For and on behalf of
Securities and Exchange Board of India
Authorised Signatory

SCHEDULE II

PAYMENT OF FEES

SECURITIES AND EXCHANGE BOARD OF INDIA (KYC REGISTRATION AGENCY) REGULATIONS, 2011

[Regulations 7 and 8]

PART A

APPLICATION FEES, REGISTRATION FEES AND ANNUAL FEES

S.N		Amount in Rupees
1	Application fees (non-refundable) payable by KRA for initial and permanent registration	50000
2	Initial and permanent Registration fees payable by KRA	100000
3	Annual fees payable by KRA	100000

PART B

Manner of Payment of Application, Registration and Annual Fees

Fees to be paid by KRA

Manner of payment -A demand draft or bankers cheque payable to the "Securities and Exchange Board of India" at Mumbai or at the respective regional office. The application fee referred to in Part A shall be paid at the time of filing application. The registration fee referred to in Part A shall be paid by the KRA within fifteen days from the date of receipt of intimation from the Board. The Annual fee shall be paid within 30 days of the end of the financial year.

SCHEDULE - III

CODE OF CONDUCTSECURITIES AND EXCHANGE BOARD OF INDIA {KYC (KNOW YOUR CLIENT) REGISTRATION AGENCY} REGULATIONS, 2011

[Regulation 10]

1. A KRA shall make all efforts to protect the interest of its clients.
2. A KRA shall maintain high standards of integrity, dignity and fairness in the conduct of its business.
3. A KRA shall fulfill its obligations in a prompt, ethical and professional manner.
4. A KRA shall at all times exercise due diligence, ensure proper care and exercise independent professional judgment.
5. A KRA shall ensure that any change in registration status/any penal action taken by Board or any material change in financial position which may adversely affect the interests of clients is promptly displayed on its website.

6. A KRA shall not divulge to anybody either orally or in writing, directly or indirectly, any confidential information about the clients which has come to its knowledge, without taking prior permission of its clients, except where such disclosures are required to be made in compliance with any law for the time being in force.

7. A KRA shall not indulge in any unfair competition.

8. A KRA shall display on its website adequate and appropriate information about its business, including contact details of persons and services available to clients.

9. A KRA shall ensure that grievances of clients are redressed in a timely and appropriate manner;

10. A KRA shall make reasonable efforts to avoid misrepresentation and ensure that the information provided to the clients and intermediaries is not misleading.

11. A KRA shall abide by the provisions of the Act and the rules, regulations issued by the Government and the Board, from time to time, as may be applicable.

12. A KRA shall not make untrue statement or suppress any material fact in any documents, reports, papers or information furnished to the Board.

13. A KRA shall ensure that the Board is promptly informed about any action, legal proceeding, etc., initiated against it in respect of any material breach or non-compliance by it, of any law, rules, regulations and directions of the Board or of any other regulatory body.

14. (a) A KRA or any of his employees shall not render, directly or indirectly, any investment advice about any security in the publicly accessible media.

    (b) A KRA shall not make a recommendation to any client who might be expected to rely thereon to acquire, dispose of or retain any securities.

15. A KRA shall ensure that any person it employs or appoints to conduct business is fit and proper and otherwise qualified to act, in the capacity so employed or appointed including having relevant professional training or experience.

16. A KRA shall have internal control procedures and financial and operational capabilities which can be reasonably expected to protect its operations, its clients from financial loss arising from theft, fraud, and other dishonest acts, professional misconduct or omissions.

17. A KRA shall be responsible for the acts or omissions of its employees in respect to the conduct of its business.

18. A KRA shall provide adequate freedom and powers to its compliance officer for the effective discharge of its duties.

19. A KRA shall ensure that the senior management, particularly decision makers have access to all relevant information about the business on a timely basis.

20. A KRA shall ensure that good corporate policies and corporate governance are in place.

21. A KRA should have adequately trained staff and arrangements to render fair, prompt and competence services to its clients.

22. A KRA shall develop its own internal code of conduct for governing its internal operations and laying down its standards of appropriate conduct for its employees and officers in the carrying out of their duties. Such a code may extend to the maintenance of professional excellence and standards, integrity, confidentiality, objectivity, avoidance of conflict of interests, disclosure of shareholdings and interests, etc.

23. A KRA shall not be party to—

    (a) creation of false market;

    (b) price rigging or manipulation;

    (c) passing of unpublished price sensitive information in respect of securities which are listed and proposed to be listed in any stock exchange to any person or intermediary.

24. A KRA shall maintain proper inward and outward system for all types of mail received and dispatched in all forms.

25. A KRA shall follow maker-checker concept in its activities to ensure accuracy of data.

26. A KRA shall not indulge in manipulative, fraudulent practices in the process of identification, verification and updation of a Client's KYC information with a view to distort market equilibrium or making personal gains.

U. K. SINHA
CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA

Circular No: NSDL/POLICY/ 2011/0103
Date: December 5, 2011

Sub: Amendments to Business Rules of NSDL

All Participants are hereby notified that pursuant to SEBI Circular No.: MIRSD/SE/Cir-21/2011 dated October 5, 2011 regarding uniform Know Your Client (KYC) requirements for securities markets, Rule 12.1.1, Annexure J and Annexure K are amended and Annexure JB is inserted in the Business Rules of NSDL. Accordingly, the following extracts of the Business Rules are enclosed :

Serial Number	***Business Rules amendments/ insertions***	***Particulars***
1	Rule 12.1.1	Amended Rule (*in track change mode*)
2	Annexure J (Part I)	KYC Application Form (*for Individuals*)
3	Annexure J (Part II)	Account Opening Form (*for Individuals)*
4	Annexure K (Part I)	KYC Application Form (*for Non-Individuals*)
5	Annexure K (Part II)	Account Opening Form (*for Non-Individuals)*
6	Annexure JB	Instructions/ check list for filling KYC Application Form

In this context, Participants are requested to take note of the following:

1) Any appropriate additions to the format of the Account Opening Form and changes in the sequence / order of the fields can be made as desired by the Participant. Deletion of any field is not permitted.
2) As per aforesaid SEBI Circular, KYC Application Forms in respect of all new clients must be taken with effect from January 1, 2012.
3) Participants can use the existing stock of Account Opening Forms until the stocks last. However, the KYC Application Forms must be taken from January 1, 2012.
4) Instructions/ check list for filling KYC Application Form and for documents acceptable as proof of identity and proof of address alongwith manner of verification of these documents is stipulated at newly inserted Annexure JB to the Business Rules of NSDL.
5) The requirement relating to in-person verification remains the same.
6) Participant must use separate KYC Application Form to collect information for each holder for joint accounts (i.e. for first holder, second holder and third holder) as well as for guardian in case the sole holder is a minor.

Annexure - J

PART I - KNOW YOUR CLIENT (KYC) APPLICATION FORM (For Individuals)

Name and address of intermediary (pre-printed)

Please fill this form in ENGLISH and in BLOCK LETTERS

A.	**IDENTITY DETAILS**					Photograph
1	Name of the Applicant					passport size photograph Please affix your recent
2	Father's / Husband's Name					Signature Across photograph
3	a) Gender	☐ Male ☐ Female	b) Marital status	☐ Single ☐ Married	c) Date off Birth	D D M M Y Y Y Y
4	a) Nationality	☐ Indian ☐ Other (Please specify,_____)			b) Status	☐ Resident Individual ☐ Non Resident ☐ Foreign National
5	a) PAN				b) Unique Identification Number (UID) / Aadhaar, if any	
6	Specify the proof of identity submitted				☐ PAN card ☐ Any other (Please specify; _____)	

B.	**ADDRESS DETAILS**				
1	Correspondence Address				
		City/town/village		PIN Code	
		State		Country	
2	Specify the proof of address submitted for correspondence address				
3	Contact Details	Tel. (Off.)		Tel. (Res.)	
		Fax No.		Mobile No.	
		Email ID			
4	Permanent Address (If different from above. Mandatory for Non-Resident Applicant to specify overseas address)				
		City/town/Village		PIN Code	
		State		Country	
5	Specify the proof of address submitted for permanent address				

C.	OTHER DETAILS
1	Gross Annual Income Details (please specify):

Income Range per annum		Networth
☐ Below ₹ 1 lac ☐ ₹ 1- 5 lac ☐ ₹ 5- 10 lac ☐ ₹ 10- 25 lac ☐ More than ₹ 25 lac	OR	Amount (₹) _____ As on (date) D D M M Y Y Y Y (Networth should not be older than 1 year)

2 Occupation (please tick any one and give brief details): _____

☐ Private Sector	☐ Agriculturist
☐ Public Sector	☐ Retired
☐ Government Service	☐ Housewife
☐ Business	☐ Student
☐ Professional	☐ Others (Please specify; _____)

3 Please tick, if applicable: ☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)

4 Any other information

D. DECLARATION

I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.

Signature of the Applicant _____ Date D D M M Y Y Y Y

FOR OFFICE USE ONLY

☐ (Originals verified) True copies of documents received

☐ (Self-Attested) Self Certified Document copies received

Signature of the Authorised _____ Signatory	Seal/Stamp of the intermediary
Date D D M M Y Y Y Y	

Annexure - J

PART II - ACCOUNT OPENING FORM
(FOR INDIVIDUALS)

Participant Name (DP ID _____) Address (Pre-printed)	Client -ID (To be filled by Participant)

I/We request you to open a depository account in my/our name as per the following details: (Please fill all the details in CAPITAL LETTERS only)	Date	D	D	M	M	Y	Y	Y	Y

A) **Details of Account holder(s):**

Name	PAN
Sole/ First Holder	
Second Holder	
Third Holder	

B) For HUF, Association of Persons (AOP), Partnership Firm, Unregistered Trust, etc., although the account is opened in the name of the natural persons, the name & PAN of the HUF, Association of Persons (AOP), Partnership Firm, Unregistered Trust, etc., should be mentioned below:

a) Name	b) PAN

C) **Type of account**

☐ Ordinary Resident ☐ NRI-Repatriable ☐ NRI-Non Repatriable
☐ Qualified Foreign Investor ☐ Foreign Nationals ☐ Promoter
☐ Margin ☐ Others (Please specify) _____

D) **In case of NRIs/ Foreign Nationals**

RBI Approval Reference Number	
RBI Approval date	D D M M Y Y Y Y

E) **Bank details**

1 Bank account type ☐ Savings Account ☐ Current Account Others (Please specify) _____

2 Bank Account Number			
3 Bank Name			
4 Branch Address			
	City/town/village	PIN Code	
	State	Country	
5 MICR Code			
6 IFSC			

F) **Standing Instructions**

1 I/We authorise you to receive credits automatically into my/our account. ☐ Yes ☐ No

2 Account to be operated through Power of Attorney (PoA) ☐ Yes ☐ No

3 SMS Alert facility: [Mandatory if you are giving Power of Attorney (PoA). Ensure that the mobile number is provided in the KYC Application Form]

Sr. No.	Holder	Yes	No
1	Sole/First Holder	☐	☐
2	Second Holder	☐	☐
3	Third Holder	☐	☐

G) Guardian Details (where sole holder is a minor):
[For account of a minor, two KYC Application Forms must be filled i.e. one for the guardian and another for the minor (to be signed by guardian)]

Guardian Name	
PAN	
Relationship of guardian with minor	

Nomination Option

☐ I/We wish to make a nomination. [As per details given below]

☐ I/We do not wish to make a nomination. [Strike off the nomination details below]

H) Nomination Details

I/We wish to make a nomination and do hereby nominate the following person in whom all rights and / or amount payable in respect of securities held in the Depository by me / us in the said beneficiary owner account shall vest in the event of my / our death.

1 Name of the Nominee (Mr./Ms.)				Photograph of nominee
2 Relationship with the Applicant (if any)				Signature of nominee across photograph
3 Address of Nominee				
	City/town/village		PIN Code	
	State		Country	
4 Contact Details of nominee	Tel. (Off.)		Tel. (Res.)	
	Fax No.		Mobile No.	
	Email ID			
5 Signature of nominee	X			

To be filled-up (Sr. Nos. 6-11) only if nominee is a minor:

6 Date of Birth (in case of minor nominee)				D D M M Y Y Y Y
7 Name of Guardian (Mr./Ms.) (in case of minor nominee)				Photograph of nominee
8 Address of Guardian				Signature of nominee across photograph
	City/town/village		PIN Code	
	State		Country	

	9 Contact Details of Guardian	Tel. (Off.)		Tel. (Res.)	
		Fax No.		Mobile No.	
		Email ID			
	10 Relationship of Guardian with nominee				
	11 Signature of Guardian	X			

Signature of two Witnesses for nomination

	Name of witness	Address	Signature of witness with date
	a.	_____ _____ _____	X
	b.	_____ _____ _____	X

Declaration

The rules and regulations of the Depository and Depository Participants pertaining to an account which are in force now have been read by me/us and I/we have understood the same and I/we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. I/we hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/ we are aware that I/we may be held liable for it. In case non-resident account, I/we also declare that I/we have complied and will continue to comply with FEMA regulations.

Name(s) of holder(s)	**Address**	**Signature(s) of holder**
Sole/ First Holder/ Guardian (in case X sole holder is minor) (Mr./Ms.)		X
Second Holder (Mr./Ms.)		X
Third Holder (Mr./Ms.)		X

Notes :

1. All communication shall be sent at the address of the Sole/First holder only.
2. Thumb impressions and signatures other than English or Hindi or any of the other language not contained in the 8th Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate.

3. Instructions related to nomination, are as below:

   I. The nomination can be made only by individuals holding beneficiary owner accounts on their own behalf singly or jointly. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the account is held jointly all joint holders will sign the nomination form.

   II. A minor can be nominated. In that event, the name and address of the Guardian of the minor nominee shall be provided by the beneficial owner.

   III. The Nominee shall not be a trust, society, body corporate, partnership firm, karta of Hindu Undivided Family or a power of Attorney holder. A non-resident Indian can be a Nominee, subject to the exchange controls in force, from time to time.

   IV. Nomination in respect of the beneficiary owner account stands rescinded upon closure of the beneficiary owner account. Similarly, the nomination in respect of the securities shall stand terminated upon transfer of the securities.

   V. Transfer of securities in favour of a Nominee shall be valid discharge by the depository and the Participant against the legal heir.

   VI. The cancellation of nomination can be made by individuals only holding beneficiary owner accounts on their own behalf singly or jointly by the same persons who made the original nomination. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot cancel the nomination. If the beneficiary owner account is held jointly, all joint holders will sign the cancellation form.

   VII. On cancellation of the nomination, the nomination shall stand rescinded and the depository shall not be under any obligation to transfer the securities in favour of the Nominee.

4. Strike off whichever is not applicable.

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Acknowledgement

Participant Name, Address & DP ID

Received the application from Mr/Ms_____ as the sole/first holder alongwith _____ and _____ as the second and third holders respectively for opening of a depository account. Please quote the DP ID & Client ID allotted to you in all your future correspondence.

Date : | D | D | M | M | Y | Y | Y | Y |

Participant Stamp & Signature

Annexure - K

PART I - KNOW YOUR CLIENT (KYC) APPLICATION FORM (For Non-Individuals)

[*Name and address of intermediary (pre-printed)*]

Photograph
Please affix the recent passport size photograph and sign across it

Please fill this form in ENGLISH and in BLOCK LETTERS

A.	**IDENTITY DETAILS**																		
1	Name of the Applicant																		
2	Date of incorporation	D	D	M	M	Y	Y	Y	Y	Place of incorporation									
3	Date of commencement of business												D	D	M	M	Y	Y	Y
4	a) PAN												b) Registration No. (e.g. CIN)						
5	**Status (please tick any one):**																		

☐ Private Limited Co.	☐ Bank	☐ Partnership
☐ Public Ltd. Co.	☐ Government Body	☐ FI
☐ Body Corporate	☐ Non Government Organization	☐ FII
☐ Trust	☐ Defense Establishment	☐ HUF
☐ Charities	☐ Society	☐ AOP
☐ NGO's	☐ LLP	☐ BOI
☐ Others (please specify)		

B.	**ADDRESS DETAILS**				
1	Correspondence Address				
		City/town/village		PIN Code	
		State		Country	
2	Specify the proof of address submitted for correspondence address				
3	Contact Details	Tel. (Off.)		Tel. (Res.)	
		Fax No.		Mobile No.	
		Email ID			
4	Registered Address (if from above.				
		City/town/village		PIN Code	
		State		Country	
5	Specify the proof of address submitted for permanent address				

C.	OTHER DETAILS
1	Gross Annual Income Details (please specify): Income Range per annum
	☐ Below ₹ 1 lac ☐ ₹ 10- 25 lac ☐ ₹ 1- 5 lac ☐ ₹ 25 lac- 1 crore ☐ ₹ 5- 10 lac ☐ More than ₹ 1 crore
2	Networth
	Amount (₹) _____ As on (date) D D M M Y Y Y Y (Networth should not be older than 1 year)
3	Name, PAN, residential address and photographs of Promoters/Partners/Karta/Trustees and whole time directors:
4	DIN/UID of Promoters/Partners/Karta and whole time directors:
	If space is insufficient, enclose these details separately [Illustrative format enclosed]
5	Please tick, if applicable, for any of your authorized signatories/Promoters/Partners/Karta/Trustees/whole time directors: ☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)
6	Any other information
D.	DECLARATION

I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.

Name & Signature of the Authorised Signatory(ies) _____ **Date** D D M M Y Y Y Y

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FOR OFFICE USE ONLY

☐ (Originals verified) True copies of documents received
☐ (Self-Attested) Self Certified Document copies received

Signature of the Authorised _____
Signatory

Date D D M M Y Y Y Y

Seal/Stamp of the intermediary

Details of Promoters/ Partners/ Karta / Trustees and whole time directors forming a part of Know Your Client (KYC) Application Form for Non-Individuals

Sr. No.	Name	**Relationship** with Applicant (i.e. promoters, whole time directors etc.)	PAN	Residential / Registered Address	DIN/UID	Photograph
1						
2						
3						
4						
5						

Name & Signature of the Authorised Signatory(ies) _____ Date D D M M Y Y Y Y

Annexure - K

PART II - ACCOUNT OPENING FORM

(For NON-INDIVIDUALS)

Participant Name (DP ID ____) Address (Pre-printed)	Client -ID (To be filled by Participant)

I/We request you to open a depository account in my/our name as per the following details: (Please fill all the details in CAPITAL LETTERS only)	Date	D	D	M	M	Y	Y	Y	Y

A)	**Details of Account holder(s):**											
	Name	PAN										
	Sole/ First Holder											
	Second Holder											
	Third Holder											
B)	For HUF, Partnership Firm, Unregistered Trust, Association of Persons (AOP) etc., although the account is opened in the name of the karta, partner(s), trustee(es) etc., the name & PAN of the HUF, Partnership Firm, Unregistered Trust, Association of Persons (AOP) etc., should be mentioned below:											
	a) Name	b) PAN										
C)	**Type of account**											
	☐ Body Corporate	☐ FI	☐ FII									
	☐ Qualified Foreign	☐ Investor Mutual Fund	☐ Trust									
	☐ Bank	☐ CM	☐ Other (Please specify) _____									
D)	**In case of FIIs/Others (as may be applicable)**											
	RBI Approval Reference Number											
	RBI Approval date	D	D	M	M	Y	Y	Y	Y			
E)	**Bank details**											
	1 Bank account type ☐ Savings Account ☐ Current Account Others (Please specify) _____											
	2 Bank Account Number											
	3 Bank Name											
	4 Branch Address											
		City/town/village		PIN Code								
		State		Country								
	5 MICR Code											
	6 IFSC											

F)	**Clearing Member Details (to be filled up by Clearing Members only)**
	1 Name of Stock Exchange
	2 Name of Clearing Corporation/ Clearing House
	3 Clearing Member ID
	4 SEBI Registration Number
	5 Trade Name
	6 **CM-BP-ID (to be filled up by Participant)**
	1 I/We authorise you to receive credits automatically into my/our account. ☐ Yes ☐ No
	2 Account to be operated through Power of Attorney (PoA) ☐ Yes ☐ No
	3 **SMS Alert facility:**

Sr. No.	Holder	Yes	No
1	Sole/First Holder	☐	☐
2	Second Holder	☐	☐
3	Third Holder	☐	☐

Declaration

The rules and regulations of the Depository and Depository Participants pertaining to an account which are in force now have been read by us and we have understood the same and we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. We hereby declare that the details furnished above are true and correct to the best of our knowledge and belief and we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, we are aware that we may be held liable for it.

Authorised Signatories (Enclose a Board Resolution for Authorised Signatories)

Sole/First Holder	Name	Signature(s)
First Signatory		X
Second Signatory		X
Third Signatory		X

Other Holders		
Second Holder		X
Third Holder		X

Mode of Operation for Sole/First Holder (In case of joint holdings, all the holders must sign)	
☐ Any one singly	
☐ Jointly by	
☐ As per resolution	
☐ Others (please specify)	

Notes:

1. In case of additional signatures, separate annexures should be attached to the application form.
2. Thumb impressions and signatures other than English or Hindi or any of the other language not contained in the 8th Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate.
3. Strike off whichever is not applicable.

==========

Acknowledgement

Participant Name, Address & DP ID

Received the application from M/s_____ as the sole/first holder alongwith _____ and _____ as the second and third holders respectively for opening of a depository account. Please quote the DP ID & Client ID allotted to you (CMBP- ID in case of Clearing Members) in all your future correspondence.

Date : | D | D | M | M | Y | Y | Y | Y |

Participant Stamp & Signature

Annexure JB

INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM

A. IMPORTANT POINTS:

1. Self attested copy of PAN card is mandatory for all clients, including Promoters/Partners/Karta/ Trustees and whole time directors and persons authorized to deal in securities on behalf of company/ firm/others.
2. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the below mentioned list.
3. If any proof of identity or address is in a foreign language, then translation into English is required.
4. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
5. If correspondence & permanent address are different, then proofs for both have to be submitted.
6. Sole proprietor must make the application in his individual name & capacity.
7. For non-residents and foreign nationals, (allowed to trade subject to RBI and FEMA guidelines), copy of passport/PIO Card/OCI Card and overseas address proof is mandatory.
8. For foreign entities, CIN is optional; and in the absence of DIN no. for the directors, their passport copy should be given.
9. In case of Merchant Navy NRI's, Mariner's declaration or certified copy of CDC (Continuous Discharge Certificate) is to be submitted.
10. For opening an account with Depository participant or Mutual Fund, for a minor, photocopy of the School Leaving Certificate/Mark sheet issued by Higher Secondary Board/Passport of Minor/Birth Certificate must be provided.
11. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/ military officers, senior executives of state owned corporations, important political party officials, etc.

B. Proof of Identity (POI): - List of documents admissible as Proof of Identity:

1. Unique Identification Number (UID) (Aadhaar)/ Passport/ Voter ID card/ Driving license.
2. PAN card with photograph.
3. Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/ Debit cards issued by Banks.

C. Proof of Address (POA): - List of documents admissible as Proof of Address: ('Documents having an expiry date should be valid on the date of submission.)

1. Passport/ Voters Identity Card/ Ration Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy.
2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
3. Bank Account Statement/Passbook — Not more than 3 months old.
4. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
5. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/

Scheduled Co-Operative Bank/Multinational Foreign Banks/Gazetted Officer/Notary public/Elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority.

6. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.
7. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostiled or consularised) that gives the registered address should be taken.
8. The proof of address in the name of the spouse may be accepted.

D. Exemptions/clarifications to PAN ('Sufficient documentary evidence in support of such claims to be collected.)

1. In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
2. Investors residing in the state of Sikkim.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary.

E. List of people authorized to attest the documents:

1. Notary Public, Gazetted Officer, Manager of a Scheduled Commercial/ Co-operative Bank or Multinational Foreign Banks (Name, Designation & Seal should be affixed on the copy).
2. In case of NRIs, authorized officials of overseas branches of Scheduled Commercial Banks registered in India, Notary Public, Court Magistrate, Judge, Indian Embassy /Consulate General in the country where the client resides are permitted to attest the documents.

F. In case of Non-Individuals, additional documents to be obtained from non-individuals, over & above the POI & POA, as mentioned below:

Types of entity	Documentary requirements
Corporate	• Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the company secretary/Whole time director/ MD (to be submitted every year). • Photograph, POI, POA, PAN and DIN numbers of whole time directors/two directors in charge of day to day operations. • Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly. • Copies of the Memorandum and Articles of Association and certificate of incorporation. • Copy of the Board Resolution for investment in securities market. • Authorised signatories list with specimen signatures.

Partnership firm	• Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Certificate of registration (for registered partnership firms only). • Copy of partnership deed. • Authorised signatories list with specimen signatures. • Photograph, POI, POA, PAN of Partners.
Trust	• Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Certificate of registration (for registered trust only). • Copy of Trust deed. • List of trustees certified by managing trustees/CA. • Photograph, POI, POA, PAN of Trustees.
HUF	• PAN of HUF. • Deed of declaration of HUF/ List of coparceners. • Bank pass-book/bank statement in the name of HUF. • Photograph, POI, POA, PAN of Karta.
Unincorporated association or a body of individuals	• Proof of Existence/Constitution document. • Resolution of the managing body & Power of Attorney granted to transact business on its behalf. • Authorized signatories list with specimen signatures.
Banks/Institutional Investors	• Copy of the constitution/registration or annual report/balance sheet for the last 2 financial years. • Authorized signatories list with specimen signatures.
Foreign Institutional Investors (FII)	• Copy of SEBI registration certificate. • Authorized signatories list with specimen signatures.
Army/ Government Bodies Registered Society	• Self-certification on letterhead. • Authorized signatories list with specimen signatures. • Copy of Registration Certificate under Societies Registration Act. • List of Managing Committee members. • Committee resolution for persons authorised to act as authorised signatories with specimen signatures. • True copy of Society Rules and Bye Laws certified by the Chairman/ Secretary.
Circular No: NSDL/POLICY/ 2011/0081 Date: October 10, 2011	**Sub:** ***Uniform Know Your Client (KYC) Requirements for the Securities Markets.*** Attention of Participants is invited to SEBI's Circular No. MIRSD/SE/Cir-21/ 2011 dated October 5, 2011 regarding uniform Know Your Client (KYC) requirements for the securities markets. Copy of the same is enclosed for information and compliance. Other details in this regard will be informed to Participants separately.

CIRCULAR

MIRSD/SE/Cir-21/2011

October 5, 2011

SEBI Registered Intermediaries -
Depository Participants (DPs) through Depositories,
Mutual Funds (MFs)
Association of Mutual Funds in India (AMFI)

Portfolio Managers (PMs),
Collective Investment Schemes (CIS)
Venture Capital Funds (VCFs)

Dear Sirs,

Subject: Uniform Know Your Client (KYC) Requirements for the Securities Markets

1. SEBI has been getting feedback from the investors that various SEBI registered intermediaries follow different KYC requirements.
2. In case of Mutual Funds, Portfolio Managers, Collective Investment Schemes and Venture Capital Funds, though certain basic requirements have been prescribed for Customer Due Diligence (CDD) or Know Your Client (KYC), no specific KYC format has been prescribed. As a result, these intermediaries use different KYC formats and supporting documents.
3. SEBI has recently initiated steps in this direction in consultation with major stock exchanges, depositories, AMFI and market participants. In case of stock brokers (and also for the stock brokers who are depository participants), the account opening process for investors has been simplified vide SEBI Circular No. CIR/MIRAD/16/2011 dated August 22, 2011 (available on SEBI website), KYC form capturing the basic details about the client has been prescribed as Part I of the account opening form and additional information specific to dealing in the stock exchange(s) are obtained in Part II of the form.
4. With a view to bring about uniformity in securities markets, it has also been decided that the same KYC form and supporting documents shall also be used by all captioned SEBI registered intermediaries. The KYC form as given in Annexure-1 shall be filled by an investor at the account opening stage while dealing with any of the above intermediaries. Additional details specific to the area of activity of the intermediary being obtained now but not covered in the KYC form shall also be obtained from the investors in Part II of the account opening form.
5. The additional information (Part II) shall be prescribed by Depositories for their depository participants and by Association of Mutual Funds in India (AMFI) for all mutual funds. The Portfolio Managers, Venture Capital Funds, and Collective Investment Schemes shall capture the additional information specific to their area of activities, as considered appropriate by them. The intermediaries shall also continue to abide by Circulars issued by SEBI from time to time for prevention of money laundering.
6. The intermediaries shall take necessary steps to implement this circular and ensure its full compliance in respect of all new clients from January 1, 2012.
7. The Depositories are also directed to bring the provisions of this circular to the notice of their Depository Participants, make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in coordination with each other and verify its compliance through internal audits and inspections.
8. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully,

B. N. Sahoo
Deputy General Manager
022-26449250
email: biranchins@sebi.gov.in

Enclosure: Annexure -1

Annexure - 1

KNOW YOUR CLIENT (KYC) APPLICATION FORM

For Individuals

Please fill this form in ENGLISH and in BLOCK LETTERS.

A. IDENTITY DETAILS

1. **Name of the Applicant:** _____
2. **Father's/ Spouse Name:** _____
3. **a. Gender:** Male/ Female **b. Marital status:** Single/ Married **c. Date of birth:** _____(dd/mm/yyyy)
4. **a. Nationality:** _____ **b. Status:** Resident Individual/ Non Resident/ Foreign National
5. **a. PAN:** _____ **b. Unique Identification Number (UID)/Aadhaar, if any:** _____
6. **Specify the proof of Identity submitted:** _____

B. ADDRESS DETAILS

1. **Address for correspondence:** _____
   _____ City/town/village: _____ Pin Code: _____ State: _____ Country: _____
2. **Contact Details:** Tel. (Off.) ____ Tel. (Res.) ____ Mobile No.: ____ Fax: _____ Email id: _____
3. **Specify the proof of address submitted for correspondence address:** _____
4. **Permanent Address** (if different from above or overseas address, mandatory for Non-Resident Applicant): _____ _____ City/town/village: _____ Pin Code: _____ State: _____ Country: _____
5. **Specify the proof of address submitted for permanent address:** _____

C. OTHER DETAILS

1. **Gross Annual Income Details (please specify):** Income Range per annum: Below Rs 1 Lac / 1-5 Lac /5-10 Lac / 10-25 Lac / >25 Lacs **or**

   Net-worth as on (date)——— (——————————————————) (Net worth should not be older than 1 year)
2. **Occupation (please tick any one and give brief details):** Private Sector/ Public Sector/ Government Service/Business/ Professional/ Agriculturist/ Retired/ Housewife/ Student/ Others _____
3. **Please tick, if applicable:** Politically Exposed Person (PEP)/ Related to a Politically Exposed Person (PEP)
4. **Any other information:** _____

DECLARATION

I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.

_____

Signature of the Applicant Date: _____ (dd/mm/yyyy)

FOR OFFICE USE ONLY

(Originals verified) True copies of documents received

(Self-Attested) Self Certified Document copies received

(……..)
Signature of the Authorised Signatory

Date ……. Seal/Stamp of the intermediary

INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM

A. IMPORTANT POINTS:

1. Self attested copy of PAN card is mandatory for all clients, including Promoters/Partners/Karta/ Trustees and whole time directors and persons authorized to deal in securities on behalf of company/ firm/others.
2. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the below mentioned list.
3. If any proof of identity or address is in a foreign language, then translation into English is required.
4. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
5. If correspondence & permanent address are different, then proofs for both have to be submitted.
6. Sole proprietor must make the application in his individual name & capacity.
7. For non-residents and foreign nationals, (allowed to trade subject to RBI and FEMA guidelines), copy of passport/PIO Card/OCI Card and overseas address proof is mandatory.
8. For foreign entities, CIN is optional; and in the absence of DIN no. for the directors, their passport copy should be given.
9. In case of Merchant Navy NRI's, Mariner's declaration or certified copy of CDC (Continuous Discharge Certificate) is to be submitted.
10. For opening an account with Depository participant or Mutual Fund, for a minor, photocopy of the School Leaving Certificate/Mark sheet issued by Higher Secondary Board/Passport of Minor/Birth Certificate must be provided.
11. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/ military officers, senior executives of state owned corporations, important political party officials, etc.

***B*. Proof of Identity (POI): -** *List of documents admissible as Proof of Identity:*

1. Unique Identification Number (UID) (Aadhaar)/ Passport/ Voter ID card/ Driving license.
2. PAN card with photograph.
3. Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings,

Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/ Debit cards issued by Banks.

C. Proof of Address (POA): - *List of documents admissible as Proof of Address:*

*(*Documents having an expiry date should be valid on the date of submission.)*

1. Passport/ Voters Identity Card/ Ration Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy.
2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
3. Bank Account Statement/Passbook — Not more than 3 months old.
4. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
5. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/ Scheduled Co-Operative Bank/Multinational Foreign Banks/Gazetted Officer/Notary public/Elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority.
6. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.
7. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostiled or consularised) that gives the registered address should be taken.
8. The proof of address in the name of the spouse may be accepted.

D. Exemptions/clarifications to PAN

*(*Sufficient documentary evidence in support of such claims to be collected.)*

1. In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
2. Investors residing in the state of Sikkim.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. SIP of Mutual Funds upto Rs 50, 000/- p.a.
5. In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary.

E. List of people authorized to attest the documents:

1. Notary Public, Gazetted Officer, Manager of a Scheduled Commercial/ Co-operative Bank or Multinational Foreign Banks (Name, Designation & Seal should be affixed on the copy).
2. In case of NRIs, authorized officials of overseas branches of Scheduled Commercial Banks registered in India, Notary Public, Court Magistrate, Judge, Indian Embassy /Consulate General in the country where the client resides are permitted to attest the documents.

F. In case of Non-Individuals, additional documents to be obtained from non-individuals, over & above the POI & POA, as mentioned below:	
Types of entity	**Documentary requirements**
Corporate	• Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the company secretary/Whole time director/ MD (to be submitted every year). • Photograph, POI, POA, PAN and DIN numbers of whole time directors/two directors in charge of day to day operations. • Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly. • Copies of the Memorandum and Articles of Association and certificate of incorporation. • Copy of the Board Resolution for investment in securities market. • Authorised signatories list with specimen signatures.
Partnership firm	• Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Certificate of registration (for registered partnership firms only). • Copy of partnership deed. • Authorised signatories list with specimen signatures. • Photograph, POI, POA, PAN of Partners.
Trust	• Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Certificate of registration (for registered trust only). • Copy of Trust deed. • List of trustees certified by managing trustees/CA. • Photograph, POI, POA, PAN of Trustees.
HUF	• PAN of HUF. • Deed of declaration of HUF/ List of coparceners. • Bank pass-book/bank statement in the name of HUF. • Photograph, POI, POA, PAN of Karta.
Unincorporated association or a body of individuals	• Proof of Existence/Constitution document. • Resolution of the managing body & Power of Attorney granted to transact business on its behalf. • Authorized signatories list with specimen signatures.
Banks/Institutional Investors	• Copy of the constitution/registration or annual report/balance sheet for the last 2 financial years. • Authorized signatories list with specimen signatures.
Foreign Institutional Investors (FII)	• Copy of SEBI registration certificate. • Authorized signatories list with specimen signatures.
Army/ Government Bodies **Registered Society**	• Self-certification on letterhead. • Authorized signatories list with specimen signatures. • Copy of Registration Certificate under Societies Registration Act. • List of Managing Committee members. • Committee resolution for persons authorised to act as authorised signatories with specimen signatures. • True copy of Society Rules and Bye Laws certified by the Chairman/ Secretary.

Circular No. NSDL/POLICY/ 2009/0034 Date: May 7, 2009	***Sub: Facility to upload KYC confirmation reports on SQLASSIST intranet site***

All Participants are hereby informed that the pilot project for dematerialisation As all Participants are aware, KYC confirmation report(s) as and when called for by NSDL are being sent by Participants through courier, fax, email, etc. Participants can now upload the KYC report(s) through SQLASSIST intranet site (https://sqlassist) in a specified format. The format for uploading KYC report will be in an excel sheet as given at **Annexure I** and displayed on SQLASSIST intranet site. A detailed note explaining the procedure for filling up the KYC report is given at **Annexure II.**

For uploading KYC confirmation report(s) on SQLASSIST intranet site, Participants have to log-in with their existing 'Maker' User ID *(i.e. DP ID of the Participant used for accessing billing information on SQLASSIST intranet site)* and password. The file must be uploaded after verifying it properly. The procedure for uploading the KYC report(s) on SQLASSIST is given at **Annexure III.**

For further information / clarification, Participants are requested to contact Ms. Kirti Samant at Tel No. (022) 2499 4424 / email ID: kirtis@nsdl.co.in / Mr. Charles Mathew at Tel No. (022) 2499 4482 / email ID: charlesm@nsdl.co.in.

Annexure I

DP Name	DP ID	Client ID	NSDL Letter Reference No.	NSDL Letter Date	Due date for Report Submission	Criteria	DP Reply Letter Ref no.	DP reply Date	KYC Status (Y/N/O)	Account Status (F/C)	Remarks

Annexure II

DP Name	DP ID	Client ID	NSDL Letter Reference No.	NSDL Letter Date	Due date for Report Submission	Criteria	DP Reply Letter Ref no.	DP reply Date	KYC Status (Y/N/O)	Account Status (F/C)	Remarks

Format of Annexure I is provided above. Instructions for filling up the details in Annexure I are given below:

1) The file sent by NSDL (via email) will contain details in respect of columns from the field **'DP Name'** to **'Criteria'.** No changes should be made in these fields.
2) No changes should be made to the header records.
3) The **'DP Reply Date'** will be system generated date i.e. the date of upload of KYC confirmation report. No entry should be made in this field.
4) Participants are advised to update the fields viz. **'DP Reply Letter Ref. No., KYC Status (Y/N/O), Account Status (F/C)** and **Remarks** (if any)' only.
5) Expanded form of abbreviations used in the header row is given below:

Abbreviations	Description
Y	KYC COMPLIED
N	KYC NON-COMPLIED
O	OTHERS
F	FROZEN
C	CLOSED

6) The file name of the Annexure I (i.e. to be uploaded) should not contain spaces.

Annexure III

1. Login to the intranet site (https://sqlassist) and click on the link named Bill-PAN & KYC Info.
2. Enter the existing 'Maker' User ID & Password and click on the option 'Upload KYC Report'.
3. Click on 'Browse' button for selecting the KYC report i.e. the excel file copied in the DPM server / Client Machine. Due care should be taken in selecting the excel file [and not to inadvertently select the earlier copied file].
4. Click on 'Upload File' button for uploading the selected file. Only a single excel file can be uploaded at a time. In case of multiple files, each file should be uploaded separately. Further, in case of multiple DPM set-ups, DP ID should be unique in each file.
5. Upon clicking the 'Upload File' button, contents of the excel file and the number of record(s) that are accepted or rejected can be viewed. For the uploaded record(s), SQLASSIST system will carry out format level validations of only DP ID & Client ID.
6. Before proceeding further, rejected record(s) must be downloaded from a link named 'Rejected Records'.
7. Click 'Cancel' button to cancel the upload or click 'Confirm' button to proceed. Upon clicking the 'Confirm' button, an acknowledgement message will display on the screen that the file has been uploaded successfully. Only accepted records will get uploaded successfully.
8. In respect of rejected records, after making necessary changes, a fresh file should be uploaded by following the process mentioned above.

Circular No. NSDL/POLICY/ 2014/0035 Date: March 27, 2014	***Subject: Implementation of Rajiv Gandhi Equity Savings Scheme (RGESS), 2013.*** As all Participants are aware, the Government of India notified the Rajiv Gandhi Equity Savings Scheme, 2013 vide notification dated December 18, 2013 (informed to Participants vide Circular No. NSDL/POLICY/2013/0144 dated December 30, 2013). In terms of clause 7 (2) of the said notification, 'The eligible securities shall be held for a period called the fixed lock-in period which shall commence from the date of purchase of such securities in the relevant financial year and end on the 31st day of March of the year immediately following the relevant financial year'. Prior to the said notification, in terms of notification dated November 23, 2012 for the Rajiv Gandhi Equity Savings Scheme, 2012, the fixed lock-in was for a period of one year. Accordingly, to implement the fixed lock-in for one year, the 'quantity level freeze' was executed for 'Fixed Lock-in' period of which one year was applicable from the Date of Credit (say December 26, 2012) till the period of one year (i.e. till the EOD of December 25, 2013). However, in view of the notification dated December 18, 2013, the quantity level freeze executed in respect of RGESS eligible securities for fixed lock-in period will continue to remain in 'Freeze' status till March 31st and the aforesaid securities will be unfreezed in the BOD of April 1st. Participants may guide their clients accordingly.

Circular No. NSDL/POLICY/ 2014/0013 Date: February 7, 2014	***Sub: Frequently Asked Questions (FAQs) on Rajiv Gandhi Equity Savings Scheme (RGESS).*** All Participants are hereby informed that Department of Economic Affairs (Capital Markets Division), Ministry of Finance has vide its letter no. F. No. 1/8/SM/2012 dated February 5, 2014 have issued Frequently Asked Questions (FAQs) on Rajiv Gandhi Equity Savings Scheme (RGESS). Copy of the same is enclosed for your information. Participants are requested to guide their Clients suitably.

Ministry of Finance
Department of Economie Affairs
(Capital Market Division)

Frequently Asked Questions on
Rajiv Gandhi Equity Savings Scheme (RGESS)

5 February 2014

I. Objectives and legal aspects of RGESS
   1. What is RGESS
   2. What is the objective of the Scheme?
   3. What is the legal provision for RGESS?
   4. Would first time investors not lose money in the equity market? Would it be too dangerous for them to invest in it?
   5. We already have an Equity Linked Savings Scheme (ELSS)? Why do we need RGESS?
   6. What are the benefits / highlights of RGESS compared to other tax saving schemes?

II. Coverage of the Scheme: Investors and Investments allowed under RGESS
   7. Who all will be covered under the Scheme? Who is a new investor?
   8. I am a non-resident Indian; Am I eligible for RGESS?
   9. Can a Guardian claim RGESS tax benefit if investment is done in the name of Minor?
   10. I am already having physical units of mutual fund and / or Exchange Traded Funds; Am I eligible for the RGESS?
   11. I possess some physical shares; Am I eligible under RGESS?
   12. I possess some shares in the demat account; but they are of unlisted companies. Am I eligible?
   13. I have shares in demat account under the ESOP category? Am I eligible for tax benefit in RGESS?
   14. What are the investment options available under the Scheme? What are the “eligible securities” under RGESS?

15. Where can I get information about these eligible stocks?
16. Why RGESS Investments are limited to top 100 stocks?
17. When I made the investment, the particular stock was in BSE 100; thereafter it was removed from the BSE 100 list by the exchange; Is my investment still eligible for RGESS when I file my returns?
18. When I enrolled for RGESS my annual income was below Rs. 12 lakh. However, in the subsequent year it crossed Rs. 12 lakh. Am I eligible to claim benefits?
19. I applied for the IPO / New Fund offer (NFO) in the month of March; However, the company / Scheme got listed in the stock exchange only in April i.e, in the next financial year. Is my investment eligible?
20. For how many years I can avail of RGESS benefits?
21. When does counting of my three year starts? What is "initial year"?
22. Do I have to make my first investment, after designating my account, only in eligible scrip?
23. Am I mandated to make investments in all three years?
24. How much tax deduction will I be eligible under RGESS?
25. What is the amount of deduction I am eligible for in a single financial year?
26. I have invested less than Rs. 50,000 in a year. Can I invest more than Rs. 50,000 in subsequent years so that my total investments for three years are less than Rs. 1.5 lakhs?
27. What is the maximum amount that I can invest in securities market? Can I bring the same in installments?
28. I have already claimed tax benefit under Section 80C. Can I avail of RGESS?
29. I want to invest more than Rs.50,000; how will I allocate my investments to the tune of Rs. 50 000 and claim benefit under RGESS?
30. I have purchased shares of Company 'A' which is an eligible security under RGESS for Rs. 70,000; How can I free the shares of the same company beyond Rs. 50,000/-?
31. When should I submit Form B or general application? Is there a time limit?
32. Can I claim tax deduction in respect of the amount invested in eligible securities which are specified in Form B?

III. Investments through Mutual funds

33. What are the types of mutual funds which would be eligible for investments under RGESS?
34. What are closed-end mutual fund schemes?
35. How frequently is the portfolio of RGESS mutual fund scheme published?
36. What is Net Asset Value (NAV) of a scheme?
37. How will investors determine the value of their units in RGESS mutual fund scheme?
38. What are ETFs?
39. How to subscribe to RGESS Mutual Fund schemes?
40. Are RGESS mutual fund Schemes available for investment to regular investors who are not eligible for RGESS or who do not intend to avail of tax benefits under RGESS?
41. Is a demat account compulsory for investing in RGESS mutual fund?
42. What documents / information do I need to submit with my RGESS mutual fund application form at the time of subscription during the NFO?
43. What are the Plans offered by mutual fund schemes?
44. What are the Options available under each of the above Plans?
45. What is the frequency of dividends that will be declared in RGESS MF scheme?
46. Do mutual fund schemes pay income tax?
47. Are dividends distributed by mutual fund schemes taxed in the hands of investors?
48. Where can I find the list of RGESS mutual fund schemes?
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I. Objectives and legal aspects of RGESS

1. What is RGESS

Rajiv Gandhi Equity Savings Scheme (RGESS), is a tax saving scheme announced in the Union Budget 2012-13 (para 35) and further expanded vide Union Budget 2013-14 (para 61 & 144). The scheme is designed exclusively for the first time individual investors in securities market, whose gross total income for the year is below a certain limit. In 2013-14, the income ceiling of the beneficiaries was raised to Rs. 12 lakh from Rs. 10 lakh specified in 2012-13. The investor would get under Section 80CCG of the Income Tax Act, a 50% deduction of the amount invested during the year, upto a maximum investment of Rs. 50,000 per financial year, from his/her taxable income for that year, for three consecutive assessment years.

2. What is the objective of the Scheme?

As announced in the Union Budget 2012-13, the objective of the Scheme is to encourage the flow of savings and to improve the depth of domestic capital markets. This would help in promoting an 'equity culture' in India. The Scheme aims at widening the retail investor base in the Indian securities markets and also furthers the goal of financial stability and financial inclusion.

3. **What is the legal provision for RGESS?**

A new section **80CCG** in the Income tax Act, 1961 on *'Déduction in respect of investment under an equity savings scheme'* was introduced vide Finance Act, 2012 and amended vide Finance Act, 2013, to give tax benefits to 'New Retail Investors' whose gross annual income is less than or equal to Rs.12 Lakhs, for investments in 'Eligible Securities' up to Rs.50,000 in a single financial year, for three consecutive assessment years.

The details of the RGESS Scheme were first notified on 23 November 2012 (Section No. 2777(E); Notification No. 51) and vide subsequent corrigendum dated 5 December 2012 (Section No. 2835(E); Notification No. 53) by Department of Revenue. The operational guidelines were issued by SEBI on 6 December 2012. Subsequent to the Union Budget 2013-14, Section 80CCG was amended vide Finance Act, 2013, to expand the scope of the Scheme. The notification dated 23 November, 2012 was accordingly amended vide Notification dated 18 December 2013 (Section No. 3693 (E); Notification No.94).

4. **Would first time investors not lose money in the equity market? Would it be too dangerous for them to invest in it?**

The investors in the RGESS run the risk of losing money in the equity market, like any other investor in the securities market. The Scheme does not provide any guarantee of assured returns. Therefore, investors under RGESS are advised to do due diligence before making any investments in the equity market.

However, while designing the Scheme, safeguards like, restricting the investments to select large cap stocks, lock-in period with enough flexibility to take benefits of the positive market movements etc. have been provided to protect the interests of the first time investors.

To give the benefit of diversification and consequent risk minimization, investments into Exchange Traded Funds (ETFs) or Mutual funds, set up as per the criteria laid down in the Scheme, are also allowed under the Scheme.

5. **We already have an Equity Linked Savings Scheme (ELSS)? Why do we need RGESS?**

ELSS and RGESS are entirely different schemes: They pertain to different asset classes with ELSS offering passive investment avenues. ELSS is meant for indirect participation in the stock market, whereas RGESS aims at encouraging direct participation in the stock market. The operational differences are given below:

Circular No. ***Subject: Implementation of Rajiv Gandhi Equity Savings Scheme (RGESS)***,

ELSS	**RGESS**
Investments are to be strictly in mutual funds	Investments are to be made directly in listed equity or into units of mutual funds and ETFs
100% deduction (upto Rs. 1,00,000) is allowed under ELSS	Only 50% deduction of the investment made (upto max. of Rs. 25,000 in any one year) is allowed under RGESS.
ELSS benefits can be availed by an investor every year	RGESS benefits are limited to the new investors and can be availed for only 3 consecutive years
The ELSS benefit is coming under Section 80C of the IT Act which has an aggregate limit of Rs. 1,00,000 for all such eligible instruments like LIC policy, PPF etc	RGESS deduction is available under Section 80CCG. This is a separate investment limit exclusively for RGESS, over and above the Section 80C Limit of Rs. 1 lakh
Lock-in period of 3 years	Lock-in period of 3-years. However, trading allowed after one-year, subject to conditions.
Since investments are in mutual funds, it is perceived to be less risky	Since investments are in equity, risk is perceived to be higher

6. What are the benefits / highlights of RGESS compared to other tax saving schemes?

The following are the benefits of RGESS:

- The allowed tax deduction u/s 80CCG will be over and above the Rs. 1 Lakh limit permitted under Section 80C of the Income Tax (IT) Act, making it thus attractive for the middle class investors.
- Further, the Dividend income is tax free, if the company is liable to dividend distribution tax.
- The benefits can be availed for three consecutive years.
- Investor is free to trade / churn the portfolio after the fixed lock-in period, subject to certain conditions.
- Gains arising out of higher market valuation of RGESS eligible securities can be realized after a year viz: fixed lock-in period. Provisions exist to protect the investor from general declines in the market to a certain extent. This is in contrast to all other tax saving instruments.
- Facility for pledging stocks after the fixed lock-in period.
- For investments upto Rs.50,000 in your sole RGESS demat account, if you opt for Basic Service Demat Account, annual maintenance charges for the demat account is zero and for investments upto Rs. 2 lakh, it is stipulated at Rs 100.
- The investments can be made in installments during the financial year in which tax deduction is claimed.

II. Coverage of the Scheme: Investors and Investments allowed under RGESS

7. Who all will be covered under the Scheme? Who is a new investor?

The Scheme is open for all New Retail Investors who have gross total income less than or equal to Rs. 12 lakh. A new retail investor is one:

- who is a resident individual (the benefit cannot be availed by HUF, corporate entities / trusts etc)
- who has not opened a Demat account and has also not done any trading in the derivative segment till RGESS account opening date or the first day of the «initial year» in which he brings in the RGESS eligible investment into the account, whichever is later.
- who has opened a Demat account and has not made any transactions in equity and / or in the derivative segment till designating such account as RGESS or the first day of the «initial year» in which he brings in the RGESS eligible investment into the account, whichever is later.

In case of joint accounts, only the first account holder will not be considered as a new retail investor. All those existing account holders other than the first demat account holder (eg. second / third account holders or other joint holders) or nominees of the existing account holders will be considered as new retail investors for the purpose of opening of a fresh RGESS account, if otherwise eligible.

In case the demat account is opened as a first holder, but there are no transactions in the equity or derivative segment, then the first account holder is eligible to be a new retail investor.

For taking the benefits under RGESS, the new retail investor will have to submit a declaration, as in Form 'A', to the Depository Participant (DP) at the time of account opening or designating his existing demat account.

Eligible securities, which are brought thereafter into such an account, will be automatically subject to lock-in upto a value of Rs. 50,000, unless the investor specifies otherwise through the Form 'B' specified in this regard.

8. **I am a non-resident Indian; Am I eligible for RGESS?**

   The Scheme is for an individual resident in India as per the provisions of the Income Tax Act.

9. **Can a Guardian claim RGESS tax benefit if investment is done in the name of Minor?**

   Yes. Guardian can claim tax benefit for investments done in the name of minor, subject to overall limit for guardian as an individual.

10. **I am already having physical units of mutual fund and / or Exchange Traded Funds; Am I eligible for the RGESS?**

    Yes. Prior investments in mutual funds and Exchange Traded Funds do not make an investor ineligible for the Scheme. However, you need to invest afresh in RGESS eligible mutual fund / ETF schemes and hold them in a demat account to avail of the benefits under RGESS.

11. **I possess some physical shares; Am I eligible under RGESS?**

    Yes. You will be considered as a new retail investor, if otherwise eligible. However, you need to make fresh investments to avail of the benefits under RGESS. You will not be eligible to claim benefits of RGESS on dematerialisation of such shares. It is advisable that you first designate / open the account for RGESS and then undertake the dematerialisation of physical shares in your custody.

12. **I possess some shares in the demat account; but they are of unlisted companies. Am I eligible?**

    No

13. **I have shares in demat account under the ESOP category? Am I eligible for tax benefit in RGESS?**

    No.

14. **What are the investment options available under the Scheme? What are the «eligible securities» under RGESS?**

    The investment options under the scheme will be limited to the following categories of securities?*:

Listed equity shares / units

a. The top 100 stocks at NSE and BSE i.e., CNX-100 / BSE -100 (This does not mean that one has to trade through NSE or BSE only. If the securities constituting BSE 100 or CNX 100 are listed and traded in any new stock exchange that may come up on a later day, the same will be eligible for RGESS.)

b. Equity shares of public sector enterprises which are categorized by the Government as Maharatna, Navaratna and Miniratna

c. Units of Exchange Traded Funds (ETFs) or Mutual Fund (MF) schemes with RGESS eligible securities as mentioned in (a) and / or (b) as underlying, provided they are listed and traded on a stock exchange and settled through a depository mechanism)

d. Follow-on Public Offers (FPOs) of (a) and (b)

e. New Fund Offers (NFOs) of (c) above

Unlisted equity shares

f. Initial Public Offers (IPOs) of PSUs, which are scheduled to get listed in the relevant financial year and where the government holding is at least 51% and whose annual turnover is not less than Rs. 4000 cr for each of the immediate past three years.

(*Investment criteria as applicable at the time of investment)

15. Where can I get information about these eligible stocks?

The consolidated and updated list of eligible securities from time to time is published on the websites of exchanges / Depositories / The Association of Mutual Funds in India (AMFI).

For detailed information see at the relevant pages of the websites of SEBI NSE BSE, NSDL, CDSL and AMFI.

As regards eligible IPOs /FPOs/NFOs of mutual funds or ETFs, companies/mutual funds would be publishing this information in their offer documents / public advertisements.

16. Why RGESS Investments are limited to top 100 stocks?

The Scheme is designed for new investors who are venturing in the equity markets for the first time. The choice of investments have been restricted to the stocks included in BSE 100 or CNX 100 and to selected PSU stocks as they generally have shown relatively, higher liquidity, and there is adequate reporting and analysis available in the market. The range of 100 stocks also provides enough scope for diversification of investments.

17. When I made the investment, the particular stock was in BSE 100; thereafter it was removed from the BSE 100 list by the exchange; Is my investment still eligible for RGESS when I file my returns?

A stock has to be in BSE 100 or CNX 100 only at the time at which the investments are made. This means that even if the stock moves out of CNX 100 / BSE 100, the investor would be deemed to be compliant for RGESS. However, his rights are limited to just selling those stocks off from RGESS portfolio. If he repurchases / make additions to the existing stock, then the additional stock will not be counted as a part of the RGESS portfolio.

18. When I enrolled for RGESS my annual income was below Rs. 12 lakh. However, in the subsequent year it crossed Rs. 12 lakh. Am I eligible to claim benefits?

The income limit is applicable for each of the year in which an investor is investing in RGESS. If his income crosses Rs. 12 lakh in the subsequent year, he will not be eligible to invest in that year and thereafter, provided income continues to be above Rs. 12 lakh. However, investments made in the relevant year(s) [i.e., year(s) in which investor's income was eligible as per the scheme], will be considered eligible for claiming benefits (and no refund needs to be made for such claims).

If you receive an increment in the middle of the year by which your annual income crosses the Rs. 12 lakh barrier then all the investments made in that financial year become in-eligible.

It is the responsibility of the investor to indicate immediately to the depository through his Depository Participant when he ceases to become eligible for claiming tax benefits. Depositories would make available an application (in a specified format) that can be submitted to your Depository Participant stating that none of the fresh investments to be made in that year be kept under lock-in by the depositories. If such an investor continues to remain ineligible in the third year and if he had submitted the aforementioned application stating his ineligibility only for the second year, then, he has to submit a fresh application stating his ineligibility for the third year. Otherwise, the investor will be considered as eligible for the third year and depositories may start locking-in investments for that year.

Once the aforementioned application is submitted stating that you are not intending to avail of the benefits under RGESS for the relevant financial year(s) then the position cannot be reversed for those financial year(s).

If, after being ineligible in the second year, the annual income of the investor happens to fall below Rs. 12 lakh in the third year, then he would be considered eligible for making investments under RGESS in the third year, unless he has submitted otherwise through the aforementioned application earlier. (i.e,, if an investor submits aforementioned application for two years, the position cannot be reversed for those financial years).

19. I applied for the IPO / New Fund offer (NFO) in the month of March; However, the company / Scheme got listed in the stock exchange only in April i.e, in the next financial year. Is my investment eligible?

No, only if it is scheduled to be listed in the same financial year, the investment is eligible.

20. For how many years I can avail of RGESS benefits?

RGESS benefits can be availed for three consecutive financial years, beginning with the financial year in which the investment under the Scheme was made for the first time by the investor.

21. When does counting of my three year starts? What is «initial year»?

The financial year in which the investor makes investment in eligible securities for availing deduction under the Scheme for the first time through his RGESS designated demat account is the initial year, even if the demat account was designated for RGESS in an earlier financial year.

The counting of three consecutive years starts with this initial year, i.e., the financial year in which the investments under the Scheme are made for the first time by the new investor after opening / designating the demat account for RGESS. for eg., if an investor who has opened / designated RGESS account in the FY 2012-13 does not invest in RGESS eligible securities during 2012-13 but makes investment in the FY 2013-14, then, he is eligible to invest and claim benefits during FYs 2013-14, 2014-15 and 2015-16, subject to him not making any investment in any other equity / derivative in FY 2012-13.

The investor shall also be not allowed to claim deduction under the Scheme for any previous year other than the previous year relevant to that assessment year. Thus, if the investor has forgotten to claim benefits for a particular year, he cannot carry over that benefit to the subsequent year.

22. Do I have to make my first investment, after designating my account, only in eligible scrip?

A composite reading of the definition of «initial year» and «new retail investor» demands that you shall make your first investment only in RGESS eligible scrip. Thereafter, you are free to invest in other securities. This is because you will be disqualified as a «new retail investor» if the financial year in which you designate the account for RGESS is different from the financial year in which you make your first investment in RGESS eligible scrip (i.e., initial year). For instance, imagine that you have opened / designated your RGESS account in the FY 2014-15 and make investment in other equity or derivative, but fail to make any investment in RGESS eligible scrip in that year. In the next financial year, i.e., FY 2015-16, if you invest in RGESS eligible scrip, then that year is considered as the initial year. Definition of «new retail investor» is such that you should not have traded in equity or derivative as on the date of designating your account or on the first day of initial year, **whichever is later.** By this definition, in FY 2015-16, you are not a new retail investor and hence would be disqualified from availing RGESS benefit for any year. However, this is not an issue if you are investing in RGESS eligible scrip in the same year as you opened / designated your demat account.

Sr No	CLIENT	Date of Designating Account Under RGESS	F.Y. in which account is designated	Trade Date	Investment Type	Initial Year	Eligibility Status as a new retail investor	Can he claim RGESS Benefits in subsequent years of eligibility
1	A	28-Nov-12	2012-13	1-Dec-12	RGESS Eligible	2012-13	Eligible	Yes
				1-Mar-13	RGESS Ineligible			
2	B	5-Dec-12	2012-13	20-Dec-12 20-Mar-13	RGESS Ineligible RGESS Eligible	2012-13	Eligible	Yes
3	C	1-Mar-13	2012-13	28-Mar-13 25-Apr-13	RGESS Ineligible RGESS eligible	2013-14	Ineligible	No.
4	D	21 Jan 2014	2013-14	27-Mar-14	RGESS eligible	2013-14	Eligible	He cannot claim any benefit for the 2nd year as there are no RGESS eligible investments made in that year; But the 3rd Year 2015-16 he can claim for the investments made in June 2015
				10-Oct-14 15-Feb-15	RGESS ineligible			
				21-Jun-15	RGESS ineligible RGESS eligible			

23. Am I mandated to make investments in all three years?

No. If the new investor does not invest in any financial year after opening /designating an account for RGESS, he shall be allowed to invest and claim benefits in the subsequent financial years, within the three year limit, however, subject to an investment limit of Rs. 50,000 in a single financial year. i.e., an investor opening/designating RGESS account in the FY 2012-13 need not necessarily invest in RGESS eligible securities during 2012-13; he is eligible to invest and claim benefits during FYs 2013-14, 2014-15 and 2015-16. This is possible only if he does not make any ineligible investments prior to the initial year.

Similarly an investor who claimed benefits under RGESS in FY 2012-13 need not necessarily invest in FY 2013-14; but can invest in FY 2014-15. However, he will not be eligible to invest in FY 2015-16. In such a scenario, he may need to submit Form B/ general application to the DP concerned for the FY 2013-14. (If there is no investment in the second year, Form B need not be submitted. The same needs to be submitted only if he does not want his investments made in the second year to be considered under RGESS.)

24. How much tax deduction will I be eligible under RGESS?

You will be eligible to get tax deduction u/s 80CCG of the Income Tax Act, on 50% of the amount invested subject to a limit of Rs. 50,000 as investment in any financial year. Let us say, you invest Rs.50,000 under RGESS, the amount eligible for tax deduction will be Rs.25,000 from your taxable income. Let us say, you invest Rs.40,000 under RGESS, the amount eligible for tax deduction will be Rs.20,000 from your taxable income. This deduction is over and above Rs. 1 lakh limit specified under Section 80C.

In other words, for those who are in the 10% income tax bracket, savings from tax liability for investments upto Rs. 50, 000 under RGESS is Rs. 2500 (plus cess as applicable) and for those

who are in the 20% income tax bracket, savings from tax liability is Rs. 5000/-(plus cess as applicable).

This deduction can be claimed for three consecutive years as mentioned above.

Illustration for tax benefit is as below

Amount (Rs.)

Amount Invested in RGESS	**50000**	**75000**	**30000**
Maximum Eligible investment in RGESS	50000	50000	30000
50% deduction on RGESS Deduction	25000	25000	15000
Tax Savings under RGESS			
10% Tax Bracket	**2500**	**2500**	**1500**
20% Tax Bracket	**5000**	**5000**	**3000**

25. What is the amount of deduction I am eligible for in a single financial year?

Clause (1) of Section 80CCG of the Income-tax Act has limited the allowable deductions per year to a maximum of Rs. 25,000. This means that the maximum amount of investment allowed under the Scheme is only Rs. 50,000 for any single financial year.

26. I have invested less than Rs. 50,000 in a year. Can I invest more than Rs. 50,000 in subsequent years so that my total investments for three years are less than Rs. 1.5 lakhs?

No. Investments in any single financial year cannot exceed Rs. 50,000/-. If you have invested less than Rs. 50,000 in any financial year, then shortfall cannot be carried over to the subsequent year.

27. What is the maximum amount that I can invest in securities market? Can I bring the same in installments?

There is no maximum prescribed limit for your investments in securities market. However, RGESS benefits will be available only for investments in eligible securities upto Rs. 50,000 per financial year upto three consecutive financial years. This investment can be made in installments during that year.

28. I have already claimed tax benefit under Section 80C. Can I avail of RGESS?

Yes you can. The tax deduction for RGESS is u/s 80CCG and it is over and above Rs. 1 lakh limit specified under Section 80C. Further, it is not mandatory for citizens to exhaust the limit of Rs 1 lakh specified under Section 80C to make investments under Section 80CCG for RGESS.

29. I want to invest more than Rs.50,000; how will I allocate my investments to the tune of Rs. 50 000 and claim benefit under RGESS?

You may invest any amount in a demat account designated under RGESS, but the benefit under the Scheme can be claimed only on investment up to Rs. 50,000 in a single financial year. However, you have the freedom to select the stocks to be kept under lock-in upto Rs. 50,000 for claiming benefits under

RGESS. It may be noted that the depository would be automatically locking-in all the eligible securities which comes into an RGESS designated demat account during the relevant financial year (over and above what is required for meeting the flexible lock-in requirements) upto a value of Rs. 50,000. Hence, ensure that you intimate the depository participant through Form B within one month from the date of transaction, about those investments which you do not want to keep as part of RGESS investment in that year, such that you have the right to sell / pledge those securities at any time. Once an application is made through Form B, that particular security cannot be brought back under RGESS while claiming for tax benefit. In subsequent years of flexible lock-in period, if that stock is still an eligible security under RGESS provisions, then the same will be counted towards valuation of RGESS portfolio irrespective of its status as an «eligible security» while claiming benefits.

30. I have purchased shares of Company 'A' which is an eligible security under RGESS for Rs. 70,000; How can I free the shares of the same company beyond Rs. 50,000/-?

If you have purchased shares under RGESS for Rs. 70,000/-, the depositories will place shares amounting to only Rs. 50,000/- under fixed lock-in (over and above what is required for meeting the flexible lock-in requirements). Shares amounting to Rs. 20,000 will not be under lock-in. However, if you are selective about the stocks to be kept under lock-in, then intimate the depository as mentioned in Q. No. 29

31. When should I submit Form B or general application? Is there a time limit?

You need to submit Form B to the depository participant, if you wish to keep any securities outside RGESS's terms and conditions. This needs to be submitted within one month from the date of purchase / allotment of that security.

As per the Notification, Depositories are required to submit the report to Income-tax Department regarding RGESS beneficiaries within a period of **two months** from the end of the relevant financial year i.e. by **31st May.** Hence, to avoid wrong reporting by Depositories on your investments to Income-tax Department, you are advised to submit declaration in Form B to the depository participants for the credits received during the month of March at the earliest and preferably by **April 15th.** If Form B is submitted after April 15th, Depositories may consider accepting the request but not later than the expiry of one month period (April 30th), if it is satisfied that the beneficiary was prevented by sufficient cause from filing the request in time.

If you are not intending to claim benefits under RGESS for any particular year within the allowable 3 year time period (eg. in case you have crossed the income limit of Rs. 12 lakhs during a financial year and hence cannot claim benefit under RGESS for that financial year), you need to submit the general application as specified by depositories, before April 15th of the next financial year.

32. Can I claim tax deduction in respect of the amount invested in eligible securities which are specified in Form B?

No.

III. Investments through Mutual funds

33. What are the types of mutual funds which would be eligible for investments under RGESS?

Closed-ended Mutual Fund (MF) schemes and Exchange Traded Funds (ETF) with RGESS eligible securities as underlying would be eligible investments under RGESS, provided they are listed and traded on a stock exchange and settled through a depository mechanism. As Open-ended mutual fund schemes are not generally listed and traded on the stock exchanges, they are not eligible investments under RGESS.

34. What are closed-end mutual fund schemes?

Schemes that have a stipulated maturity period are called closed-ended schemes. Investors can invest in the scheme at the time of the initial issue i.e. New Fund Offer period and thereafter can buy or sell the units of the scheme on the stock exchanges where they are listed. The market price at the stock exchange could vary from the scheme's Net Asset Value (NAV) on account of demand and supply situation, unit holders' expectations and other market factors. Unlike an ETF, closed ended mutual fund schemes are not frequently traded on the stock exchanges.

35. How frequently is the portfolio of RGESS mutual fund scheme published?

Portfolio of close ended mutual fund schemes are published by the respective mutual fund on a monthly basis and the same shall be available on the respective mutual fund's website. Portfolios of ETFs are published on the respective mutual fund website or the website of the stock exchanges on a daily basis.

36. What is Net Asset Value (NAV) of a scheme?

The performance of a particular scheme of a mutual fund is denoted by Net Asset Value (NAV).

Mutual funds invest the money collected from the investors in securities markets. In simple

words, Net Asset Value is the market value of the securities held by the scheme. Since market value of securities changes every day, NAV of a scheme also varies on day to day basis. The NAV per unit is the market value of securities of a scheme divided by the total number of units of the scheme on any particular date. For example, if the market value of securities of a mutual fund scheme is Rs 200 lakhs and the mutual fund has issued 10 lakhs units of Rs. 10 each to the investors, then the NAV per unit of the fund is Rs.20. NAV is required to be disclosed by the mutual funds on a regular basis - daily or weekly - depending on the type of scheme

37. How will investors determine the value of their units in RGESS mutual fund scheme?

Mutual Funds shall compute and publish the Net Asset Value per unit of the RGESS mutual fund schemes on all business days. The same shall be available in newspapers and Association of Mutual Funds in India (AMFI) and mutual fund websites. Real time prices for ETFs would be available on the stock exchanges where the ETFs are listed and traded. In respect of mutual fund units held in demat form with NSDL, the facility to view the latest holding with valuation (alongwith NAVs) is available through IDeAS facility of NSDL. In respect of mutual fund units held in demat form with CDSL, the facility to view the latest holding with valuation (along with NAVs) is available through 'easi' facility of CDSL.

38. What are ETFs?

An exchange traded fund or ETF as it is popularly called is a fund comprising of a basket of securities that provides exposure to the market. ETF is traded on the stock exchange like a share. An Index ETF is based on an index which can be sector specific or broad market or international market oriented; they track the performance of an index. ETF's are gaining popularity because they are transparent, easy to use and a low cost way to create a well-diversified portfolio. Liquidity for ETFs on the stock exchanges is provided by market makers who are called as Authorized participants.

39. How to subscribe to RGESS Mutual Fund schemes?

Investors could subscribe to RGESS mutual fund schemes i.e. closed-ended mutual fund schemes or ETFs either during the New Fund Offer (NFO) period or buy in the secondary market through the stock exchanges. The NFO period could be for up to 30 days and the opening and closing dates will be mentioned on the Key Information Memorandum (KIM) of the mutual fund scheme. Thereafter, the units can be purchased/sold on a continuous basis (subject to suspension of trading/lock-in period) on stock exchanges on which the units of RGESS mutual fund schemes are listed, during the trading hours like any other publicly traded stocks. (whenever you are applying for the subscription of RGESS Mutual Fund schemes, remember to write your demat account number (DP ID and Client ID) on the application form.)

40. Are RGESS mutual fund Schemes available for investment to regular investors who are not eligible for RGESS or who do not intend to avail of tax benefits under RGESS?

Yes; An RGESS eligible mutual fund or ETF Scheme is available for investment to any investor looking to invest in equity schemes for the long term. However, tax benefits can be claimed only if the units are subscribed through and held in the designated demat account and other eligibility conditions are satisfied by the investors.

41. Is a demat account compulsory for investing in RGESS mutual fund?

Demat account is compulsory for investors who wish to avail tax benefits under RGESS and the demat account details should be specified in the application form. Those investors who are not claiming tax benefits can hold units of RGESS eligible mutual fund schemes in the form of account statement.

42. What documents / information do I need to submit with my RGESS mutual fund application form at the time of subscription during the NFO?

Duly filled-in application form of the RGESS mutual fund scheme (which is a part of the KIM), cheque drawn in the name of the scheme, and details of the demat account i.e. Client ID and DP ID.

43. What are the Plans offered by mutual fund schemes?

Mutual fund schemes offer two plans i.e. Regular Plan and Direct Plan. Direct Plan is only for investors who purchase /subscribe units in a scheme directly with the mutual fund and is not routed through an AMFI Registration Number (ARN) Holder or a distributor or a broker. Expenses charged by the Direct Plan will be lower than the Retail Plan to the extent of selling and distribution costs charged in the Retail Plan.

44. What are the Options available under each of the above Plans?

Mutual fund schemes generally offer two options i.e. Dividend and Growth. Dividend Option are meant for investors seeking regular dividend income and Growth Options are meant for investors seeking long term capital appreciation

Dividend Option: Under this Option, the Trustee reserves the right to declare dividend under the scheme depending on the net distributable surplus available under the Option. It should, however, be noted that actual declaration of dividends and the frequency of distribution will depend, inter-alia, on the availability of distributable surplus and will be entirely at the discretion of the Trustees or any Committee authorized by them.

Growth Option: Under this option there will be no distribution of income by way of dividends. All Income earned and realized profit in respect of a unit issued under that will continue to remain invested in the scheme and shall be deemed to have remained invested in the option itself, which will be reflected in the NAV.

45. What is the frequency of dividends that will be declared in RGESS MF scheme?

The Trustees of the respective Mutual Fund reserve the right to declare a dividend. The quantum and frequency of distribution are entirely at their discretion.

46. Do mutual fund schemes pay income tax?

Incomes of mutual fund schemes are exempt from income tax. Currently, RGESS mutual fund schemes are not required to pay dividend distribution tax on dividends distributed to investors as they are equity oriented mutual fund schemes.

47. Are dividends distributed by mutual fund schemes taxed in the hands of investors?

Currently, dividends distributed by mutual fund schemes are exempt from income tax in the hands of investors.

48. Where can I find the list of RGESS mutual fund schemes?

List of RGESS mutual fund schemes are available under 'investors zone» in www.amfiindia.com and also on the websites of NSE and BSE. Details of RGESS mutual fund schemes will also be available on the websites of respective mutual funds.

49. Where should I submit my RGESS mutual fund application form during the NFO?

RGESS application form can be submitted to any of the official points of acceptance of the respective mutual fund which will be mentioned in the KIM and on the mutual fund's website. (Remember to quote your demat account number on the application form.)

50. When will the allotment be done for RGESS mutual fund?

Allotment of units for RGESS mutual fund schemes will be done within 15 days from the closure of the NFO period.

51. How will I be intimated about the allotment?

Mutual fund will send an Allotment Advice to investors. Additionally, the Depository Participant in which the investor holds the demat account would also send a statement for unit allotment. Depositories would also send an SMS upon receipt of credit of mutual fund units in your demat account, if you have registered your mobile number while opening your demat account.

52. When would the refund be done for rejected applications?

For RGESS eligible Mutual Fund scheme, the refund will be done within fifteen days from the closure of the initial subscription/ NFO

53. Is there an option to exit from RGESS mutual fund before 3 years?

Since RGESS mutual fund schemes are closed-ended mutual fund schemes / ETFs, investors cannot redeem their units through the mutual fund. Investors have an exit option (subject to

lock-in period) by trading on the stock exchanges, since the units will be listed and traded on the stock exchanges. All closed-ended mutual fund schemes and ETFs are listed on the stock exchange. However, it is the responsibility of investors availing of RGESS tax benefits to ensure that they are in compliance with the lock-in requirements under RGESS.

54. What happens if investors do not trade and hold the units in a closed-ended mutual fund scheme till the maturity of the scheme?

On the maturity date, all units under the scheme will be compulsorily, and without any further act by the unit holders, redeemed at the applicable NAV of that day. For the units held in electronic/ demat form, the units will be extinguished with the depository and the redemption amount will be paid to the unit holders on the maturity date, at the prevailing NAV on that date.

55. Is Systematic Investment Plan (SIP) available in RGESS?

As RGESS mutual fund schemes are either closed-ended mutual fund schemes or ETFs, subscriptions into such schemes by mutual funds can only be accepted during the New Fund Offer period. Therefore, Systematic Investment Plans, whereby investors agree to contribute monthly subscriptions during a defined future period directly to a mutual fund post the New Fund Offer period cannot be offered to investors under RGESS scheme. Post closure of the NFO, units can only be bought on the stock exchanges where they are listed.

56. Can an investor switch existing Mutual Fund units to RGESS Scheme? Will I be eligible for tax benefits?

Yes - Eligible investors can submit switch request into RGESS mutual fund schemes from any other scheme of the mutual fund during the NFO period. However, to avail tax benefit under RGESS scheme, the investor needs to ensure that the allotment of units in RGESS mutual fund scheme is done in the designated demat account and needs to comply with the guidelines prescribed under RGESS.

57. What is the expense ratio charged under RGESS Mutual Fund scheme?

The annual recurring expenses charged by a RGESS Mutual fund scheme shall be within the limits specified under the SEBI (Mutual Funds) Regulations, 1996. However, Direct Plans will have lower expense ratio than Regular Plan of the Scheme. The expenses under Direct Plan shall exclude the distribution and commission expenses. The maximum limit of recurring expenses that can be charged to the Schemes would be as per Regulation 52 of the SEBI (MF) Regulation, 1996. Investors are requested to refer to the section on - «FEES and EXPENSES» contained in the KIM which will have details of the expenses proposed to be charged. For the current actual expenses being charged, the investor should refer to the website of the Mutual Fund.

58. What will be the entry / exit load charged to investors, if invested in RGESS Mutual Fund schemes?

Entry Load - NIL. However, as per the guidelines issued by SEBI, a transaction charge (for existing investors in a Mutual Fund:- Rs. 100/- and for a first time investor in Mutual Funds:- Rs. 150/-) per subscription of Rs. 10,000/- and above is allowed to be paid to the distributors of the Mutual Fund products.

Exit Load - Not Applicable (As the RGESS mutual fund schemes will be in the nature of closed end schemes, units under the schemes cannot be directly redeemed with the Mutual Fund).

59. Whom can the investor contact for any complaint regarding RGESS Mutual Fund units?

The investor can approach the respective Mutual fund or Registrar and Transfer Agents (RTA) of the respective mutual fund to register their complaints. Investors can also mail their query to asksebi@sebi.gov.in. Details of the offices of the mutual fund and their RTA would be available on the mutual fund's website. SEBI commenced a new web based centralized grievance redress system called as SCORES (SEBI Complaints Redress System) on June 8, 2011.

In the new system, all the activities starting from lodging of a complaint till its closure by SEBI are online in an automated environment and the status of every complaint can be viewed online in the above website at any time. An investor, who is not familiar with SCORES or does not have access to SCORES, can also lodge complaints in physical form. Such complaints are scanned and uploaded in SCORES for processing. In view of above, all grievances received will be in electronic mode with facility for online updation of Action Taken Reports by the users.

IV. Participating in the Scheme: Procedural and Operational issues

60. How to make RGESS eligible investments?

Open a new demat account with any DP and designate it under RGESS **or** designate your existing demat account under RGESS through Form A. *If you want to avail of Basic Service Demat Account facility, you may inform your DP to designate your account accordingly.*

You may approach any SEBI registered stock broker for opening a trading account for making investment in any eligible stocks in the stock market or for applying for eligible IPOs.

In case you are investing in mutual funds through any distributor, you need to simply provide your demat account details like Demat Account Number and DP ID for receiving credit of the mutual fund units into the demat account.

For investing in any IPO/NFO of the eligible securities, you can subscribe for the same and provide your demat account details like Demat Account Number and DP ID for receiving credit of the eligible securities into the demat account.

61. I opened/activated the demat account for the purpose of availing of RGESS benefits. However, I forgot to submit Form A and started transacting through my account. Will I be considered ineligible for claiming benefits?

If you have made investments in that demat account prior to submission of Form A, you will be considered ineligible, even if you are eligible to be a new investor and might have opened that demat account with the intention of claiming tax benefits. This is because new investors are technically defined as someone who has not done any transaction in equity or derivative before opening such account / designating such demat account for RGESS (through Form A)

62. Mr. A has a demat account and he does an off market transfer of eligible stocks into Mr.B's account, who is a 1st time retail investor but still has not designated his account for RGESS. Is Mr. Beligible for RGESS?

No.

63. Is credit received in my demat account through dematerialisation eligible for claiming benefits under RGESS?

No. It will not be treated as a fresh investment for claiming deduction. However, in the years of flexible lock-in (i.e., after the first year) all RGESS eligible securities would be counted towards checking for compliance of the investor with the Scheme, irrespective of whether it was acquired off market or came in through dematerialization.

64. What will be the mode of holding eligible securities?

The mode of holding eligible securities under RGESS will be in a 'Demat account'. You cannot hold securities in physical form or with a Mutual Fund directly to enjoy the benefits of RGESS.

65. Should I need to get my mutual fund / ETF units also in demat form?

Yes. For getting your mutual fund units in demat form, make a request with your mutual fund or RTA (Registrar and Share Transfer Agent) of the mutual fund. For more details please see the instructions / guidance of CDSL and NSDL.

66. I have purchased RGESS eligible mutual fund units in physical mode; Will I be eligible for tax benefit if I convert it to demat at a later date?

No. Only the securities bought through stock exchange or credited by mutual fund houses into your account through corporate action are eligible for RGESS benefits.

67. Is there any need for the investor to open a dedicated demat account for availing of RGESS benefits? Can I hold other securities i.e., other than eligible securities in my demat account designated for RGESS?

There is no need to open a separate dedicated account for availing of the RGESS benefits. The demat account through which RGESS benefits are being availed of can be used to keep shares/ securities other than RGESS-compliant securities. Investments in shares other than RGESS-compliant securities shall not be subject to the conditions of RGESS, nor shall be counted for extending the tax benefits under RGESS. However, it is strictly advised that after designating or opening your account under RGESS, you may do your first transaction in an RGESS eligible scrip only. (may see Q No. 22)

68. How to open RGESS demat account with a Depository Participant (DP)?

You may approach any registered DP to open a demat account under RGESS. The list of DPs registered with NSDL and CDSL may be seen here.

You are required to fulfill the Know your client (KYC) norms prescribed by SEBI, if not done earlier, by submitting proof of identity, proof of address, etc. and provide PAN to the DP with whom you wish to open a demat account along with a declaration in prescribed format (i.e., 'Form A') for availing RGESS benefits.

For more details see the FAQ given by NSDL and CDSL

69. How to open a trading account?

You can contact a broker (trading member) or a sub broker registered with SEBI for carrying out your transactions pertaining to the capital market. See the list of registered brokers / sub brokers on the SEBI website.

70. What are the documents I need to bring for opening a demat / trading account?

You have to submit the following with the prescribed account opening form. In case you want to open account jointly with other person(s), following should be submitted for all the account holders.

Self-attested copy of PAN card and copies of passport size photograph is mandatory for all. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents.

i Proof of Identity (POI)

- Passport
- Voter ID Card
- Driving license
- PAN card with photograph
- Aadhar (Unique ID) letter
- Identity card/document with applicant's Photo, issued by a) Central/State Government and its Departments, b) Statutory/Regulatory Authorities, c) Public Sector Undertakings, d) Scheduled Commercial Banks, e) Public Financial Institutions, f) Colleges affiliated to Universities (this can be treated as valid only till the time the applicant is a student), g) Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and h) Credit cards/Debit cards issued by Banks.

ii Proof of Address (POA)

- Ration card
- Passport
- Voter ID Card
- Driving license
- Bank passbook

- Verified copies of utility bills like Electricity bills, gas bills (not more than three months old)/ Residence Telephone bills (not more than three months old)/ Registered lease or sale agreement of residence / Flat maintenance bill / insurance copy
- Bank account statement / pass book
- Self-declaration by High Court & Supreme Court judges, giving the new address in respect of their own accounts.
- Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/ Scheduled Co-Operative Bank/Multinational Foreign Banks/ Gazetted Officer/Notary public/ Elected representatives to the Legislative Assembly/ Parliament/Documents issued by any Govt. or Statutory Authority.
- Identity card/document with address, issued by a) Central/State Government and its Departments, b) Statutory/Regulatory Authorities, c) Public Sector Undertakings, d) Scheduled Commercial Banks, e) Public Financial Institutions, f) Colleges affiliated to universities (this can be treated as valid only till the time the applicant is a student); and g) Professional Bodies such as ICAI, ICWAI, Bar Council etc., to their Members.

List of people authorized to attest the documents: Notary Public, Gazetted Officer, Manager of a Scheduled Commercial/ Co-operative Bank or Multinational Foreign Banks (Name, Designation & Seal should be affixed on the copy).

You must remember to take original documents to your DP / trading member for verification. Your DP / trading member will carry-out «in-person verification» of account holder(s) at the time of opening your account. You should remember to obtain a copy of the agreement and schedule of charges for your futu reference.

Your DP / trading member may ask an additional proof of identity/address.

71. I belong to PAN exempt category (resident of Sikkim); Can I open an RGESS account with PAN?

For availing benefits under RGESS, PAN is made mandatory even if you belong to PAN exempt categ See here for more details as to how to get a PAN card.

72. Should I ask for internet access to my trading and demat accounts?

Yes, it is preferable. This would facilitate you to keep a real time track of your account and the valu securities held therein.

73. Can I designate an existing demat account under RGESS?

Yes, provided you are eligible as a 'new retail investor' under RGESS. To designate your existing de account under RGESS you need to submit a declaration in prescribed format (i.e., 'Form A') to your DP.

74. Where will I get 'Form A' Form «B» etc?

You can get 'Form A' and Form 'B' from your DP or download it from the website directly. Click her download. Form A & B can be submitted either in electronic (if the facility exists) or physical for Depository will also make available the application to be submitted for seeking exemption from RGES any particular year(s).

75. Can I designate or open more than one demat account for RGESS?

No. You can have only one demat account under RGESS, across depositories (i.e., NSDL / CDSL).

76. Is there a low cost demat account for RGESS?

With a view to achieve wider financial inclusion, encourage holding of demat accounts and to reduce cost of maintaining securities in demat accounts for retail individual investors, it has been decided o August 2012 that all depository participants (DPs) shall make available a «Basic Services Demat Acco (BSDA) with limited services to all the individuals who have or propose to

have only one demat acco where they are the sole or first holder, with value of securities held in that demat account not excee Rupees 2 lakhs at any point of time. For such demat accounts no Annual Maintenance Charges (AMC be levied by DPs, if the value of holding is upto Rs. 50,000. For the value of holding from Rs 50,001 to reduce their cost of operations in the equity market by designating their RGESS account also as a BSDA account. The form for designating the account as a BSDA account can be downloaded from the websites of depositories - NSDL & CDSL

The comparative charges of opening demat accounts with various Depository Participants may be seen from the respective websites of Depositories - NSDL and CDSL.

77. What are the do's and don'ts while operating in securities market?

Please see the SEBI guidelines in this regard. Please see the websites of Exchanges - BSE and NSE for safety advices. See the investor guides of NSDL and CDSL too.

SEBI maintains an updated, comprehensive website for education of investors (www.investor.sebi.gov.in). Please go through the materials given in there, before making investments in securities market.

78. How can I register my complaints with respect to my transactions in securities market?

In the event of any complaint you should first approach the concerned company/ intermediary against whom you have a complaint / grievance. SEBI has directed all the stock exchanges, registered brokers, sub-brokers, depositories, mutual funds and listed companies to make a provision for a special email ID of the grievance redressal division/ compliance officer for the purpose of registering complaints by the investors.

If the complaint is not resolved at the level of company / intermediary you may approach the concerned depository / Exchange.

Depositories and Stock Exchanges have set up investor grievance redressal cells for fast redressal of investor complaints relating to securities markets. Exchanges have set up an Investor Protection Fund (IPF) to meet the claims of investors against defaulter brokers; The Exchanges and depositories also assist in arbitration process between brokers/ depository participants and investors.

Please see the websites of Exchanges - BSE and NSE - and Depositories - NSDL & CDSL -regarding the details of investor grievance redressal mechanisms.

If the complaint is not resolved at the level of exchanges / depositories, you may escalate the complaint to the market regulator, SEBI. SEBI also directly takes up complaints related to issue and transfer of securities and non-payment of dividend with listed companies. In addition, SEBI also takes up complaints against the various intermediaries registered with it like mutual funds, stock brokers and related issues. SEBI has also set up a mechanism for redressal of investor grievances arising from the issue process.

SEBI commenced a new web based centralized grievance redress system called as SCORES (SEBI Complaints Redress System) on June 8, 2011. In the new system, all the activities starting from lodging of a complaint till its closure by SEBI are online in an automated environment and the status of every complaint can be viewed online in the above website at any time. An investor, who is not familiar with SCORES or does not have access to SCORES, can also lodge complaints in physical form. Such complaints are scanned and uploaded in SCORES for processing. In view of above, all grievances received will be in electronic mode with facility for online updation of Action Taken Reports by the users.

Investors can write/ call/ mail their query to asksebi@sebi.gov.in and their queries are replied.

The toll free helpline service numbers **1800 22 7575 / 1800 266 7575** are available to investors from all over India and is in 14 languages viz. English, Hindi, Marathi, Gujarati, Tamil, Bengali, Malayalam, Telugu, Urdu, Oriya, Punjabi, Kannada, Assamese and Kashmiri. The toll

free helpline service is available on all days from 9:30 a.m to 5:30 p.m (excluding declared holidays). Further, SEBI has opened local offices at Bangalore, Bhubaneshwar, Chandigarh, Guwahati, Hyderabad, Indore, Jaipur, Kochi, Lucknow and Patna to provide the service to the investors in these localities.

You can also approach Capital Market Division, Department of Economic Affairs, Ministry of Finance for resolving your grievances / submitting your suggestions.

79. If the RGESS account holder has expired and if the securities are under fixed lock-in, can it be transferred to the nominee / legal heir?

Yes; Depositories would enable such transfers upon request from the legal heir / nominee even though the securities are under fixed lock-in.

The legal heir / nominee can file for the tax exemption as a representative assessee for the expired RGESS beneficiary, for the year in which the expired RGESS account holder has not availed of the tax exemption on his RGESS investments. However, the legal heir cannot claim benefits on his behalf for the subsequent years.

If the transferee /legal heir is also an RGESS beneficiary, he would be entitled to receive the securities from the account of the expired beneficiary.

V. Implementation of Lock-in conditions and Valuation of securities under RGESS

80. What will be the basis for valuation of initial investment made under RGESS for availing tax benefit?

Valuation of initial investments i.e., upto Rs.50,000, for availing tax benefits under RGESS will be based on the cost of acquisition of eligible securities. This means that it excludes brokerage charges, Securities Transaction Tax, stamp duty, service tax and all taxes which are appearing in the contract note issued by the stock broker. The cost of acquisition (or the price at which the specified quantity was purchased) i taken by the depositories directly from the stock exchange on which the transaction has been done. Yo may verify the entries made by the depositories as «initial investment under RGESS» using the informatio given in the contract note provided to you by your broker.

81. What is the holding period for investments made under RGESS?

Investment holding period under RGESS is three years which includes 'Fixed Lock-in' and 'Flexible lock-in' This investment holding period is applicable for all year(s) in which investment is made under RGESS.

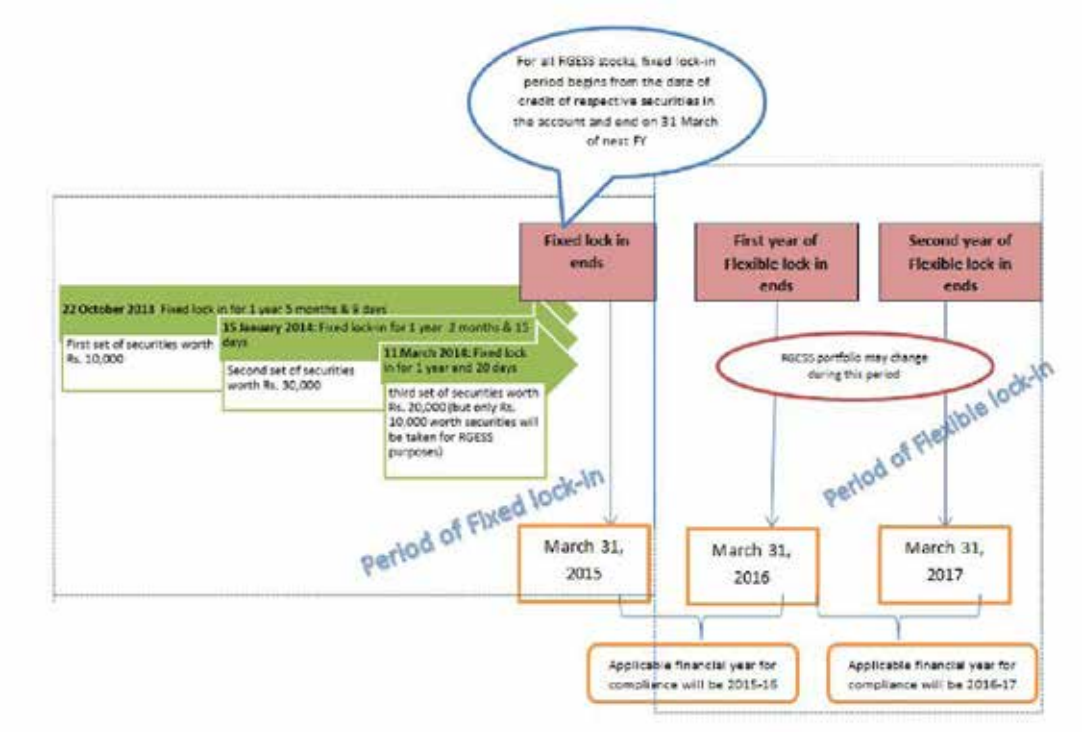
Example:

Let us say, you have purchased eligible securities worth Rs. 50,000 on 31 December 2013 in a RGESS designated demat account. The eligible securities will be in 'Fixed lock-in' till 31 March 2015 and for flexibl lock-in till 31 March 2017.

In case you intend to sell investment made under RGESS within three years, it can be done only afte completion of *'Fixed Lock-in'* period, subject to certain conditions. The lock-in time lines in case o investments made at once and in installments are illustrated in the below mentioned graph.

RGESS lock-in period if investments are brought in at once

RGESS lock-in period if investments are brought in as installments



82. What is 'Fixed Lock-in' period? Has the concept changed from that adopted during FY 201213?

'Fixed Lock-in' period shall commence from the date of credit of first set of eligible securities in the relevant financial year and end on the 31st day of March of the year immediately following the relevant financial year. . Investor is not allowed to sell / pledge securities during this period.

In FY 2012-13, the concept of fixed lock-in and hence, the flexible lock-in were on a rolling basis. For instance, Fixed Lock-in' period commenced from the date of purchase of first set of eligible securities in the relevant financial year and end one year from the date of purchase of the last set of eligible securities (in the same financial year). For instance, if you had purchased the first set of eligible securities worth Rs. 20,000 on December 25, 2012 and next set of eligible securities worth Rs. 20,000 on December 31, 2012 in a RGESS designated demat account, then the 'Fixed lock-in' period for both set of eligible securities will start from December 25, 2012 and will end on December 30, 2013. Two years from December 30, 2013 i.e., on 30 December 2015 the flexible lock-in would have come to an end.

When RGESS was extended for 3 years in FY 2013-14, this necessitated a change in the concept of Fixed lock-in and hence in flexible lock-in. Presently both the lock-in periods are calculated on a financial year basis.

Example:

If you have purchased first set of eligible securities worth Rs. 20,000 on 22 October, 2013 and next set of eligible securities worth Rs. 20,000 on 11 March, 2014 in a RGESS designated demat account, then the 'Fixed lock-in' period for both set of eligible securities will start from 22 October, 2013 or 11 March 2014, as the case may be, and will end for both on 31 March 2015.

83. I started my RGESS investment in FY 2012-13; Am I also bound by the new definition of fixed lock-in?

Yes.

84. When the lock-in period does start? From the date of purchase or from date of credit of securities in the demat account?

As there can be a time gap between the date of purchase and date of credit, the fixed lock-in period will commence from the date of 'credit' of such securities in the demat account during the relevant financial year .

85. Won't the above method of calculating fixed lock in result in lock-in for more than three years?

Yes, if the investment is made in the beginning months of a financial year, the investment may be locked in for more than three years. Since the investor is given the flexibility (of no lock-in) for around 90 days in each of the flexible lock-in period, this extra lock-in period in the first year is sort of compensated for.

86. Can I sell / pledge eligible securities declared for RGESS during 'Fixed Lock-in' period?

No. You are not allowed to sell, pledge or hypothecate eligible securities during 'Fixed Lock-in' period.

87. What is 'Flexible Lock-in' period?

The period of two years beginning immediately after the end of the fixed lock-in period shall be called the 'Flexible Lock-in' period.

88. Can I trade / sell during flexible lock-in period?

During 'Flexible lock-in' period, you can trade (sell/buy) the eligible securities and remain eligible to claim tax benefit under RGESS, provided that, the RGESS demat account is compliant for a cumulative period of a minimum of two hundred and seventy days during each of the two years of the flexible lock-in period. This means that you get almost a quarter of the year to churn your portfolio.

89. How the valuation of securities is done during the flexible lock-in period?

For checking compliance with the Scheme after any sale is done from the RGESS portfolio during the flexible lock-in period, the following balances of securities will be considered at the closing price **as on the previous day of the date of 'trading'** (which is what get reflected as the value of the portfolio in the demat account of the investor on any day during trading hours; This is done to facilitate the decision making by investors). The date of trading is obtained by the depositories directly from the stock exchanges.

a. The balances of securities which were under fixed lock-in in the previous financial years (and are presently in flexible lock-in periods), irrespective of its status as an 'eligible security' as on the date of valuation (This means that even if the security had gone out of the CNX 100 or BSE 100 list, if it was a part of the fixed lock-in and still retained in the account it would be considered towards the valuation of RGESS portfolio).

b. The balances of securities which are appearing in the list of eligible securities as on the date of valuation, even though not forming part of the securities which were held under fixed lock in. These securities could have been bought by the investor during fixed lock-in period or subsequently.

c. Additional credit of securities received through Bonus/Rights as part of corporate action on eligible securities.

The securities currently kept under fixed lock-in will not be counted towards calculation of compliance with flexible lock-in period. (i.e., any gain in valuation of securities presently kept under fixed lock-in cannot be utilized for meeting the requirements of currently running flexible lock-in period(s)).

90. How does DPs allot the fresh investments made in subsequent years?

Any credit of eligible securities into the demat account in subsequent years will first be considered for compliance with the requirement of flexible lock-in of earlier previous year (s) and the remaining securities will be considered as fresh investment of the financial year in which the investment is made and will be eligible for deduction under sub-section (1) of Section 80CCG of the Act in that financial year.

For the purpose of valuation of investment during the flexible lock-in period, the closing price as on the previous day of the date of trading shall be considered, while original investments on which benefits are claimed will be valued at the acquisition cost.

In a scenario where the investment done in the second financial year has to be allocated partly towards compliance with the first year and partly towards fixed lock-in as investments for the second year, the securities allocated towards compliance with the flexible lock-in period for the previous years would be valued on the basis of closing price of the previous day of the date of trading / execution as the case may be and the securities allocated towards RGESS investment would be valued on the basis of trading price.

e.g. If there is a non-compliance to the extent of Rs. 10,000 towards first financial year and in the second financial year the investor purchases 1000 securities @ Rs. 20 (trading price) for which the closing price before trading day was Rs. 25, then 400 securities (25*400=10000) will be allocated towards compliance and remaining 600 securities @20 = Rs. 12,000 will be under fixed lock-in as investments for the second year.

91. After first year, if the value of the RGESS eligible portfolio crosses the first year's investment value can the excess value be considered as the new investment done in the second year?

Section 80CCG of the IT Act mandates that securities should have been acquired by the investor in the relevant previous year; In view of the same, surplus investments made in the previous years are not carried over as fresh investments for the subsequent year for claiming benefits under RGESS for that year. However, if there are eligible securities they will be counted towards compliance for the flexible lock-in period.

92. Is there a difference in the valuation of RGESS eligible securities as compared to the general valuation principle adopted by Depositories?

Yes. Valuation of initial investments for claiming tax benefits under RGESS is mentioned in Q. No. 80. The valuation criterion for the securities during the flexible lock-in period is mentioned in Q. No. 89.

Depositories generally value the securities in a demat account based on the closing price of the securities at the exchanges (for CDSL closing price at BSE is taken; for NSDL closing price at NSE is taken) for that day. The same is updated after the close of market hours every day. Since RGESS valuation is done at the actual price of acquisition for the initial investment and at previous day's closing price during flexible lock-in period, it is different from the general valuation done by depositories for other securities.

However, for RGESS beneficiaries, depositories will show separately the value of initial investment under RGESS and the value of his/ her RGESS portfolio on a day to day basis.

93. How the three year lock-in condition is implemented?

The total lock-in period for investments under the Scheme would be three years including a fixed lock-in period of one year, commencing from the date of credit of securities in your demat account under RGESS.

After the fixed lock-in period, investors would be allowed to trade, in furtherance of the goal of promoting an equity culture and also as a provision to protect them from adverse market movements or stock specific risks, as also to give them avenues to realize profits.

Investors would, however, be required to maintain their level of investment during these two years at the amount for which they have claimed income tax benefit or at the value of the portfolio before initiating a sale transaction, whichever is less, for at least 270 days in a year. This process is clarified below:

a. The RGESS account will be **deemed to be compliant unless such a trade (sale) is done** that brings the value of the RGESS portfolio, on the date of sale, below the amount for which benefits have been claimed under RGESS, when valued at the closing price of the stocks / units on the preceding day of trading. This means that as long as the market valuation of all the RGESS eligible securities in your account (excluding those which are currently in the fixed lock-in period) is above the amount for which benefits have been claimed, you can sell off securities above such level, without necessitating you to further purchase any RGESS eligible securities. Further, even if the market valuation of all RGESS eligible securities in your account is below the amount for which benefits have been claimed, if you have not sold off any security, you will still be deemed compliant with the Scheme; the clock ticks in only if a 'sale' is done from the RGESS eligible securities. This gives protection from general market declines.

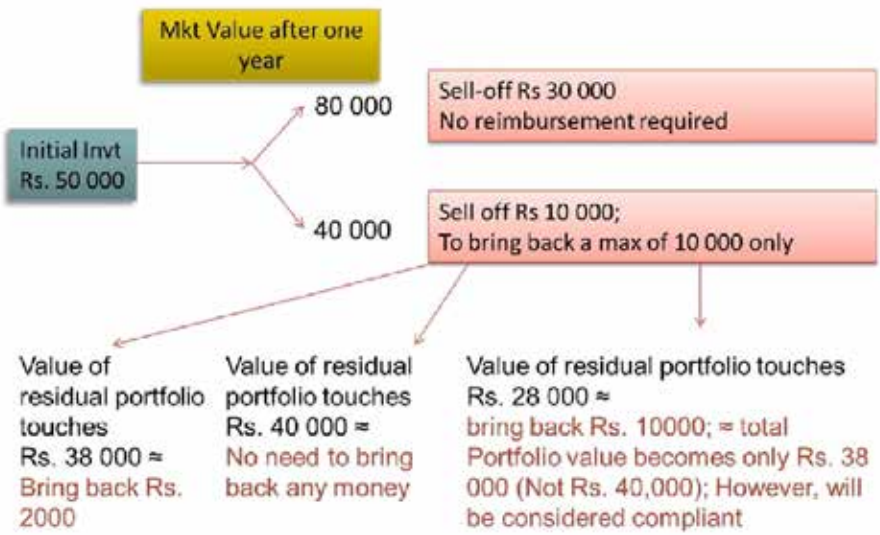
b. **In case of any sale during the flexible lock-in period** by which the value of the cumulative RGESS portfolio (i.e, value of securities kept in all the currently running flexible lock-in periods including value of other RGESS eligible securities not under fixed lock-in) goes below the cumulative amount for which tax benefits have been claimed (i.e., sum of all tax claims made in all the relevant years corresponding to the presently running flexible lock-in periods), then the account would be deemed to be RGESS compliant only from the day on which the value of the RGESS portfolio becomes at least equivalent to the amount for which tax benefits have been claimed or the value of the RGESS portfolio before such sale, whichever is less. This may happen in any of the following manner, in part or full:

   i. **Due to market movements,** the cumulative value of the remaining RGESS portfolio becomes not less than the cumulative amount for which RGESS benefits have been claimed or the value of cumulative RGESS portfolio before the sale of such securities, whichever is less.

   ii. The investor **deposits some RGESS compliant securities** so that after depositing these securities, the cumulative value of the RGESS portfolio becomes not less than the cumulative amount for which RGESS benefits have been claimed or the cumulative value of RGESS portfolio in that account before sale of such securities, whichever is less.

   iii. The investor **purchases RGESS compliant securities in the account for a value not less than the value of the securities sold off; The maximum amount that an investor needs to bring back is what he sold off if the market movement does not benefit him.**

If the account has become compliant once, then it will be deemed to have complied for the rest of the time period until the next transaction happens that takes the value of portfolio below the tax claimed amount. The various scenarios are clarified as below:



The investor need to bother about purchasing back eligible securities, only if the investor sells those eligible securities which were under fixed lock-in (irrespective of their status as eligible securities as on the date of sale) or those securities which were not under fixed lock-in but were considered for valuation of investment of eligible securities during flexible lock-in period as mentioned in Q.No. 89 above.

Example If an investor had claimed deduction on RGESS investment of value Rs. 50,000 of 400 shares of company A and had also bought additional 200 shares of company A (this additional purchase might have been done either in fixed lock-in period or in flexible lock-in period) then:- (a) for any sale upto 200 shares of company A in the flexible lock-in period, it would be deemed that the investor had sold off the additional 200 shares of Company A and not from the original set of 400 shares kept under fixed lock-in; this means that the investor need not have to be concerned about bringing back those shares. (b) Instead, if such an investor sells 300 shares of company A, he will be tracked for recouping the amount (if the residual value of the portfolio was below the investment claimed under RGESS) and value of 600 shares of Company A will be considered as the value of investment portfolio under the Scheme before sale.

compliant from the day on which the value of investment portfolio becomes equal to investment claimed as eligible for deduction under Section 80CCG or the value of investment portfolio before such sale, whichever is less, even though there was no purchase of eligible securities after such sale.

94. What will happen if I do not trade (sell/buy) eligible securities during 'Flexible Lock-in' period?

In case, you do not trade (sell/buy) the eligible securities during the 'Flexible Lock-in' period, your RGESS demat account will remain compliant irrespective of the value of investment portfolio held under RGESS.

95. What will happen to my demat account at the end of flexible lock-in period?

Your demat account designated for RGESS will be converted into a regular or ordinary demat account at the end of all the relevant flexible lock-in periods and the securities contained therein will be freely transferable.

VI. Monitoring and Penalties

96. Do I have to value RGESS eligible securities for the purposes of compliance with the provisions of the Scheme?

No. The day to day valuation of securities in your RGESS portfolio and your compliance with the Scheme for 270 days etc will be monitored by the Depositories / Depository Participant (DP) and information about the same can be obtained from the DP. However, you may verify the entries / valuation of securities made into your demat account and in case of any discrepancy immediately take it up with your DP. The Depositories would be checking your compliance individually for each year and also for the cumulative amount.

97. How do I claim for tax deduction?

You would receive a copy of the new retail investor certificate and the annual account statement provided by your DP to the Income-tax department. You are required to indicate these details in the Income-tax returns filed by you.

98. Who will give me new retail investor certificate and annual account statement?

The new retail investor certificate will be issued to you by the concerned DP after verification of your credentials across the other depositories and Exchanges. The certificate will be issued to you within one month after you make your first investment in RGESS eligible scrip. (In FY 2012-13, when the Scheme was introduced, the provision was to issue the certificate within one month from the date of opening the demat account. Since the Scheme has now been extended to three years, and given the new definitions of "new retail investor" and "initial year" the depositories need to check for your new retail investor status only after getting the first credit into your account.)

You can either ask your DP to give you the new retail investor certificate or can download it from the web facility offered to you by your DP (if available).

The annual account statement will also be provided to you by your depository participants indicating your compliance with the scheme.

99. What is the penalty if I violate the conditions of RGESS?

If the assessee, in any previous year (including the two years of flexible lock-in), fails to comply with any condition specified under RGESS, the deduction originally allowed shall be deemed to be the income of the assessee of such previous year and shall be liable to tax for the assessment year relevant to such previous year.

Example

If the assessee fails to meet any of the conditions during the second year of RGESS (i.e., when only the first year investment is in flexible lock-in), then he is required to pay tax on the entire investment (not just for the shortfall) claimed as deduction under Section 80CCG (RGESS) in the income for that year and pay tax accordingly.

100. How the penalty is calculated / allotted in case of investments for more than one year are in the flexible lock-in period?

If the investment portfolio in flexible lock-in period corresponds to the investment made in two assessment years then allotment of penalty is done after checking for compliance individually for each year and also for the cumulative amount.

Example:

Investment made in the first year - Rs. 50,000

Investment made in the second year – Rs. 25,000

Investment made in the third year – Rs. 30,000

If we are checking for compliance in the third year, where Rs. 50,000+ 25,000 = Rs. 75000 is under flexible lock-in

	Account remains compliant for an amount > Rs. 50,000 for 270 days in the year	Account remains compliant for an amount > Rs. 25,000 for 270 days in the year	Account remains compliant for an amount > Rs.75,000 for 270 days in the year	Penalty applicable
Scenario 1	Yes	Yes	Yes	No penalty
Scenario 2	No	Yes	No	First year investment of Rs. 50,000 is declared non-compliant and need to be added to the present year's income while filing tax returns for that year.
Scenario 3	No	No	No	Both first year and second year investments are declared non-compliant and Rs. 75000 need to be added to the present year's income while filing for tax returns for that year.
Scenario 4	Yes	Yes	No	The lowest investment of Rs. 25,000 made in the second year is declared non-compliant and need to be added to the present year's income while filing tax returns for that year.

101. What will be the effect of different types of corporate actions like split, consolidation, bonus, rights, etc. on RGESS eligible investment during flexible lock in period?

If there is any change in the RGESS investment due to corporate actions where investors do not have any choice (involuntary) e.g. split / demerger etc., there will not be any effect on compliance status of the account during flexible lock in. In case of bonus, etc., the additional shares allotted would be considered as RGESS securities to the extent allowed by the ratio of the existing RGESS securities in the account. The resulting securities would lie in the same category of lock-in (Fixed / Flexible) as the original securities.

If there is any change in the RGESS investment due to corporate actions where investors have the option to exercise their choice and results in debit of securities during flexible lock in, the same will be considered as a sale transaction. SEBI has notified the corporate actions allowed under RGESS, depending on the availability of choice to the investor. See SEBI operational guidelines for allowable corporate actions under RGESS.

102. Does this FAQ replaces the FAQ released in FY 2012-13?

Yes.

103. How the Scheme is monitored?

PAN has been made mandatory for opening demat accounts. RGESS monitoring is primarily based on the PAN details. Each clients' unique client code (UCC) assigned by the broker to the client, is linked to the Permanent Account Number (PAN) of that client and hence, depositories can easily verify who is a new investor based on information available with depositories and exchanges. New retail investor certificate will be issued by depositories through the concerned DP after internal and cross verification from the other depository and from stock exchanges

as to whether the beneficiary has already traded in equity / derivatives. Depositories also provide valuation of RGESS portfolio through the concerned DP and verify the conformity to stipulated conditions during flexible lock-in period. Income details of the PAN holders availing the RGESS Scheme are verifiable by IT Dept from their electronic database. Further, the details of RGESS beneficiaries will be handed over to the IT Department by the concerned depositories within 2 months after end of the financial year.

104. Whom can I contact for further details?

BSE Shri. Yogesh Bambardekar Deputy General Manager 14th floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001. Ph: +9122-22728286 Fax Number office: +912222721338 Email: yogesh.bambardekar@bseindia.com	**NSE** Shri. Yuvraj Patil Manager National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E) Mumbai-400 051 Phone:022-26598380 Fax:022-26598315 email: ypatil@nse.co.in	**CDSL** Shri. Farokh Patel Asst. Vice President Central Depository Services(India) Limited 16th floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 Ph.: 022-22723333 Fax 02222723199 Email : rgess@cdslindia.com
NSDL Mr. S. Ganesh, Senior Vice President, Investor Relationship Cell National Securities Depository Ltd., Trade World, A Wing, 4th floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. Board Tel: (022) 2499 4200 Fax: (022) 2497 6351 Email: relations@nsdl.co.in	**SEBI** Mr. Biswajit Choudhary, DGM Securities and Exchange Board of India, SEBI Bhawan, Plot No.C4-AS»G» Block, Bandra Kurla Complex, Bandra East. Mumbai - 400051. Ph: 022- 2644 9725 Fax: 022 -2644 9039 / 9027 Email: biswajitc@sebi.gov.in	**Ministry of Finance** Joint Secretary Capital Market Division Ministry of Finance North Block, New Delhi Ph: 2309 5246 Fax: 2309 4413 Email: rgess.2012@gmail.com

Circular No. NSDL/POLICY/ 2013/0101 Date: August 1, 2013	***Sub: Issuance of 'Annual Statement – RGESS' to RGESS designated depository account holders.*** As Participants are aware, Ministry of Finance, Government of India had issued notification dated November 23, 2012 for the Rajiv Gandhi Equity Savings Scheme (RGESS), 2012. In terms of clause 9 (2) of the said scheme, Participants are required to furnish an annual statement of RGESS eligible securities invested in or traded through the RGESS designated depository account to their clients. In order to facilitate the Participants to provide such RGESS annual statement to their clients, RGESS annual statement is made available in the following ways: The Participant can download the RGESS annual statement from the intranet site of NSDL i.e. https://i-Assist at the link 'Annual Statement for RGESS (ASR)'. The client can download the RGESS annual statement from the corporate website of NSDL i.e. www.nsdl.co.in or eservices website i.e. https://eservices.nsdl.com. The manner of authentication of the client and the procedure for download will be same as for downloading New Retail Investor Certificate (*informed vide Circular No. NSDL/POLICY/2013/052 dated April 9, 2013*).

	Further, Participants are advised to provide the aforesaid ASR to the clients either in electronic form (digitally signed) or in physical form (duly attested and signed by the authorised signatory of the Participant), as deemed appropriate.
Circular No. NSDL/POLICY/ 2013/0052 Date: April 9, 2013	***Sub: New Retail Investor Certificate – through NSDL website.*** As Participants are aware, the new Retail Investor Certificate for Rajiv Gandhi Equity Savings Scheme (RGESS) is made available to Participants through i-Assist for providing it to Clients (Ref. : Circular No. NSDL/POLICY/2013/0039 dated March 11, 2013). Participants are hereby informed that in addition to the above facility, the new Retail Investor Certificate for RGESS will also be made available on the website of NSDL for downloading directly by the Client. The features of the same are given below: 1. The new Retail Investor Certificate for RGESS will be made available within 5 working days after the account is designated for RGESS. 2. The new Retail Investor Certificate will be available at the corporate website i.e. www.nsdl.co.in and eservices website https://eservices.nsdl.com. 3. The Client will be required to provide selected account details to view the new Retail Investor Certificate. 4. The Client will be able to download and print the certificate for his future reference. The detailed features are enclosed. Participants may either continue to provide the new Retail Investor Certificate made available through i-Assist or inform the Clients that the new Retail Investor Certificate is available on NSDL website. **Annexure** Procedure to be followed by the investor to download New Retail Investor Certificate: 1. Go to the NSDL websites viz., www.nsdl.co.in or https://eservices.nsdl.com 2. Click on the link 'New Retail Investor Certificate for RGESS' 3. Provide the following credentials: a) DP ID b) Client ID c) PAN d) Last 4 digits of Bank Account No. (*Bank Account No. captured in the depository account of investor in NSDL system*) e) Verification Code (*as displayed in the image on the screen*) 4. Click on submit button and download the New Retail Investor Certificate. 5. Kindly note that all the mandatory fields are highlighted with '*' mark
Circular No. NSDL/POLICY/ 2013/0039 Date: March 11, 2013	***Sub: Issuance of New Retail Investor Certificate to RGESS designated depository account holders.*** Attention of Participants is invited to SEBI Circular No. CIR/MRD/DP/32/2012 dated December 6, 2012 (*informed vide NSDL Circular No. NSDL/POLICY/2012/0143 dated December 7, 2012*) regarding implementation of Rajiv Gandhi Equity Savings Scheme (RGESS) and NSDL Circular No. NSDL/POLICY/2013/0024 dated February 1, 2013 regarding Frequently Asked Questions (FAQs) on RGESS.

	In this context, Participants are hereby informed that the New Retail Investor Certificate to RGESS designated depository account holder will be made available under the link 'New Retail Investor Certificate - RGESS' at the intranet site of NSDL i.e., https://i-assist for download. Participants are requested to note that since the aforesaid certificate will be issued after verification of RGESS eligibility of the investor across the depositories and stock exchanges, the certificate is expected to be issued within one week from the date of designating depository account under RGESS. Further, Participants must provide the aforesaid certificate to the clients in physical form or electronic form via email or website portal or any other mode which Participants may deem fit.
Circular No. NSDL/POLICY/ 2013/0006 Date: January 8, 2013	***Sub: Implementation of Rajiv Gandhi Equity Savings Scheme (RGESS).*** Attention of Participants is invited to SEBI Circular No. CIR/MRD/DP/32/2012 dated December 6, 2012 (informed vide NSDL Circular No. NSDL/POLICY/2012/ 0143 dated December 7, 2012) regarding implementation of Rajiv Gandhi Equity Savings Scheme (RGESS). The following features are being introduced to facilitate Participants for RGESS implementation: 1. Eligibility of depository accounts marked for RGESS. 2. Access to information regarding ineligible depository accounts marked for RGESS on i-Assist. 3. Execution of quantity level freeze (*lock-in of eligible securities*). 4. Annual Transaction Statement for the accounts marked for RGESS. The feature details are enclosed at Annexure A. **Annexure**

SR NO	DP ID	CLIENT ID	PAN	RGESS ELIGIBILITY	REASON CODE
1	INXXXXXX	12345678	XXXXX1234X	Y	Always 'N.A.' in case of RGESS Eligibility is 'Y'
2	INXXXXXX	23456789	YYYYYY1234Y	N	01 - PAN exists as RGESS account in NSDL system. 02 - PAN & Transaction exists with NSDL 03 - PAN exists as RGESS account with Other Depository. 04 - PAN & Transaction exists with Other Depository 05 - PAN & Transaction exists with Stock Exchanges

Field Name	Parent Code	Code	Description
Freeze Level		1	Client Level Freeze Suspended For Debit And Credit
		2	Client Level Freeze Suspended For Debit
		3	ISIN Level Freeze Suspended For Debit
		4	Quantity Level Freeze
		6	ISIN Level Freeze Suspended For Debit And Credit
Freeze Reason		1	Request By Investor
		2	Other Reasons
		3	Request By Statutory Authority
		4	RGESS

Annexure A

1. **Eligibility of depository accounts marked for RGESS:**

(i) **Intra-Depository verification of RGESS designated account:**

After Participant has activated new depository account or modified existing eligible depository account for RGESS, the PAN details of sole/first holder in such depository account will be checked/ verified in the NSDL depository system (*including Closed depository accounts*) to check whether any RGESS designated depository account already exists in NSDL depository system with PAN details captured against the sole/first holder. In case depository account is found without RGESS flag in NSDL depository system, then it will be checked/verified, whether any transaction is carried out in respect of equity ISINs *(till the date of notification i.e., November 23, 2012)* in the depository account with such PAN details captured against the sole/first holder in NSDL depository system.

(ii) **Inter-Depository and Stock Exchange verification of RGESS designated depository account:**

After the aforesaid checking/verification is done as mentioned in point no. (i) above, and if **no** depository account is found with the matching criteria in NSDL depository system, then such PAN details will be forwarded to the other Depository and Stock Exchanges for necessary verification at their end.

(iii) **Response file :**

Based on the verification done as mentioned in point no. (i) & (ii) above and on receipt of response from the other Depository & Stock Exchanges, a response file named 'RGESS_Eligibility_Download_ DPID_dd/mm/yyyy' will be provided to Participants, which will contain DP ID, Client ID, PAN details along with RGESS eligibility and reason code, (if any) in respect of depository account(s) that were designated for RGESS but not eligible [*as per the Ministry of Finance (MOF) notification dated November 23, 2012*]. The response file will be made available by EOD of the next working day (*subject to response received from other Depository/Stock Exchanges*) at NSDL's intranet site (https://i-assist) under the link named 'RGESS Downloads'. The file format of the response file is enclosed at **Annexure I**.

(iv) **Modification in RGESS designated depository account :**

Based on Client ID & PAN details provided in the response file in case the Client is not RGESS eligible, Participants will be required to modify the RGESS flag by disabling it in such depository account(s) and send communication via letter / email / Client Master Report / Client modification letter generated from the DPM System or its back office or any other mode which Participants may deem fit to all such Clients informing about the changes effected in the depository account of the Client. In case of new depository account activation, Participants can send aforesaid communication alongwith client activation letter. The facility to modify the RGESS flag will be made available in the DPM system in next DPM version release scheduled on / before January 31, 2013. (*the file formats in respect of the back-office batch interface with Local DPM system for RGESS flag modification has been informed to Participants vide NSDL Circular No. NSDL/POLICY/2012/0150 dated December 28, 2012*)

As per clause 5 (b) of the Notification dated November 23, 2012, upon the request for activation of the RGESS flag by the Participant for the account in the DPM system it will be deemed that the Participant has forwarded the declaration in 'Form A' received from the Client to NSDL. Further, the declaration submitted in 'Form A' by the Client to the Participant should be retained with them only and should be made available to NSDL as and when requested for.

2) **Access to information regarding ineligible depository accounts marked for RGESS on i-Assist:**

Participants can access and download the aforesaid response files containing the Client details at NSDL's intranet site (i.e., https://i-assist) by following the procedure given below:

a) Login to intranet site of NSDL i.e., https://i-assist/. (Login to https://i-assist/ will be available from any DPM LAN machines).

b) Enter the existing 'Maker' User ID viz., DP ID & Password.

c) Click on the link named 'RGESS Downloads'.

3) **Execution of quantity level freeze (*lock-in of eligible securities*)**

To facilitate lock-in of the eligible securities credited into the RGESS designated depository account(s), NSDL will execute quantity level freeze in respect of eligible securities based on the value of securities (*credited in RGESS designated depository account*) as per the trade details provided by the Stock Exchanges. For this purpose, NSDL will seek necessary trade details from Stock Exchanges viz. actual trade value, trading date, settlement number, etc, in respect of eligible securities credited in such RGESS designated depository accounts.

The new freeze reason viz., 'RGESS' is introduced in the DPM System in freeze module under quantity level freeze option. For back office interface with DPM System, necessary changes have been incorporated in the static data code of the DPM system. The updated list of static data code is enclosed at **Annexure II**.

Further, Participants are requested to note that such eligible securities that are frozen for RGESS cannot be pledged or hypothecated as per the MOF notification dated November 23, 2012.

A few examples have been illustrated below to exhibit the mode of execution of quantity level freeze under RGESS in respect of RGESS designated depository accounts:

Illustration 1:

a) Eligible securities worth Rs. 50,000 are purchased on the same date through SEBI registered Stock Broker:

(i) Client purchases eligible securities worth Rs. 50,000 on **December 26, 2012**. The securities are credited in the RGESS marked depository account of the Client on **December 28, 2012**.

(ii) NSDL will execute quantity level freeze in respect of these eligible securities in this depository account based on the trade details received from the respective stock exchanges.

(iii) These securities would be in 'Fixed Lock-in' period i.e., frozen status. Quantity level freeze will be executed from the settlement start date (*i.e., trade date **December 26, 2012***) till one year i.e. till the EOD of **December 25, 2013**.

(iv) The quantity level freeze will be applicable till the completion of 'Fixed Lock-in' period and removed in the BOD of next business day (*i.e. **December 26, 2013***). The 'Flexible lock-in' period will be applicable from the freeze unlock day till next two years (*i.e., from the 'Settlement Start Date' + 3 years*) till **December 25, 2015**. The Client is permitted to trade the eligible securities after the completion of the fixed lock-in period during flexible lock-in period (*i.e. **December 25, 2013** to **December 25, 2015***)

(v) After the completion of 'Flexible lock-in' period, the RGESS flag will be disabled in the BOD of next business day i.e. **December 26, 2015**.

Illustration 2:

b) Eligible securities purchased on different dates through SEBI registered Stock Broker:

Value of securities credited *	***Trade Dates (Settlement Start Date)***	***Duration of quantity level freezes applicable***
Rs. 10,000	December 23, 2012	1 Year, 2 Months & 15 Days
Rs. 30,000	January 15, 2013	1 Year, 1 Month & 25 Days
Rs. 10,000	March 11, 2013 **	1 Year

**** (value of securities will be calculated on the basis of trade details received from the respective Stock Exchanges)***

***** (Last trade of the eligible securities under RGESS Lock-in)***

(i) The quantity level freeze will be applicable till the completion of 'Fixed lock-in' period i.e., **March 10, 2014** and the same will be removed in the BOD of the next business day i.e., **March 11, 2014**.

	(ii) These securities would be in 'Fixed Lock-in' period i.e., frozen status for one year. The duration of quantity level freeze applicable for various eligible securities credited in different dates (*as mentioned in the example above*) will be of the last securities credited in such depository account, as per the trade details provided by the Stock Exchanges i.e., from the last settlement start date (*i.e., **March 11, 2012***) till one year i.e. till the EOD of **March 10, 2014**. (iii) The quantity level freeze will be applicable till the completion of 'Fixed Lock-in period and removed in the BOD of next business day i.e. **March 11, 2014**. The 'Flexible lock-in' period will be applicable from the unfreeze day till next two years (*i.e., from the last trade date + 3 years*) till **March 10, 2016**. (iv) After the completion of 'Flexible lock-in' period, the RGESS flag will be disabled in the BOD of next business day i.e. **March 11, 2016**. 4) **Annual Transaction Statement for the accounts marked for RGESS** The Participant will be required to furnish an annual statement of the eligible securities invested in or traded through the depository account to the RGESS depository account holder. NSDL will facilitate the Participants to provide the same, the details of which will be provided shortly.
Circular No. NSDL/POLICY/ 2012/0143 Date: December 7, 2012	***Sub: SEBI's clarification on Rajiv Gandhi Equity Savings Scheme (RGESS)*** Attention of Participants is invited to NSDL Circular Nos. NSDL/POLICY/2012/0104 dated September 26, 2012, NSDL/POLICY/2012/0138 dated November 29, 2012 and NSDL/POLICY/2012/0142 dated December 6, 2012 regarding Rajiv Gandhi Equity Savings Scheme (RGESS). Further to the above, SEBI has issued clarification vide its Circular No. CIR/MRD/DP/32/2012 dated December 6, 2012. Copy of the same is enclosed for information and compliance.
Circular No. NSDL/POLICY/ 2012/0138 Date: November 29, 2012	***Sub: Rajiv Gandhi Equity Savings Scheme, 2012 notified by Government of India vide its Notification dated November 23, 2012.*** All Participants are hereby informed that Government of India, Ministry of Finance, Department of Revenue notified the Rajiv Gandhi Equity Savings Scheme, 2012 vide its Notification dated November 23, 2012. Copy of the same is enclosed for information and compliance.

[TO BE PUBLISHED IN PART II, SECTION 3, SUB-SECTION (ii) OF THE GAZETTE OF INDIA, EXTRAORDINARY, DATED THE 23rd November, 2012]

Government of India

Ministry of Finance

Department of Revenue

Notification

New Delhi, the 23rd November , 2012.

(Income-tax)

S.O. 2777(E).— In exercise of the powers conferred by sub-section (1) of section 80CCG of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following Scheme, namely:-

1. Short title, commencement and application. -

(1) This Scheme may be called the Rajiv Gandhi Equity Savings Scheme, 2012.

(2) It shall come into force on the date of its publication in the Official Gazette.

(3) This Scheme shall apply for claiming deduction in the computation of total income of the assessment year relevant to a previous year on account of investment in eligible securities under sub-section (1) of section 80CCG of the Income-tax Act, 1961.

2. Objective of Scheme.-The objective of the Scheme is to encourage the savings of the small investors in domestic capital market.

3. Definitions.- In this Scheme, unless the context otherwise requires,-

(i) "Act" means the Income-tax Act, 1961 (43 of 1961);

(ii) "demat account" means an account opened with the depository participant in accordance with the guidelines laid down by the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(iii) "depository" means a company as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996 (22 of 1996);

(iv) "depository participant" means a participant as defined in clause (g) of sub-section (1) of section 2 of the Depositories Act, 1996 (22 of 1996);

(v) "eligible securities" means any of the following :

(a) equity shares, on the day of purchase, falling in the list of equity declared as "BSE-100" or " CNX-100" by the Bombay Stock Exchange and the National Stock Exchange, as the case may be;

(b) equity shares of public sector enterprises which are categorised as Maharatna, Navratna or Miniratna by the Central Government;

(c) Units of Exchange Traded Funds (ETFs) or Mutual Fund (MF) schemes with Rajiv Gandhi Equity Savings Scheme (RGESS) eligible securities as underlying, as mentioned in sub-clause (i) or sub-clause (ii) above, provided they are listed and traded on a stock exchange and settled through a depository mechanism;

(d) Follow on Public Offer of sub-clauses (i) and (ii) above;

(e) New Fund Offers (NFOs) of sub-clause (iii) above;

(f) Initial Public Offer of a public sector undertaking wherein the government shareholding is at least fifty-one per cent. which is scheduled for getting listed in the relevant previous year and whose annual turnover is not less than four thousand crore rupees during each of the preceding three years;

(vi) " financial year" means a year commencing on the 1st day of April and ending on the 31st day of March;

(vii) "Form" means the Form appended to the Scheme;

(viii) "investment" means investment by an assessee in any of the eligible securities in accordance with the Scheme;

(ix) "new retail investor" means the following resident individuals:

(a) any individual who has not opened a demat account and has not made any transactions in the derivative segment as on the date of notification of the Scheme;

(b) any individual who has opened a demat account before the notification of the Scheme but has not made any transactions in the equity segment or the derivative segment till the date of notification of the Scheme,

and any individual who is not the first account holder of an existing joint demat account shall be deemed to have not opened a demat account for the purposes of this Scheme

(x) "Scheme" means the Rajiv Gandhi Equity Savings Scheme;

(xi) words and expressions used and not defined in this Scheme, but defined in the Act, shall have the meanings respectively assigned to them in the Act.

4. **Eligibility .-** The deduction under the Scheme shall be available to a new retail investor who complies with the conditions of the Scheme and whose gross total income for the financial year in which the investment is made under the Scheme is less than or equal to ten lakh rupees.

5. **Procedure at time of opening demat account.-**The new retail investor shall follow the following procedure at the time of opening or designating a demat account :-

(a) the new retail investor shall open a new demat account or designate his existing demat account for the purpose of availing the benefit under the Scheme;

(b) the new retail investor shall submit a declaration in Form A to the depository participant who will forward the same to the depository for verifying the status of the new retail investor;

(c) the new retail investor shall furnish his Permanent Account Number (PAN) while opening the demat account or designating the existing account as a Rajiv Gandhi Equity Savings Scheme eligible account, as the case may be.

6. **Procedure for investment under Scheme.-**A new retail investor shall make investments under the Scheme in the following manner :-

(a) the new retail investor may make investment in eligible securities in one or more than one transactions during the year in which the deduction has to be claimed;

(b) the new retail investor may make any amount of investment in the demat account but the amount eligible for deduction, under the Scheme shall not exceed fifty thousand rupees;

(c) the eligible securities brought into the demat account, as declared or designated by the new retail investor, will automatically be subject to lock-in during its first year, as per the provisions of paragraph 7, unless the new retail investor specifies otherwise and for such specification, the new retail investor shall submit a declaration in Form B indicating that such securities are not to be included within the above limit of investment;

(d) the new retail investor shall be eligible for a deduction under sub-section (1) of section 80CCG of the Act in respect of the actual amount invested in eligible securities , in the first financial year in respect of which a

declaration in Form B has not been made, subject to the maximum investment limit of fifty thousand rupees;

(e) the new retail investor who has claimed a deduction under sub- section

(1) of section 80CCG of the Act, in any assessment year, shall not be allowed any deduction under the Scheme for any subsequent assessment year;

(f) the new retail investor shall be permitted a grace period of three trading days from the end of the financial year so that the eligible securities purchased on the last trading day of the financial year also get credited in the demat account and such securities shall be deemed to have been purchased in the financial year itself;

(g) the new retail investor may also keep securities other than the eligible securities covered under the Scheme in the demat account through which benefits under the Scheme are availed;

(h) the new retail investor can make investments in securities other than the eligible securities covered under the Scheme and such investments shall not be subject to the conditions of the Scheme nor shall they be counted for availing the benefit under the Scheme;

(i) the investment under the Scheme shall consist of all eligible securities covered under the Scheme that are initially bought by the investor under the Scheme or that are bought subsequently by the investor as per the provisions of the Scheme;

(j) the deduction claimed shall be withdrawn if the lock-in period requirements of the investment are not complied with or any other condition of the Scheme is violated.

7. Period of holding requirements. -(1) The period of holding of eligible securities shall be three years to be counted in the manner detailed hereunder.

(2) All eligible securities are required to be held for a period called the fixed lock-in period which shall commence from the date of purchase of such securities in the relevant financial year and end one year from the date of purchase of the last set of eligible securities (in the same financial year) on which deduction is claimed under the Scheme.

(3) The new retail investor shall not be permitted to sell, pledge or hypothecate any eligible security during the fixed lock-in period.

(4) The period of two years beginning immediately after the end of the fixed lock-in period shall be called the flexible lock-in period.

(5) The new retail investor shall be permitted to trade the eligible securities after the completion of the fixed lock-in period subject to the following conditions:

(a) the new retail investor shall ensure that the demat account under the Scheme is compliant for a cumulative period of a minimum of two hundred and seventy days during each of the two years of the flexible lock-in period as laid down hereunder:-

(A) the demat account shall be considered compliant for the number of days where value of the investment portfolio of eligible securities , within the flexible lock-in period, is equal to or higher than the amount claimed as investment for the purposes of deduction under section 80CCG of the Act;

(B) in case the value of investment portfolio in the demat account falls due to fall in the market rate of eligible securities in the flexible lock-in period, then notwithstanding sub clause(A), -

(i) the demat account shall be considered compliant from the first day of the flexible lock-in period to the day any such eligible securities are sold during this period;

(ii) where the assessee sells the eligible securities mentioned in sub-clause (B) from his demat account, he shall have to purchase eligible securities and the said demat account shall be compliant from the day on which the value of the investment portfolio in the account becomes -

(I) at least equivalent to the investment claimed as eligible for deduction under section 80CCG of the Act or;

(II) the value of the investment portfolio under the Scheme before such sale, whichever is less.

(6) The new retail investor's demat account created under the Scheme shall, on the expiry of the period of holding of the investment, be converted automatically into an ordinary demat account.

(7) For the purpose of valuation of investment during the flexible lock-in period, the closing price as on the previous day of the date of trading, shall be considered.

(8) While making the initial investments upto fifty thousand rupees, the total cost of acquisition of eligible securities shall not include brokerage charges, Securities Transaction Tax, stamp duty, service tax and all taxes, which are appearing in the contract note.

(9) Where the investment of the new retail investor undergoes a change as a result of involuntary corporate actions like demerger of companies, amalgamation, etc. resulting in debit or credit of securities covered under the Scheme, the deduction claimed by such investor shall not be affected.

(10) In case of voluntary corporate actions like buy-back, etc. resulting only in debit of securities, where new retail investor has the option to exercise his choice, the same shall be considered as a sale transaction for the purpose of the Scheme.

(11) The Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) shall notify the corporate actions, referred to in sub-paragraph (9), allowed under the Scheme in this regard.

8. If the new retail investor fails to fulfil any of the provisions of the Scheme, the deduction originally allowed to him under sub-section (1) of section 80CCG of the Act for any previous year, shall be deemed to be the income of the assessee of such previous year and shall be liable to tax for the assessment year relevant to such previous year.

9. (1) The depository shall certify the new retail investor status of the assessee at the time of designating his demat account as demat account for the purpose of the Scheme.

(2) The depository participant shall furnish an annual statement of the eligible securities invested in or traded through the demat account to the demat account holder.

10. The depository shall provide a consolidated statement of details in the electronic format, as specified in Form C, on all the Rajiv Gandhi Equity Savings Scheme beneficiaries to the Director General of Income Tax (Systems) or any other person authorised by him, within a period of thirty days from the end of the relevant financial year.

11. For the purpose of paragraph 10, the Director General of Income Tax (Systems) shall determine the procedures, formats and standards for furnishing of the report in electronic format in Form C by the depositories.

12. Assessees shall be liable to submit the relevant records to the income-tax authorities for verification, as and when required.

[Notification No. 51 /2012 F. No. 142/35/2012 –TPL)

(Raman Chopra)

Director (TPL-II)

Form A

[See paragraph 5(b)]

Declaration to be submitted by the investors to the depository participants for availing the benefits under the Rajiv Gandhi Equity Savings Scheme.

Name of the Investor:

(first holder)

Address of the investor:

Permanent Account Number (PAN):

1. It is hereby certified that* —
   (a) I do not have a demat account and I have not traded in any derivatives.
   (b) I have demat account no _____ in _____ depository participant but I have not traded in any equity shares or derivatives in this account.
   (c) I have a joint demat account no _____ in _____ depository participant but I am not the first account holder.
2. I hereby declare that I have read and understood all the terms and conditions of the Rajiv Gandhi Equity Savings Scheme.
3. It is hereby verified that I am an eligible new retail investor for availing the benefits under the Rajiv Gandhi Equity Savings Scheme.
4. I undertake to abide by all the requirements and fulfill all obligations under the Scheme, and will comply with all the terms and conditions of the Scheme.
5. I understand that, in case I fail to comply with any condition specified in the Scheme, the benefits availed there under will be withdrawn and the tax shall be payable by me accordingly.

Signature of the Investor

Place:

Date:

* Tick which ever is appropriate.

Form B

[See paragraph 6(c) and (d)]

Declaration to be submitted by the new retail investor to the depository participant on purchase of eligible securities.

To

Depository participant

Address

It is hereby informed that I have demat account no _____ in _____ depository participant and the following securities

(a)

(b)

(c)

(d)

(e) purchased in the aforesaid demat account on _____are not to be included as investment for the purpose of the Rajiv Gandhi Equity Savings Scheme.

Signature

Name of the Investor:

(first holder)

Address of the investor:

Permanent Account Number (PAN):

Form C

[See paragraphs 10 and 11]

Annual report to be submitted by the depository to the Income Tax Department in Electronic Format before 30th April.

(For 80 CCG benefits of Financial Year 2012-13)

							2012-13 Report to be furnished by 30th April 2013	2013-14 Report to be furnished by 30th April 2014	2014-15 Report to be furnished by 30th April 2015	2015-16 Report to be furnished by 30th April 2016
Name	PAN	DEMAT A/c No.	Date of opening A/c	Date of investment for the Purpose of lock-in (date of making the last investment in RGESS# eligible scrip)	Amount of Investment	Scrips locked in RGESS#	Whether A/c eligible under the RGESS# Scheme	Whether A/c compliant with RGESS# with respect to fixed lock-in*	Whether A/c compliant with RGESS# with respect to 270 days period*	Whether A/c complian t with RGESS# with respect to 270 days period*

(For 80 CCG benefits of Financial Year 2012-13)

* The Electronic Format shall be determined by the Director General of Income Tax (Systems) by 31st March, 2013.

**The Financial Year shall be enhanced by one Financial Year every year.

#RGESS means the Rajiv Gandhi Equity Savings Scheme.

Circular No. NSDL/POLICY/ 2013/0100 Date: August 1, 2013	***Sub: SEBI's guidelines on Investment by Qualified Foreign Investors (QFIs)*** All Participants are hereby informed that SEBI has vide its letter no. IMD/FIIC/OW/18730/2013 dated July 30, 2013 issued clarifications with respect to the following issues related to investment by QFIs: A. Opening a new demat account by a foreign investor, if he/she already holds a FDI account prior to setting up of a QFI demat account. **SEBI Clarification:** 1. An eligible entity shall be allowed to open only one demat account for the transactions under QFI route in terms of SEBI circular ref. no. CIR/IMD/FII&C/3/2012 dated January 13, 2012. However, it is clarified that such entity shall also be permitted to open one more demat account for doing transactions under FDI route. 2. Both the aforesaid demat accounts shall be opened with the same Qualified Participant (QP) so as to enable the QP to monitor the aggregate investment limit of 5 percent per ISIN in terms of Clause 4 of SEBI Circular ref. no. CIR/IMD/FII&C/13/2012 dated June 07, 2012. B. Nomination facility for QFI demat accounts. **SEBI Clarification:** 1. QFI shall be permitted to nominate any individual, who is eligible to invest in Indian securities market. 2. Nomination shall be permitted at the time of opening of QFI demat account/ subsequent to account opening. 3. At the time of transmission of securities, if the nominee does not meet the eligibility criteria applicable to QFI, prescribed from time to time, such nominee shall only be allowed to sell the existing securities lying in QFI demat account and shall not be allowed to make fresh purchases. Participants are requested to take note of the above and ensure compliance.
Circular No: NSDL/POLICY/ 2012/0126 Date: November 2, 2012	***Sub: Investment by Qualified Foreign Investors (QFI) in Indian Corporate Debt*** All Participants are hereby notified that Rule 12.1 of Business Rules of NSDL has been amended and is given below: **12.1. ACCOUNT OPENING** 12.1.1 Any person desiring to become a Client of the Participant shall make an application as per the forms which have been laid out in Annexures J and K of these Business Rules. 12.1.2 The Participant shall ensure that the application form submitted by the Client is completely filled, including the Bank Account particulars of the Client, and properly signed. 12.1.3 When the application referred to above has been found to be valid and accepted by the Participant and after the agreement specified under Annexure B of the Bye Laws has been signed, the Participant shall enter the data (on the application form) into the DPM (DP) and activate the Client account.

	12.1.4 The Client account number generated through DPM (DP) shall be referenced by the Client for all its transactions in the Depository system. 12.1.5 The applicant may open an account either singly or with one or more joint holders. The amended Business Rule 12.1 in track change mode is enclosed as Annexure A. **Amendments to Business Rule 12.1** **12.1. ACCOUNT OPENING** 12.1.1 Any person desiring to become a Client of the Participant shall make an application as per the forms which have been laid out in Annexures J and K of these Business Rules. 12.1.2 The Participant shall ensure that the application form submitted by the Client is completely filled, including the Bank Account particulars of the Client, and properly signed. 12.1.3 When the application referred to above has been found to be valid and accepted by the Participant and after the agreement specified under Annexure B of the Bye Laws has been signed, the Participant shall enter the data (on the application form) into the DPM (DP) and activate the Client account. 12.1.4 The Client account number generated through DPM (DP) shall be referenced by the Client for all its transactions in the Depository system. 12.1.5 The applicant may open an account either singly or with one or more joint holders.
Circular No: NSDL/POLICY/ 2012/0060 Date: June 7, 2012	***Sub: Revision in framework for Qualified Foreign Investor (QFI) investment in Equity Shares and Mutual Fund schemes*** Attention of Participants is invited to SEBI's Circular No. CIR/IMD/FII&C/13/ 2012 dated June 7, 2012 regarding revision in framework for QFI investment in Equity Shares and Mutual Fund schemes. Copy of the same is enclosed for information. **CIRCULAR** **CIR/ IMD/ FII&C/ 13/ 2012** **June 07, 2012** **All SEBI registered Intermediaries/ Recognized Stock Exchanges/ Depositories/ Mutual Fund/ qualified Depository Participants (DP)** **Sir / Madam,** **Sub: Revision in framework for Qualified Foreign Investor (QFI) investment in Equity Shares and Mutual Fund schemes** Vide SEBI circulars Cir/IMD/DF/14/2011 and Cir/IMD/FII&C/3/2012 dated August 09, 2011 and January 13, 2012, respectively, Qualified Foreign Investors **(QFI)** were allowed to invest in schemes of Indian mutual funds and Indian equity shares subject to terms and conditions mentioned therein. Subsequently, vide SEBI circular CIR/IMD/FII&C/4/2012 dated January 25, 2012, the eligibility criteria for a qualified DP was revised.

2. On a review and in consultation with the Government of India **(GoI)** and RBI, it has been decided to revise the definition of QFI as under:

QFI shall mean a person who fulfils the following criteria:

(i) Resident in a country that is a member of Financial Action Task Force **(FATF**) or a member of a group which is a member of FATF; and

(ii) Resident in a country that is a signatory to IOSCO's MMOU **(Appendix A Signatories)** or a signatory of a bilateral MOU with SEBI:

Provided that the person is not resident in a country listed in the public statements issued by FATF from time to time on-(i) jurisdictions having a strategic Anti-Money Laundering/Combating the Financing of Terrorism (**AML/CFT**) deficiencies to which counter measures apply, (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies:

Provided further such person is not resident in India:

Provided further that such person is not registered with SEBI as Foreign Institutional Investor or Sub-account or Foreign Venture Capital Investor.

Explanation.-For the purposes of this clause:

(1) The term "Person" shall carry the same meaning under Foreign Exchange Management Act (**FEMA**), 1999 and section 2(31) of the Income Tax Act, 1961;

(2) The phrase "resident in India" shall carry the same meaning as in the FEMA 1999, and Income Tax Act, 1961;

(3) "Resident" in a country, other than India, shall mean resident as per the direct tax laws of that country.

(4) "Bilateral MoU with SEBI" shall mean a bilateral MoU between SEBI and the overseas regulator that *inter alia* provides for information sharing arrangements.

(5) Member of FATF shall not mean an Associate member of FATF.

The definition of QFI, as provided in the circulars Cir/IMD/DF/14/2011 and Cir/IMD/FII&C/3/2012 dated August 09, 2011 and January 13, 2012, respectively, stands amended as above.

3. The word "Purchase" used in clause 6.1.4 of circular Cir/IMD/FII&C/3/2012 dated January 13, 2012 shall be substituted with the word "Subscription".

4. Between clauses 8.6 and 8.7 of Circular dated January 13, 2012, clause 8.6.1 is inserted to read as under:

"8.6.1. In case a person invests in the same company through both QFI route and FDI route, the aggregate holding of the person in such company shall not exceed five percent of paid up equity capital of the company at any point of time. This investment limit shall be applicable to each class of equity shares having separate and distinct ISIN. This shall be subject to guidelines on FDI as prescribed by GoI and RBI from time to time ."

	5. It has been decided to allow QFIs to make fresh purchases of eligible securities, out of the sale/ redemption/ dividend proceeds of any of the eligible securities. Further, it is clarified that all the eligible securities shall be held in a single demat account of the QFI. Eligible securities shall mean mutual fund units (under both direct and indirect route), equity shares, corporate debt and any other security which is permitted for investment by QFI from time to time by GoI, RBI and SEBI. Clause 4.7.7 of circular Cir/IMD/DF/14/2011 dated August 09, 2011 and Clause 9.2.2 of circular Cir/IMD/FII&C/3/2012 dated January 13, 2012 stand amended, accordingly. 6. It has been further decided to extend the option of appointment of custodian of securities by the QFI. The QFI, if it so desires, may appoint a custodian of securities, who would be obligated to perform clearing and settlement of securities on behalf of the QFI client. However, no person shall be appointed as custodian by the QFI unlessit is itself the qualified DP of the QFI and is also registered as custodian with SEBI under SEBI (Custodian of Securities) Regulations, 1996. 7. A QFI shall open a single non-interest bearing Rupee Account with an AD Category- I bank in India, for routing the receipt and payment for transactions relating to purchase and sale of eligible securities subject to the conditions as may be prescribed by RBI from time to time. Accordingly, it is clarified that henceforth there is no more requirement for opening and maintenance of a single rupee pool bank account by the qualified DP. QFIs, shall, henceforth invest in all eligible securities through this single non- interest bearing Rupee Account. Circulars dated August 9, 2011, January 13, 2012, and January 25, 2012 respectively, stand amended as above. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market. Yours faithfully, **S MADHUSUDHANAN** **Deputy General Manager** **Tel No.: 022-26449614** **Email: smadhu@sebi.gov.in**
Circular No: NSDL/POLICY/ 2012/0027 Date: February 29, 2012	***Sub: Operation of depository account of Qualified Foreign Investor (QFI) - QFI Client Search*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2011/ 0083 dated October 14, 2011 regarding 'Release of DPM System Version 4.0 -Operation of depository account of QFI'. As Participants are aware, at the time of opening the depository account of QFI, facility viz., 'QFI Client Search' under 'Client Maintenance' has been provided in the eDPM system to make a search on the PAN of the QFI to ascertain whether any such depository account exists in the depository system with such PAN captured against the first holder.

	As per point no. 7.1 of SEBI Circular No. CIR/ IMD/FII&C/3/2012 dated January 13, 2012 (refer NSDL Circular No. NSDL/POLICY/2012/0008 dated January 14, 2012), a QFI can open only one demat account with any one of the DPs and in case of jointly held demat accounts, each of the joint holders shall be deemed to be holding a demat account as a QFI. Further, no other demat account can be held by any of the QFI as a QFI or in any other capacity. In this context, the abovementioned 'QFI Client Search' facility has been enhanced to make a search on the PAN of the QFI to ascertain whether any such depository account exists with such PAN captured against **any account holder across any type-subtype** in the depository system. Upon entering the PAN of the QFI and click on 'Search' button, requisite message is displayed on the screen based on the availability/non-availability of the PAN in the depository system.
Circular No: NSDL/POLICY/ 2012/0012 Date: January 25, 2012	***Sub: SEBI Circular on revised eligibility criteria* to act as qualified Depository Participants.** Attention of Participants is invited to SEBI Circular Nos. CIR/IMD/DF/14/2011 dated August 9, 2011 and CIR/IMD/FII&C/3/2012 dated January 13, 2012 *{Ref. Circular Nos. NSDL/POLICY/2011/0064 dated August 10, 2011 and NSDL/ POLICY/2012/0008 dated January 14, 2012}* regarding investment by Qualified Foreign Investors (QFIs) in Mutual Fund Schemes and Indian equity shares. Participants are hereby informed that SEBI has vide its Circular No.CIR/IMD/ FII&C/4/2012 dated January 25, 2012 revised the eligibility criteria to act as qualified Depository Participants and made certain operational changes. Copy of the same is enclosed for information.

CIRCULAR

CIR/ IMD/ FII&C/ 4/ 2012

January 25, 2012

All SEBI registered Intermediaries/ Recognized Stock Exchanges/ Depositories

Sir / Madam,

Sub: Eligibility criteria for qualified depository participant.

Vide SEBI circulars Cir/IMD/DF/14/2011 and Cir/IMD/FII&C/3/2012 dated August 09, 2011 and January 13, 2012 respectively, Qualified Foreign Investors (QFI) were allowed to invest in schemes of Indian mutual funds and Indian equity shares subject to terms and conditions mentioned therein, including opening a demat account with qualified Depository Participant. The eligibility criteria for a SEBI registered Depository Participant (DP) to act as qualified Depository Participant were provided in the aforementioned circulars.

2. On a review, it has been decided to amend the eligibility criteria for a SEBI registered DP to act as a qualified Depository Participant. The revised eligibility criteria to act as qualified Depository Participants are as follows: To become a qualified Depository Participant, a SEBI registered DP shall fulfill the following:

   2.1. DP shall have net worth of Rs. 50 crore or more;

2.2. DP shall be either a clearing bank or clearing member of any of the clearing corporations;

2.3. DP shall have appropriate arrangements for receipt and remittance of money with a designated Authorised Dealer (AD)

2.4. DP shall demonstrate that it has systems and procedures to comply with the FATF Standards, Prevention of Money Laundering (PML) Act, Rules and SEBI circulars issued from time to time; and

2.5. DP shall obtain prior approval of SEBI before commencing the activities relating to opening of accounts of QFI.

The eligibility criteria for qualified Depository Participant as contained in SEBI circulars dated August 9, 2011 and January 13, 2012 stands amended as above.

3. In order to maintain consistency in the maximum retention period of QFI's fund in the single rupee pool bank account for investments/ re-investment out of redemption or dividend in schemes of Indian mutual funds vis-à-vis equity shares, it has been decided to amend clause(s) 4.7.5 and 4.7.7 of circular Cir/IMD/DF/14/2011 dated August 9, 2011.

4. Accordingly, the maximum retention period of QFI's funds in the single rupee pooled account with the qualified depository participant as envisaged in clause(s) 4.7.5 and 4.7.7 of circular dated August 9, 2011 stands revised to five working days (including the date of receipt of foreign inward remittance through normal banking channels from the designated overseas bank account of the QFI into the single rupee pool bank account) for both investment as well as re-investment out of redemption proceeds in schemes of Indian mutual funds.

5. Further, in partial amendment to clause 4.7.8, it has been decided to allow credit of dividend payments to QFIs on account of investment in schemes of Indian mutual funds held by them to the single rupee pool bank account subject to the condition that in case dividend payments are credited to the single rupee pool bank account, they shall be remitted to the designated overseas bank accounts of the QFIs within five working days (including the day of credit of such funds to the single rupee pool bank account). Within these five working days, the dividend payments can be also utilized for fresh purchases in schemes of Indian mutual funds, if so instructed by the QFI

This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market

Yours faithfully,

S MADHUSUDHANAN
Deputy General Manager
Tel No.: 022-26449614
Email: smadhu@sebi.gov.in

Circular No: NSDL/POLICY/ 2012/0008 Date: January 14, 2012	***Sub: SEBI Circular on Investment by Qualified Foreign Investors (QFI) in Indian equity shares.*** Attention of Participants is invited to SEBI's Circular No. CIR/ IMD/FII&C/3/ 2012 dated January 13, 2012 allowing QFIs to directly invest in Indian equity market in order to widen the class of investors, attract more foreign funds, reduce market volatility and to deepen the Indian capital market. Copy of the same is enclosed for information.

CIRCULAR

CIR/ IMD/FII&C/3/2012
January 13, 2012

All SEBI registered Intermediaries/ Recognized Stock Exchanges/ Depositories

Sir / Madam,

Sub: Investment by Qualified Foreign Investors (QFI) in Indian equity shares.

1 The Central Government, vide press release dated January 1, 2012 has announced its decision to allow QFIs to directly invest in Indian equity market in order to widen the class of investors, attract more foreign funds, reduce market volatility and to deepen the Indian capital market.

2 In order to facilitate the above and in consultation with the Government and RBI, it has been decided that foreign investors (termed as Qualified Foreign Investors/ QFI) who meet prescribed Know Your Customer (KYC) requirements may invest in equity shares listed on the recognized stock exchanges and in equity shares offered to public in India. In order to enable this they will hold equity shares in a demat account opened with a SEBI registered qualified Depository Participant.

3 The QFI for the purpose shall have the same meaning as that provided in para 3.1 of SEBI circular Cir/IMD/DF/14/2011 dated August 09, 2011[1].

4 To become a qualified Depository Participant (hereinafter referred to as "DP"), a SEBI registered DP shall fulfill the following:

4.1. DP shall have paid up capital of Rs. 50 crore or more;

Qualified Foreign Investor (QFI) shall mean a person resident in a country that is compliant with Financial Action Task Force (FATF) standards and that is a signatory to International Organization of Securities Commission's (IOSCO's) Multilateral Memorandum of Understanding (MMOU).

Provided that such person is not resident in India,

Provided further that such person is not registered with SEBI as Foreign Institutional Investor or Sub-account. Explanation - For the purposes of this clause:

(1) the term "Person" shall carry the same meaning under Section 2(31) of the Income Tax Act, 1961

(2) the phrase "resident in India" shall carry the same meaning as in the Income Tax Act, 1961

(3) "resident" in a country, other than India, shall mean resident as per the direct tax laws of that country.

4.2. DP shall be either a clearing bank or clearing member of any of the clearing corporations;

4.3. DP shall have appropriate arrangements for receipt and remittance of money with a designated Authorised Dealer (AD) Category - I bank;

4.4. DP shall demonstrate that it has systems and procedures to comply with the FATF Standards, Prevention of Money Laundering (PML) Act, Rules and SEBI circulars issued from time to time; and

4.5. DP shall obtain prior approval of SEBI before commencing the activities relating to opening of accounts of QFI.

5 All DPs who have obtained approval of SEBI for undertaking activities relating to accepting investments by QFI in Mutual Fund schemes need not obtain separate approval from SEBI for commencing the activities relating to investments by QFI in equity shares.

6. Eligible transactions for QFI

6.1. The DP shall ensure that transactions of QFI are limited only to the following:

6.1.1. Purchase of equity shares in public issues, to be listed on recognised stock exchange(s).

6.1.2. Purchase of listed equity shares through SEBI registered stock brokers, on recognized stock exchanges in India.

6.1.3. Sale of equity shares which are held in their demat account through SEBI registered stock brokers.

6.1.4. Purchase of equity shares against rights issues.

6.1.5. Receipt of bonus shares or receipt of shares on stock split/ consolidation.

6.1.6. Receipt of equity shares due to amalgamation, demerger or such other corporate actions, subject to the investment limits.

6.1.7. Receipt of dividends.

6.1.8. Tender equity shares in open offer in accordance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

6.1.9. Tender equity shares in open offer in accordance with SEBI (Delisting of Equity Shares) Regulations, 2009.

6.1.10. Tender equity shares in case of buy-back by listed companies in accordance with SEBI (Buyback of Securities) Regulations, 1998

7 Account opening and manner of operation by QFI

7.1. A QFI can open only one demat account with any one of the DPs and shall make purchase and sale of equity shares through that DP only. In case of jointly held demat accounts, each of the joint holders shall meet the requirements specified for QFI and each shall be deemed to be holding a demat account as a QFI. Depositories/ DP shall have adequate systems to ensure the compliance of the same and perform KYC due diligence for each of the joint holders. The DP shall carry necessary due diligence and obtain appropriate declarations and undertakings from QFI to ensure that no other demat account is held by any of the QFI as a QFI or in any other capacity such as NRI, before opening a demat account.

7.2. The DP shall ensure that the same set of ultimate/ end beneficial owner(s) are not allowed to open more than one demat account as QFI. For this purpose, the DP shall carry out necessary due diligence and obtain appropriate declarations and undertakings from QFI.

7.3. A QFI can open trading accounts with one or more SEBI registered stock brokers

7.4. The DP shall ensure that only QFI who meet the conditions stipulated in para 3.1 of SEBI circular Cir/IMD/DF/14/2011 dated August 9, 2011 are allowed to invest in equity shares. Additionally, the DP shall ensure that only those entities are allowed to open demat account as QFI whose ultimate/ end beneficial ownership is not resident in India. The DP shall carry out necessary due diligence for the same at the time of account opening. An express undertaking to this effect shall be obtained by DP from the QFI.

7.5. The entities having opaque structure(s) such that the details of ultimate/ end beneficiary are not accessible or where the beneficial owners are ring fenced from each other or where the beneficial owners are ring fenced with regard to enforcement shall not be allowed to open demat account as QFI. The DP shall perform appropriate due diligence at the time of account opening and ensure that such entities are not allowed to open demat account. An express undertaking to this effect shall be obtained by DP from the QFI

7.6. In case of any direct/ indirect change in structure or beneficial ownership of the QFI, it

shall bring the same to the notice of its DP, forthwith. The DP shall assess the eligibility of that QFI afresh, before allowing it to undertake any further transactions. .

7.7. The QFI shall, as and when required by the Government, SEBI or any other regulatory agency in India, submit to that agency, as the case may be, any information, record or documents in relation to his activities as QFI. An express undertaking to this effect shall be obtained by DP from the QFI.

7.8. The QFI shall, in relation to his activities as QFI, at all the times, subject themselves to the extant Indian laws, rules, regulations, circulars etc. from time to time, An express undertaking to this effect shall be obtained by DP from the QFI.

7.9. The DP shall open a separate single rupee pool bank account with a designated AD Category-1 Bank, exclusively for the purpose of investments by QFI in equity shares in India.

7.10. The DP shall ensure that funds of each and every QFI in the rupee pool account are clearly segregated from each other at all times. Further, the DP shall maintain appropriate records including audit trails on an ongoing basis regarding such segregation.

7.11. The DP shall open a demat account for the QFI only after ensuring compliance with all the requirements as per PML Act, rules and regulations, FATF standards and SEBI circulars issued in this regard, from time to time and shall also ensure that QFI comply with all these requirements on an ongoing basis.

7.12. The DP shall ensure that every QFI transacts only through one designated overseas bank account and such overseas bank account which QFI has designated for the purpose is based in a country which is compliant with FATF standards and is a signatory to MMOU of IOSCO.

7.13. The DP shall capture, the details of the overseas bank account designated by the QFI and shall ensure that all inward bound investments are received from that overseas account and repatriation/ remittances of proceeds are also transferred into the same overseas account.

7.14. The DP shall require QFI to submit necessary information for the purpose of obtaining PAN. The DP may use the combined PAN cum KYC form as notified by CBDT for this purpose. Each QFI shall obtain a separate and distinct PAN. The DP may take any additional information/ documents from QFI other than those mentioned in the common PAN cum KYC form to ensure compliance with PML rules and regulations, FATF standards and SEBI circulars issued from time to time.

7.15. The DP shall ensure that all the investor related documents/ records of QFI are available with the DP.

7.16. The DP shall ensure that equity shares held by QFI are free from all encumbrances including pledge or lien etc. at all times.

7.17. The DP shall, at all times, ensure compliance with laws, rules and regulations of the jurisdictions where the QFI are based.

7.18. The DP shall ensure that the interests of other clients of DP are not adversely affected in any manner due to transactions done on behalf of QFI.

7.19. In case of any penalty, pending litigations or proceedings, findings of inspections or investigations for which action may have been taken or is in the process of being taken by an overseas regulator against DP/ QFI, the DP shall notify such information forthwith, to the attention of SEBI, depositories and stock exchanges. The DP shall mandate the QFI to furnish the details of any such penalty, pending litigations or proceedings, findings of inspections or investigations to it on an ongoing basis.

7.20. The DP shall be responsible for the deduction of applicable tax at source on account of profits or gains or dividends or any other income accruing to or received by QFI before making any reinvestment/ repurchase or repatriation/ remittance to QFI, and remit and report the same to the relevant tax authorities.

7.21. In case a QFI desires to change the DP with whom he holds the demat account, he shall be allowed to operate a new demat account with another DP only after closure of the earlier demat account. At the time of opening a new demat account with a different DP, the QFI shall furnish the details regarding the existing demat account with the earlier DP and the details of the shareholdings in the earlier demat account. Simultaneously, the QFI shall issue transfer instructions to the earlier DP with a copy to the new DP. With regard to the funds of the QFI lying in the rupee pool account of the earlier DP, the same shall be remitted back to the designated overseas bank account of the concerned QFI. At any point of time, a QFI shall operate through only one demat account with a DP.

8. Investment restrictions and monitoring of investment limits for QFI:

8.1. The QFI shall transact in Indian equity shares only on the basis of taking and giving delivery of shares purchased or sold.

8.2. Each transaction by QFI shall be cleared and settled on gross basis.

8.3. QFI shall not issue offshore derivatives instruments/ participatory notes. A declaration and undertaking to this effect shall be obtained by DP from the QFI.

8.4. The DP shall provide on a daily basis, QFI wise, ISIN wise and company wise buy/ sell information and any other transaction or any related information to their respective depositories on the same day i.e the day on which the transaction was carried out, before the time stipulated by the depositories.

8.5. The stock exchanges shall provide the details of paid up equity capital of all the listed companies, ISIN wise, to the depositories once in six months, periodically and also provide information regarding change in paid up equity capital in any listed company, immediately.

8.6. The QFI and DP shall ensure that the total shareholding held by a QFI shall not exceed five percent of paid up equity capital of the company at any point of time. This investment limit shall be applicable to each class of equity shares having separate and distinct ISIN.

8.7. The depositories shall put in place appropriate systems and procedures to monitor the above limit by using PAN and/ or other unique identity number of the QFI.

8.8. The depositories shall administer and monitor, so as to ensure, that aggregate shareholding of all QFIs shall not exceed ten percent of the paid up equity capital of the company at any point of time, in respect of each equity share class having separate and distinct ISIN.

8.9. The depositories shall jointly publish/ disseminate the ISIN wise and company wise aggregate shareholding of QFIs to public, on daily basis.

8.10. The information regarding ISIN wise and company wise aggregate QFI shareholding shall also be provided by the depositories to the RBI in a manner and format as stipulated by the Reserve Bank of India from time to time.

8.11. When the aggregate shareholding of all the QFIs in a company reaches 8% of the equity paid up capital, the company's name along with ISIN shall be published in caution list by the depositories and no fresh purchases shall be allowed without prior approval of the depositories. The same shall be informed by the depositories to the DPs and recognized

stock exchanges having nationwide terminals. The depositories shall also inform the DPs and such stock exchanges when any company is removed from the caution list.

8.12. For fresh purchases by QFI in equity shares of companies in the caution list, prior approval of the depositories shall be obtained. The QFI shall make such request for prior approval to the concerned depository through the DP specifying therein the name of the QFI, PAN and other unique identification number relating to that QFI, number of shares to be purchased and the ISIN, by way of any mode of communication as specified by the depositories in consultation with each other. The concerned depository shall provide the details of prior approval requests received by it to the other depository.

8.13. After market hours, the depository shall give prior approval to request for purchase of equity shares of companies in the caution list on a first-come-first-served basis in co-ordination with the other depository, based on time of receipt of the prior approval requests by the depositories,. The validity of the approval shall be for the next trading day only.

8.14. In case the aggregate shareholding of the QFI exceeds the limit of ten percent in respect of any ISIN, the depositories shall jointly notify the respective DPs regarding the breach along with the names of the QFI due to whom the limits have been breached. For this purpose, the stock exchanges shall provide the required information so as to enable the depositories to identify the transaction details of the QFI including the name of QFI, PAN and/ or other unique identification number relating to that QFI, purchase quantity and time or any other information as may be required by the depositories.

8.15. In case the aggregate shareholding of the QFIs exceeds the limit of ten percent for whatsoever reason, the QFI due to whom the limit is breached shall mandatorily divest excess holdings within three working days of such breach being notified by depositories to the DP. The DP shall obtain necessary authorization from the QFI at the time of account opening for such divestment of excess holdings.

8.16. The stock exchanges shall amend Clause 35 of the listing agreement on or before June 30, 2012, so as to incorporate another class of investor to disseminate QFI shareholding in equity shares.

8.17. The stock exchanges shall develop a separate segment for intra QFI transactions in the equity shares of companies in the caution list, if they wish to buy without the prior approval of depositories. However, QFI who have obtained prior approval of the depositories as referred in para 8.11 and 8.12 above, may purchase equity shares in the normal segment of recognized stock exchanges.

8.18. The stock exchanges/ depositories/ DPs shall not levy any charges towards services relating to monitoring and administering of investment limits of QFI.

9. **Process flow**

9.1. **Purchase**

9.1.1. The QFI shall place a purchase order with the DP mentioning the name of the company and ISIN, number of equity shares, name of the stock broker and remit foreign inward remittances from the designated overseas bank account of QFI through normal banking channel in any permitted currency (freely convertible) directly to the single rupee pool bank account of the DP maintained with a designated AD category - I bank.

9.1.2. The DP in turn shall forward the purchase order to the SEBI registered stock broker with whom QFI has opened trading account and remits the money to the brokers account after receipt of funds from QFI and as per the instructions of QFI.

9.1.3. If for any reasons, the QFI is not able to purchase equity shares within **five working days** of the inward remittance (including the date of receipt of foreign inward remittance through

normal banking channels from the designated overseas bank account of the QFI into the single rupee pool bank account), the DP shall immediately remit the money back to the designated overseas bank account of the QFI.

9.1.4. The DP shall ensure that equity shares purchased on behalf of QFI are credited into the demat account of that QFI on the pay-out date.

9.1.5. In case of QFI' participation in public issues, the QFI shall provide instruction to the DP to make application for public issue. The DP, after obtaining necessary instructions from the QFI and subject to availability of funds on account of that QFI in the rupee pool account, shall make application on behalf of such QFI and remit money to the issuer company.

9.2. **Sale**

9.2.1. On receipt of instruction from QFI containing name of the company and / or ISIN, number of equity shares and name of the stock broker, the DP shall place order for sale of equity shares only after verifying availability of such equity shares in demat account of that QFI. Upon receipt of sale proceeds on account of sale of equity shares made on behalf of QFI, the same shall be retained in single rupee pool bank account of the DP for a period of maximum five working days.

9.2.2. The QFI can instruct the DP to make fresh purchase of equity shares out of sale proceeds on account of sale of equity shares provided that such purchase is made within five working days (including the date of receipt of the sale proceeds in the single rupee pooled bank account) of receipt of money in the pooled bank account. In case no purchase is made within said period, the money shall be remitted by the DPs to the designated bank overseas account of the QFI within five working days from the date of receipt of money in the pooled bank account.

9.3. **Dividend and other corporate actions**

9.3.1. In case of dividend received on account of QFI, the DP shall remit the same to the designated bank overseas account of the QFI within five working days (including the date of credit to the single rupee pool account) from the date of receipt of money in the DP's rupee pooled bank account, unless any fresh purchase of equity shares is made out of such dividend receipts

9.3.2. In case of QFI participation in corporate actions such as buy back, delisting etc. wherein the pool account maintained with DP is credited with funds, such funds shall be remitted back to the designated bank overseas account of the QFI within five days of receipt of same, unless any fresh purchase of equity shares is made out of such funds.

10. The transactions of QFIs, for all purposes, shall be treated at par with that of Indian non-institutional investors with regard to margins, voting rights, public issues etc.

11. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

12. The investment by the QFI in listed equity shares as mentioned herein above shall also be subject to the relevant and extant FEMA regulations and guidelines issued by the Reserve Bank of India under FEMA, 1999 from time to time.

Yours faithfully,

S MADHUSUDHANAN
Deputy General Manager
Tel No.: 022-26449614
Email: smadhu@sebi.gov.in

<table>
<tr><td>Circular No:
NSDL/POLICY/QP/
2012/0004
Date: July 19, 2012</td><td>Sub: Investment by Qualified Foreign Investors (QFI) in Indian Corporate Debt
Attention of Qualified Participants is invited to SEBI's Circular No. CIR/ IMD/ FII&C/ 17 / 2012 dated July 18, 2012 regarding Investment by Qualified Foreign Investors (QFI) in Indian Corporate Debt. Copy of the same is enclosed for information and necessary compliance.</td></tr>
<tr><td>Circular No:
NSDL/POLICY
2011/0069
Date: August 26, 2011</td><td>Sub: Addition of type and sub-type - Qualified Foreign Investor - Individual and Corporate
Attention of Participants is invited to SEBI Circular No. CIR/IMD/DF/14/2011 dated August 9, 2011 regarding investment by foreign investors in Mutual Fund Schemes (informed to Participants vide NSDL Circular No. NSDL/POLICY/ 2011/0064 dated August 10, 2011). In this regard, following new type and sub-types in the Client Maintenance Module of DPM System and static data codes in respect of the back-office batch interface with the DPM System have been added to facilitate Participants to open depository accounts of Qualified Foreign Investors for holding mutual fund units in depository accounts.
<table>
<tr><th>Field Name</th><th colspan="2">Client Maintenance Module</th><th colspan="2">Back Office - Static Data Code</th></tr>
<tr><td></td><td>Type</td><td>Sub Type</td><td>Type Code</td><td>Sub Type Code</td></tr>
<tr><td rowspan="2">Beneficiary Type / Sub</td><td rowspan="2">Qualified Foreign Investor</td><td>Individual</td><td>11</td><td>1</td></tr>
<tr><td>Corporate</td><td>12</td><td>1</td></tr>
</table>
The aforesaid feature is scheduled to be released in the second fortnight of September 2011.</td></tr>
<tr><td>Circular No:
NSDL/POLICY/
2012/0101
Date: September 26, 2012</td><td>Sub: Operational Guidelines for Basic Services Demat Account (BSDA):
Attention of Participants is invited to SEBI Circular No. CIR/MRD/DP/22/2012 dated August 27, 2012 (Ref.: Circular No. NSDL/POLICY/2012/0086 dated August 28, 2012) regarding facility for Basic Services Demat Account (BSDA). In this context, Participants are advised to take note of the following:
1. As per point no. (3) of the aforementioned SEBI circular, the Participant shall give option to open BSDA / convert existing account into BSDA to eligible individuals. For this purpose, an illustrative format of the request to be given by the individual / existing Client to the Participant is enclosed as Annexure. If Participant wishes to incorporate such an option in Account Opening Form (AOF), it may do so [Ref.: Point no. (1) of NSDL Circular No. NSDL/POLICY/2011/0103 dated December 5, 2011].
2. After conversion of regular account into BSDA and vice-versa, the Participant should send a communication (letter / email / Client Master Report generated from the DPM System or its back office or any other mode which the Participant may deem fit) to such Client informing about the changes effected in the account of the Client.
3. At the time of opening BSDA/ converting existing account into BSDA, the Participant must provide to the Client the charges which will be applicable for the regular account in case the BSDA is converted into a regular account subsequently.
4. Comply with all the requirements of SEBI Circular No. CIR/MRD/DP/22/ 2012 dated August 27, 2012.</td></tr>
</table>

[For New Accounts]

Option for opening Basic Services Demat Account (BSDA)

To,

Date:	D	D	M	M	Y	Y	Y	Y

<Depository Participant Name>

<DP ID>

<Address>

With reference to my / our application for opening a depository account, I/ We request you to open my / our depository account as a BSDA as per the following details:

	Name	PAN									
Sole/First Holder											
Second Holder											
Third Holder											

I/We have read and understood the Securities and Exchange Board of India's guidelines for facility for a BSDA. I/We hereby declare that I/we am/are eligible to open a depository account as a BSDA holder and undertake to comply with the requirements specified by Securities and Exchange Board of India (SEBI) or any such authority for such facility from time to time. I/We also understand that in case I/We at any point of time do not meet the eligibility as a BSDA holder, my / our aforesaid account is liable to be converted to regular account.

1_____2_____3_____

Signature(s) of Account Holder(s)

[For Existing Accounts]

Option for converting regular account into Basic Services Demat Account (BSDA)

To,

Date:	D	D	M	M	Y	Y	Y	Y

<Depository Participant Name>

<DP ID>

<Address>

I/ We request you to convert my / our depository account into BSDA as per the following details:

DP ID I N	Cliend ID										
	Name	PAN									
Sole/First Holder											
Second Holder											
Third Holder											

I/We have read and understood the Securities and Exchange Board of India's guidelines for facility for a BSDA. I/We hereby declare that I/we am/are eligible to open a depository account as a BSDA holder and undertake to comply with the requirements specified by Securities and Exchange Board of India (SEBI) or any such authority for such facility from time to time. I/We also understand that in case I/We at any point of time do not meet the eligibility as a BSDA holder, my / our aforesaid account is liable to be converted to regular account.

1_____2_____3_____

Signature(s) of Account Holder(s)

Circular No: NSDL/POLICY/ 2012/0097 Date: September 14, 2012	***Sub: Value of holdings held in depository accounts marked for BSDA*** Attention of Participants is invited to SEBI Circular No. CIR/MRD/DP/22/2012 dated August 27, 2012 regarding facility for a Basic Services Demat Account (BSDA) (*informed to Participants vide NSDL Circular No. NSDL/Policy/2012/ 0086 dated August 28, 2012*). To facilitate Participants to ascertain the value of holdings in respect of depository accounts that are marked for BSDA, file containing details viz., DP ID, Client ID, date of valuation and value of holding (in Rs.) held in such depository accounts will be provided daily at intranet site of NSDL i.e., https://i-assist for download. In this regard, file format is enclosed for incorporating necessary changes in the back office system.

Header Record

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Header Record (01)
DP Id	Character	8	10	M	DP's own DP Id
Statement Date	Date	8	18	M	It is a business date
Statement	Date	8	26	M	System Date
Preparation Date	(YYYYMMDD)				
Statement	Time	6	32	M	System Time (HHMMSS)
Preparation Time					
Total number of	Integer	9	41	M	
Detail Records					
Client ID From	Integer	8	49	O	
Client ID To	Integer	8	57	O	
Valuation Criteria	Char	2	59	M	"00-All,"01-less than Rs. 50,000 ,"02 Greater than Rs. 50,000," 03-between Rs. 50,000 and 2lakhs" 04-More than Rs. 2 lakhs"
Filler	Character	31	90	O	For Future Use

Detail Record

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	O	
Beneficiary	Integer	8	25	M	
Account Number					
Beneficiary Category	Integer	2	27	M	
Beneficiary Valuation	Integer	18	45	M	In 16+2 format, without decimal point e.g. Rs 100 will represented as 000000000000010000 and Rs. 100.50 will be represented as 000000000000010050
Filler	Character	55	100	O	For Future Use

Circular No: NSDL/POLICY/ 2012/0093 Date: September 7, 2012	***Sub: Incorporation of Basic Services Demat Account (BSDA) flag in the DPM System and changes in file formats*** Attention of Participants is invited to SEBI Circular No. CIR/MRD/DP/22/2012 dated August 27, 2012 regarding facility for a Basic Services Demat Account BSDA (*informed to Participants vide NSDL Circular No. NSDL/Policy/2012/0086 dated August 28, 2012*). To facilitate identification of Basic Services Demat Accounts, a flag named 'BSDA' will be incorporated in the front end system of Client Maintenance Module of the DPM system. The changes to the file formats in respect of the back-office batch interface with Local DPM System are highlighted in the formats enclosed as Annexures. Details of operating features of BSDA will be provided shortly.
Circular No: NSDL/POLICY/ 2012/0086 Date: August 28, 2012	***Sub: Facility for a Basic Services Demat Account (BSDA)*** Attention of Participants is invited to SEBI's Circular No. CIR/MRD/DP/22/2012 dated August 27, 2012 (copy enclosed) regarding facility for a Basic Services Demat Account (BSDA). Copy of the same is enclosed for information and compliance.

CIRCULAR

CIR/MRD/DP/22/2012 August 27, 2012

To,
The Depositories,

Dear Sir,

Subject: Facility for a Basic Services Demat Account (BSDA)

1. The SEBI Board had taken decisions to extend the reach of IPOs for the benefit of retail investors. With a view to achieve wider financial inclusion, encourage holding of demat accounts and to reduce the cost of maintaining securities in demat accounts for retail individual investors, it has been decided that all depository participants (DPs) shall make available a "Basic Services Demat Account" (BSDA) with limited services as per terms specified herein.
2. Eligibility: Individuals shall be eligible to opt for BSDA subject to the following conditions-
   a. All the individuals who have or propose to have only one demat account where they are the sole or first holder.
   b. Individuals having any other demat account/s where they are not the first holder shall be eligible for BSDA in respect of the single demat account where they are sole or first holder.
   c. The individual shall have only one BSDA in his/her name across all depositories.
   d. Value of securities held in the demat account shall not exceed Rupees Two Lakhs at any point of time.
3. Option to open BSDA: The DP shall give option:
   a. To open BSDA to all eligible individuals who open a demat account after the date of applicability of this circular;
   b. To all the existing eligible individuals to convert their demat account into BSDA on the date of the next billing cycle based on value of holding of securities in the account as on the last day of previous billing cycle.

4. Charges:

   a. The charge structure may be on a slab basis as indicated below:

      i. No Annual Maintenance Charges (AMC) shall be levied, if the value of holding is upto Rs. 50,000.

      ii. For the value of holding from Rs 50,001 to Rs 200,000, AMC not exceeding Rs 100 may be charged.

   b. The value of holding shall be determined by the DPs on the basis of the daily closing price or NAV of the securities or units of mutual funds, as the case may be. Where such price is not available the last traded price may be taken into account and for unlisted securities other than units of mutual funds, face value may be taken in to account.

   c. If the value of holding in such BSDA exceeds the prescribed criteria at any date, the DPs may levy charges as applicable to regular accounts (non-BSDA) from that date onwards.

   d. The DPs shall reassess the eligibility of the BOs at the end of every billing cycle and give option to the BOs who are eligible to opt for BSDA.

5. Services for Basic Services Demat Accounts:

   a. Transaction statements:

      i. Transaction statements shall be sent to the BO at the end of each quarter. If there are no transactions in any quarter, no transaction statement may be sent for that quarter.

      ii. If there are no transactions and no security balance in an account, then no further transaction statement needs to be provided.

      iii. Transaction statement shall be required to be provided for the quarter in which the account became a zero balance account.

   b. Holding Statement:

      i. One annual physical statement of holding shall be sent to the stated address of the BO in respect of accounts with no transaction and nil balance.

      ii. One annual statement of holding shall be sent in respect of remaining accounts in physical or electronic form as opted for by the BO.

   c. Charges for statements: Electronic statements shall be provided free of cost. In case of physical statements, the DP shall provide at least two statements free of cost during the billing cycle. Additional physical statement may be charged at a fee not exceeding Rs.25/- per statement.

   d. All BOs opting for the facility of BSDA, shall register their mobile number for availing the SMS alert facility for debit transactions.

   e. At least Two Delivery Instruction Slips (DIS) shall be issued at the time of account opening.

   f. All other conditions as applicable to regular demat accounts, other than the ones mentioned in this circular shall continue to apply to basic services demat account.

6. Rationalisation of services with respect to regular accounts.

   In partial modification of the earlier directions, the following rationalisation measures shall be available for regular demat accounts:

   a. Accounts with zero balance and nil transactions during the year: The DPs shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account.

   b. Accounts which become zero balance during the year: For such accounts, no transaction statement may be sent for the duration when the balance remains nil. However, an annual statement of holding shall be sent to the BO.

c. Accounts with credit balance: For accounts with credit balance but no transactions during the year, one statement of holding for the year shall be sent to the BO.

7. The circular shall be applicable with effect from October 01, 2012.

8. The Depositories are advised to:-

   a) make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary ;

   b) bring the provisions of this circular to the notice of their DPs and also to disseminate the same on their website; and

   c) communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Report.

9. This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 and section 19 of the Depositories Act, 1996 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Maninder Cheema
Deputy General Manager
022-26449754
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Circular No. NSDL/POLICY/ 2013/0018 Date: January 28, 2013	***Sub: Operational Guidelines for rationalisation process for obtaining PAN by Investors*** Attention of Participants is invited to SEBI Circular No. CIR/MIRSD/01 /2013 dated January 4, 2013 (*Ref.: Circular No. NSDL/POLICY/2013/0005 dated January 7, 2013*) regarding rationalisation process for obtaining PAN by Investors. Accordingly, necessary changes are made in procedures mentioned at point nos. 1.1.1 (b), 1.1.4 and 1.1.5 of NSDL Master Circular No. NSDL/POLICY/2012/0018 dated February 9, 2012 *(Version 4.3, September 2012)* for account opening and are enclosed at Annexure in track change mode alongwith updated Version 4.4, January 2013 of aforesaid Master Circular. Participants are advised to take note of the above and ensure compliance. **Annexure** 1.1.1 **Important Points:** (a) Self attested copy of PAN card is mandatory for all clients, including Promoters/Partners/Karta/Trustees and whole time directors and persons authorized to deal in securities on behalf of company/ firm/others. (b) Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the list mentioned below at point no. 1.1.6. However, in case of PAN, Participants may verify the PAN of their Clients online at the Income Tax website without insisting on the original PAN card, provided that the Client has presented a document for Proof of Identity other than the PAN card.

1.1.4 **PAN:**

I. The name(s) of depository account holder(s) should be compared with the name appearing on the website of the Income Tax Department (ITD) Alternatively, subscribe to the internet based service of NSDL (NSDL/POLICY/2007/0048 dated August 14, 2007) so that the name can be sought against the given PAN.

II. In case the name(s) do not match or the PAN is not present in the Income Tax database, Participants should seek necessary clarification from the account holder(s) and activate such accounts in the DPM System only after the discrepancy is resolved.

III. After verifying the details of PAN as mentioned above, the staff of the Participant should affix a stamp as **'PAN verified'**, on the photocopy of the PAN card(s).

IV. With respect to PAN, Clients may have reported the following problems:

(a) PAN card has been lost / misplaced or PAN card was never received but has the PAN allotment letter from the ITD;

(b) Change in the name of the Client due to marriage or voluntary action etc., (*in case of individuals*) or due to merger, amalgamation etc. (*in case of a corporate entity*).

In this regard, Participants are advised that the ITD issues a new PAN card with the same PAN with changes in PAN data, for the above reported problems. For detailed procedure, Participants may refer http://www.incometaxindia.gov.in or http://www.tin-nsdl.com (NSDL/POLICY/2006/0024 dated July 7, 2006).

In cases where there is minor mis-match in the name of Client as is mentioned in the account opening form and the name displayed on the ITD website, the Participants can collect the PAN card proof as submitted by the account holder. However, this would be subject to the Participants verifying the veracity of the claim of such Clients by collecting sufficient documentary evidence in support of the identity of the investors [*Refer point no. 1.1.2 above for list of documents which can be accepted as a valid proof of identity*]. The Participant should call for any additional documents and / or clarification to ascertain and satisfy itself about the identity of the entity.

1.1.5 **Exemptions/clarifications to PAN** *(Sufficient documentary evidence in support of such claims to be collected.)*

a) In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.

b) Investors residing in the state of Sikkim.

c) UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.

	d) In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary. e) Participants may verify the PAN of their Clients online at the Income Tax website without insisting on the original PAN card, provided that the Client has presented a document for Proof of Identity other than the PAN card.
Circular No. NSDL/POLICY/ 2013/0005 Date: January 7, 2013	**Sub: SEBI Circular on ationalisation process for obtaining PAN by Investors** Attention of Participants is invited to SEBI's Circular No. CIR/MIRSD/01/2013 dated January 4, 2013 (*copy enclosed*) regarding rationalisation process for obtaining PAN by investors. Copy of the same is enclosed for information and compliance. Participants are advised to ignore the copy of SEBI Circular enclosed vide Circular No. NSDL/POLICY/2013/0003 dated January 4, 2013.
Circular No. NSDL/POLICY/ 2013/0033 Date: February 27, 2013	**Sub: Procedure for change of name in individual Beneficial Owner's account** Attention of Participants is invited to SEBI's Circular No. CIR/MRD/DP/27/2012 dated November 1, 2012 *(Ref.: Circular No.: NSDL/POLICY/2012/0125 dated November 2, 2012)* regarding Change of Name in the Beneficial Owner (BO) Account. In this context, procedure for change of name of account holder(s) in individual BO account is given below: 1. For effecting change in name in the depository account of an individual BO, a request letter duly signed by the holder whose name is changing alongwith self attested copies of the following document(s) are required:

Sr. No.	*Reason for name change*	*Documents required*
(a)	On account of marriage	(i) Marriage Certificate or (ii) Copy of Passport showing husband's name or (iii) Publication of name change in official gazette.
(b)	On account of reasons other than marriage	(i) Publication of name change in official gazette.
(c)	Change in father's name	(i) Publication of name change in official gazette.

2. Participant must verify the copies of the document(s) with the originals and must write the remarks **"verified with the originals"** on the copies of the document(s).

3. After verifying the request, execute the request for name change and select the appropriate name change reason *[viz.; On account of marriage, Other than marriage and Change in father's name]* in the DPM system. For modifying name of account holder(s), go to the Client Maintenance - Client Modification - Primary, Address and Signatory Details Modification.

4. The name of the account holder in depository accounts can be changed for any of the holders for the following Types and Subtypes.

Type	Subtype
Resident	Ordinary
	Margin Account
	Ordinary-DR
NRI	NRI-Repartriable
	NRI-NonRepartriable
	DR
Foreign National	DR
	FN
QFI	Individual

5. After the name change is carried out, the Participant should send a communication via letter / email / Client Master Report / Client Modification Letter generated from the DPM System or its back office or any other mode which the Participant may deem fit to the Clients informing about changes carried out in their name.

Accordingly, necessary changes are made in NSDL Master Circular No. NSDL/POLICY/2012/0018 dated February 9, 2012 on account opening and is given at Annexure in track change mode. Further, existing point nos. 2.6 to 2.9 have been renumbered as point nos. 2.7 to 2.10 and updated version 4.7, February 2013 of aforesaid Master Circular is enclosed.

Annexure

2.6 **Change of name of account holder(s) in individual depository account:**

2.6.1. For effecting change in name in the depository account of an individual BO, a request letter duly signed by the holder whose name is changing alongwith self attested copies of the following document(s) are required:

Sr. No.	*Reason for name change*	*Documents required*
(a)	On account of marriage	(i) Marriage Certificate or (ii) Copy of Passport showing husband's name or (iii) Publication of name change in official gazette.
(b)	On account of reasons other than marriage	(i) Publication of name change in fficial gazette.
(c)	Change in father's name	(i) Publication of name change in official gazette.

2.6.2. Participant must verify the copies of the document(s) with the originals and must write the remarks **"verified with the originals"** on the copies of the document(s).

2.6.3. After verifying the request, execute the request for name change and select the appropriate name change reason *[viz.; On account of marriage, Other than marriage and Change in father's name]* in the DPM system. For modifying name of account holder(s), go to the Client Maintenance - Client Modification - Primary, Address and Signatory Details Modification.

2.6.4. The name of the account holder in depository accounts can be changed for any of the holders for the following Types and Subtypes.

Type	Subtype
Resident	Ordinary
	Margin Account
	Ordinary-DR
NRI	NRI-Repartriable
	NRI-NonRepartriable
	DR
Foreign National	DR
	FN
QFI	Individual

2.6.5. After the name change is carried out, the Participant should send a communication via letter / email / Client Master Report / Client Modification Letter generated from the DPM System or its back office or any other mode which the Participant may deem fit to the Clients informing about changes carried out in their name.

2.10 After effecting the changes in the DPM System for the abovementioned demographic details [*point nos. from 2.1 to 2.7 above*], the Participant should send a communication (*letter / email / Client Master Report / Client Modification Letter generated from the DPM System or its back office or any other mode which the Participant may deem fit*) to such Client informing about the changes effected in the account of the Client.

Circular No. NSDL/POLICY/ 2013/0017
Date: January 24, 2013

Sub: Guidelines on Identification of Beneficial Ownership

Attention of Participants is invited to SEBI's Circular No. CIR/MIRSD/2/2013 dated January 24, 2013 (copy enclosed) regarding guidelines on Identification of Beneficial Ownership. Copy of the same is enclosed for information and compliance.

CIRCULAR

CIR/MIRSD/2/2013 January 24, 2013

SEBI Registered Intermediaries:

1. Stock Brokers through Recognized Stock Exchanges
2. Depository Participants (DPs) through Depositories
3. Mutual Funds (MFs)
4. Association of Mutual Funds in India (AMFI)

5. Portfolio Managers (PMs)
6. KYC Registration Agencies (KRAs)
7. Alternate Investment Funds (AIFs)
8. Collective Investment Schemes (CIS)
9. Investment Advisers (IAs)

Dear Sirs,

Sub: Guidelines on Identification of Beneficial Ownership

1. SEBI Master Circular No. CIR/ISD/AML/3/2010 dated December 31, 2010 has mandated all registered intermediaries to obtain, as part of their Client Due Diligence policy, sufficient information from their clients in order to identify and verify the identity of persons who beneficially own or control the securities account. The beneficial owner has been defined in the circular as the natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted, and includes a person who exercises ultimate effective control over a legal person or arrangement.
2. SEBI has also prescribed uniform Know Your Client (KYC) requirements for the securities markets vide circular nos. CIR/MIRSD/16/2011 dated August 22, 2011 and MIRSD/SE/Cir-21/2011 dated October 5, 2011. The SEBI KYC Registration Agency (KRA) Regulations, 2011 have been notified and guidelines have been issued under these regulations from time to time.
3. Further, the Prevention of Money Laundering Rules, 2005 also require that every banking company, financial institution and intermediary, as the case may be, shall identify the beneficial owner and take all reasonable steps to verify his identity. The Government of India in consultation with the regulators has now specified a uniform approach to be followed towards determination of beneficial ownership. Accordingly, the intermediaries shall comply with the following guidelines.

A. For clients other than individuals or trusts:

4. Where the client is a person *other than an individual or trust*, viz., company, partnership or unincorporated association/body of individuals, the intermediary shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the following information:
   a. The identity of the natural person, who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest.

      Explanation: Controlling ownership interest means ownership of/entitlement to:
      i. more than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
      ii. more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
      iii. more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

   b. In cases where there exists doubt under clause 4 (a) above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the juridical person through other means.

      Explanation: Control through other means can be exercised through voting rights, agreement, arrangements or in any other manner.

c. Where no natural person is identified under clauses 4 (a) or 4 (b) above, the identity of the relevant natural person who holds the position of senior managing official.

B. For client which is a trust:

5. Where the client is a *trust*, the intermediary shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

C. Exemption in case of listed companies:

6. Where the client or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

D. Applicability for foreign investors:

7. Intermediaries dealing with foreign investors' viz., Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors, may be guided by the clarifications issued vide SEBI circular CIR/MIRSD/11/2012 dated September 5, 2012, for the purpose of identification of beneficial ownership of the client.

E. Implementation:

8. The provisions of this circular shall come into force with immediate effect. Intermediaries are directed to review their Know Your Client (KYC) and Anti-Money Laundering (AML) policies accordingly.

9. The Stock Exchanges and Depositories are directed to:

   a. bring the provisions of this circular to the notice of the Stock Brokers and Depository Participants, as the case may be, and also disseminate the same on their websites;

   b. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another, as considered necessary;

   c. monitor the compliance of this circular through half-yearly internal audits and inspections; and

   d. communicate to SEBI, the status of the implementation of the provisions of this circular.

10. In case of mutual funds, compliance of this circular shall be monitored by the Boards of the Asset Management Companies and the Trustees and in case of other intermediaries, by their Board of Directors.

11. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully,

Krishnanand Raghavan
Deputy General Manager
022-26449632
Email: krishnanandr@sebi.gov.in

Circular No: NSDL/POLICY/ 2012/0125 Date: November 2, 2012	***Sub: SEBI Circular - Change of Name in the Beneficial Owner (BO) Account*** Attention of Participants is invited to SEBI's Circular No. CIR/MRD/DP/ 27 / 2012 dated November 1, 2012 regarding change of name in BO account. Copy of the same is enclosed for information. The effective date for implementation of the aforesaid SEBI Circular will be informed in due course.

CIRCULAR

CIR/MRD/DP/ 27 /2012 November 01, 2012

To,
The Depositories,

Dear Sir / Madam,

Sub: Change of Name in the Beneficial Owner (BO) Account

1. In order to simplify the procedure of change of name in individual Beneficial Owner's (BO) account, it has been decided that an individual BO may be allowed to change his/ her name, subject to the submission of following documents at the time of change of name of the individual in the BO account.
   i. In case of change in name on account of marriage following documents shall be submitted:
      a. Marriage Certificate or copy of Passport showing husband's name or publication of name change in official gazette.
   ii In case of change in name on account of reasons other than marriage
      a. Publication of name change in official gazette.
   iii. In case of change in father's name
      a. Publication of name change in official gazette.
2. The Depository Participants (DPs) shall collect the self attested copies of above documents and maintain the same in their records after verifying with the original document.
3. The Depositories are directed to-
   i. implement the above provisions within three months from the date of issue of this circular.
   ii. ensure that they will have the system to keep audit trail of the name change in the BO account similar to that of address change or any other change of co-ordinates;
   iii. make amendments to the relevant Bye-Laws, Business Rules and DP Operating Instructions for the implementation of the above decision, as may be applicable or necessary;
   iv. bring the provisions of this circular to the notice of the DPs and also to disseminate the same on their website.
4. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Section 19 of the Depositories Act, 1996 in the interests of investors in securities and to promote the development of, and to regulate the securities market.

Maninder Cheema
Deputy General Manager
maninderc@sebi.gov.in

Circular No. NSDL/POLICY/ 2013/0055 Date: April 15, 2013	***Sub: Amendments to Business Rules of NSDL***

All Participants are hereby notified about the following amendments to the Business Rules:

1. New Rule 12.8.3 has been inserted in Business Rules as given below:
   "12.8.3 *The Participant shall execute the request for closure into the DPM (DP) within 30 days from the date of receipt of request for closure. Provided that in case there are pending dematerialization requests or securities that cannot be transferred or rematerialized due to any restrictions such as lock-in securities or ISIN is frozen, the Participant shall execute the request for closure for the remaining securities, if any."*
2. The Annexure JA *(Form for Nomination / Cancellation of Nomination)* of Business Rules has been amended
   The amended Annexure JA *(Form for Nomination / Cancellation of Nomination)* is enclosed as annexure. Participants may note that they may continue to use their existing stock of Annexure JA till such time it is exhausted and would be required to print the amended Annexure JA thereafter.

Annexure - JA

FORM FOR NOMINATION/ CANCELLATION OF NOMINATION
(To be filled in by individual applying singly or jointly)

Name and address of Participant (pre-printed)	DP ID	I	N						
	Client ID								

A)	**Nomination Option**	
	☐ I/We wish to make a nomination.	I/We wish to cancel the nomination made by me/ us on the _____ day of _____ and consequently all rights and liabilities in respect of beneficiary ownership in the securities held by me / us in the said account shall vest in me/ us. ***[Strike off (B) Nomination Details below]***

B) **Nomination Details**

I/We wish to make a nomination and do hereby nominate the following person in whom all rights and / or amount payable in respect of securities held in the Depository by me / us in the said beneficiary owner account shall vest in the event of my / our death.

1	Name of the Nominee (Mr./ Ms.)		Photograph of nominee
2	Relationship with the Applicant (if any)		Signature of guardian across photograph
3	Address of Nominee		
		City/town/village	PIN Code
		State	Country

	4	Contact Details of nominee	Tel. (Off.)		Tel. (Res.)	
			Fax No.		Mobile No.	
			Email ID			
	5	Signature of nominee		X		

To be filled-up (Sr. Nos. 6-11) only if nominee is a minor:

	6	Date of Birth (in case of minor nominee)				D	D	M	M	Y	Y	Y	Y
	7	Name of Guardian (Mr./ Ms.) (in case of minor nominee)				Photograph of nominee (for minor nominee)							
	8	Address of Guardian				Signature of guardian across photograph							
			City/town/village		PIN Code								
			State		Country								
	9	Contact Details of Guardian	Tel. (Off.)		Tel. (Res.)								
			Fax No.		Mobile No.								
			Email ID										
	10	Relationship of Guardian with nominee											
	11	Signature of Guardian		X									

Signature of two Witnesses for nomination

	12	Name of witness	Address	Signature of witness with date
		a.		X
		b.		X
		c.		X

(C)	**Name and Signature of Account holder(s)**		
	Account Holder(s)	**Name**	**Signature(s) of holder**
	Sole/ First Holder/		X
	Second Holder		X
	Third Holder		X

Instructions:

1. The nomination can be made only by individuals holding beneficiary owner accounts on their own behalf singly or jointly. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the account is held jointly all joint holders will sign the nomination form.
2. A minor can be nominated. In that event, the name and address of the Guardian of the minor nominee shall be provided by the beneficial owner.
3. The Nominee shall not be a trust, society, body corporate, partnership firm, karta of Hindu Undivided Family or a power of Attorney holder. A non-resident Indian can be a Nominee, subject to the exchange controls in force, from time to time.
4. Nomination in respect of the beneficiary owner account stands rescinded upon closure of the beneficiary owner account. Similarly, the nomination in respect of the securities shall stand terminated upon transfer of the securities.
5. Transfer of securities in favour of a Nominee shall be valid discharge by the depository and the Participant against the legal heir.
6. The cancellation of nomination can be made by individuals only holding beneficiary owner accounts on their own behalf singly or jointly by the same persons who made the original nomination. Non-individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot cancel the nomination. If the beneficiary owner account is held jointly, all joint holders will sign the cancellation form.
7. On cancellation of the nomination, the nomination shall stand rescinded and the depository shall not be under any obligation to transfer the securities in favour of the Nominee.

Circular No. NSDL/POLICY/ 2013/0050 Date: April 4, 2013	***Sub: Amendments to Bye Laws of NSDL*** All Participants are hereby notified that new Clause 18 is inserted in Annexure B *(agreement between the Participant and its Client)* of the Bye Laws and the existing Clause 18 is re-numbered as Clause 19. New Clause 18 is given below: *"18. Notwithstanding anything contained herein or in the Bye Laws or Business Rules, neither party hereto shall be liable to indemnify or compensate the other for any breach, non-performance or delay in performance of any obligations under the Agreement or for any harm, loss, damage or injury caused to the other due to causes reasonably beyond its control including but not limited to tide, storm, cyclone, flood, lightning, earthquake, fire, blast, explosion or any other act of God, war, rebellion, revolution, insurrection, embargo or sanction, blockade, riot, civil commotion, labour action or unrest including strike, lock-out or boycott, interruption or failure of any utility service, enemy action, criminal conspiracy, act of terrorism or vandalism, sabotage, or intrusion, or any other irresistible force or compulsion."* The Annexure B *(agreement between the Participant and its Client)* of the Bye Laws is enclosed as Annexure after incorporating necessary changes. Participants are advised to take note of the following: 1. In case of existing Clients, Participants are advised to intimate them about Clause 18 of Annexure B (agreement between the Participant and its Client) of Bye Laws *(Such intimation can be sent to Clients via email or alongwith the next monthly/quarterly transaction statement)*.

2. In case the Participant has stock of printed agreement between the Participant and the person seeking to open a depository account for new Clients, Participants may continue to use the existing stock till the stock is exhausted provided:
   a. Clients are made aware about the amendments at the time of account opening; and
   b. Written intimation is sent to Clients about the amendments after the account is opened.

ANNEXURE B

AGREEMENT BETWEEN THE DEPOSITORY PARTICIPANT AND THE PERSON SEEKING TO OPEN AN ACCOUNT WITH THE DEPOSITORY PARTICIPANT

This agreement made and entered into this _____day of _____between _____situated at_____ (hereinafter called "the Client") and _____situated at_____ (hereinafter called "the Depository Participant").

Witnesseth

WHEREAS the Client has furnished to the Depository Participant the duly filled in application form requesting therein to open an account with the Depository Participant.

NOW THEREFORE in consideration of the Depository Participant having agreed to open an account for the Client, both the parties to the agreement hereby covenant and agree as follows:

1) The Client shall pay such charges to the Depository Participant for the purpose of opening and maintaining his account, for carrying out the instructions of the Client and for rendering such other services as may be agreed to from time to time between the Depository Participant and the Client as set out in Schedule A. The Depository Participant shall reserve the right to revise the charges by giving not less than thirty days notice in writing to the Client.
2) The Client shall have the right to get the securities which have been admitted on the Depository dematerialised in the form and manner laid down under the Bye Laws and Business Rules. The Depository Participant further undertakes that it shall not create or permit to subsist any mortgage, charge or other encumbrance over all or any of such securities submitted for dematerialisation except on the instructions of the Client.
3) The Depository Participant hereby undertakes that it shall maintain a separate account of its own securities held in dematerialised form with the Depository and shall not commingle the same with the securities held in dematerialised form on behalf of the Client.
4) The Depository Participant undertakes that a transfer to and from the accounts of the Client shall be made only on the basis of an order, instruction, direction or mandate duly authorised by the Client and that the Depository Participant shall maintain adequate audit trail of such authorization.
5) The Depository Participant agrees that the Client may give standing instructions with regard to the crediting of securities in his account and the Depository Participant shall act according to such instructions.
6) The Depository Participant undertakes to provide a statement of accounts including transaction statement and holdings statement to the Client at monthly intervals and to the Clients opting for Basic Services Demat Account at quarterly intervals unless the Depository Participant and the Client

have agreed for provision of such statements at shorter intervals. However, if there is no transaction in the account, then the Depository Participant shall provide such statement to the Client on an annual basis.

7) The Depository Participant shall have the right to terminate this agreement, for any reasons whatsoever, provided the Depository Participant has given a notice in writing of not less than thirty days to the Client as well as to the Depository. Similarly, the Client shall have the right to terminate this agreement and close his account held with the Depository Participant, provided no charges are payable by him to the Depository Participant. In such an event, the Client shall specify whether the balances in its account should be transferred to another account of the Client held with another Depository Participant or to rematerialise the security balances held. Based on the instructions of the Client, the Depository Participant shall initiate the procedure for transferring such security balances or rematerialise such security balances within a period of thirty days, as per the procedure laid down in the Bye Laws and Business Rules. Provided further, termination of this agreement shall not affect the rights, liabilities and obligations of either party and shall continue to bind the parties to their satisfactory completion.

8) On the failure of the Client to pay the charges as laid out in Clause (1) of this agreement within a period of thirty days from the date of demand Depository Participant may terminate this agreement and close the account of the Client by requiring it to specify whether the balances in its account be transferred to the account of the Client held with another Depository Participant or be rematerialised in the manner specified in the Bye Laws and Business Rules.

9) The Client further agrees that in the event of the Client committing a default in the payment of any of the amounts provided in Clause (1) within a period of thirty days from the date of demand, without prejudice to the right of the Depository Participant to close the account of the Client, the Depository Participant may charge interest @ not more than 24% p.a. or such other rate as may be specified by the Executive Committee from time to time for the period of such default. In case the Client has failed to make the payment of any of the amounts as provided in Clause (1) of this agreement, the Depository Participant shall have the right to stop processing of instructions of the Client till such time he makes the payment along with interest, if any, after giving two days notice to the Client.

10) The Depository Participant shall have a right to provide such information related to the Client's account as may be requested by the National Securities Depository Limited from time to time.

11) The Client shall have the right to create a pledge of the securities held in the dematerialised form with the Depository Participant only in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules.

12) The Depository shall not be liable to the Client in any manner towards losses, liabilities and expenses arising from the claims of third parties and from taxes, and other governmental charges in respect of securities credited to the Clients account.

13) The Client may exercise the right to freeze his account maintained with the Depository Participant so as to lock the securities held with the Depository Participant in accordance with the procedures prescribed in the Bye Laws and Business Rules.

14) The Client may exercise the right to defreeze his account maintained with the Depository Participant in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules.

15) The Client shall notify the Depository Participant, within seven days, of any change in the details set out in the application form submitted to the Depository Participant at the time of opening the account or furnished to the Depository Participant from time to time.

16) The Depository Participant undertakes to resolve all legitimate grievances of the Client against the Depository Participant within a period of thirty days.

17) The Depository Participant and the Client shall abide by the arbitration and conciliation procedure prescribed under the Bye Laws of National Securities Depository Limited and that such procedure shall be applicable to any disputes between the Depository Participant and the Client.

18) Notwithstanding anything contained herein or in the Bye Laws or Business Rules, neither party hereto shall be liable to indemnify or compensate the other for any breach, non-performance or delay in performance of any obligations under the Agreement or for any harm, loss, damage or injury caused to the other due to causes reasonably beyond its control including but not limited to tide, storm, cyclone, flood, lightning, earthquake, fire, blast, explosion or any other act of God, war, rebellion, revolution, insurrection, embargo or sanction, blockade, riot, civil commotion, labour action or unrest including strike, lock-out or boycott, interruption or failure of any utility service, enemy action, criminal conspiracy, act of terrorism or vandalism, sabotage, or intrusion, or any other irresistible force or compulsion.

19) The Depository Participant and the Client further agree that all claims, differences and disputes, arising out of or in relation to dealings on the Depository including any transactions made subject to the Bye Laws or Business Rules of the Depository or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfillment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions have been entered into or not, shall be subject to the exclusive jurisdiction of the courts at Mumbai only.

IN WITNESS WHEREOF the Client and the Depository Participant has caused these presents to be executed as of the day and year first above written.

Signed and delivered by

_____ _____

(for and on behalf of the Client) Witness

Signed and delivered by

_____ _____

(for and on behalf of the Depository Participant) Witness

Schedule A 1. Account Maintaining charges. 2. Custody charges. 3. Transaction charges. 4. Rematerialisation charges. 5. Other charges	
Circular No. NSDL/POLICY/ 2014/0127 Date: December 19, 2014	***Sub: Change in nomenclature of Flag - 'No Download of e-mail ID to Issuer / RTA' in DPM.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0095 dated September 1, 2014 regarding option to receive annual report, AGM notice and other communications from Issuer in physical form. Participants are hereby informed that nomenclature of the flag - **'No download of e-mail ID to Issuer / RTA'** has been changed to **'Receive Annual Reports, AGM notices and other communications from Issuers & RTAs in physical form'** in 'Other Details' screen of Client Creation / Modification / Search / Detail View and respective Reports & Exports of DPM. For any information / clarification, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in
Circular No. NSDL/POLICY/ 2014/0097 Date: September 8, 2014	***Sub: Information on website about KYC registration.*** All Participants are hereby informed that SEBI vide its email dated September 2, 2014 has advised that Participants which have their own website, should display the below mentioned text (as static or in the form of a ticker) on the front page of their website in order to create awareness among Clients: "KYC is one time exercise while dealing in securities markets - once KYC is done through a SEBI registered intermediary (broker, DP, Mutual Fund etc.), you need not undergo the same process again when you approach another intermediary." Participants are requested to take note of above and ensure compliance by Friday, September 12, 2014.
Circular No. NSDL/POLICY/ 2014/0095 Date: September 1, 2014	***Sub: Option to receive annual report, AGM notice and other communications from issuer in physical form.*** As all Participants are aware, the Companies (Accounts) Rules, 2014 notified on March 31, 2014 specifies manner of circulation of financial statements in certain cases. As per sub-Rule (a) of Rule 11 of aforesaid Rules, in case of all listed companies and such public companies which have a net worth of more than one crore rupees and turnover of more than ten crore rupees, the financial statements may be sent by electronic mode to such members whose shareholding is in dematerialised format and whose email IDs are registered with Depository for communication purpose. Further, as per sub-Rule (3) of Rule 35 of Companies (Incorporation) Rules, 2014, a document may be served on any member through electronic transmission.

	Therefore, if a Client desires to receive the financial statements (i.e. annual report), AGM notice and other communications from Issuer in physical form, the Client must submit a written request as per attached illustrative format to its Participant.
Circular No. NSDL/POLICY/ 2014/0079 Date: July 3, 2014	***Sub: Dispatch of physical Statements to BOs having Zero Balance and Nil Transactions and valuation for BSDA.*** All Participants are hereby informed that SEBI has vide its Circular No. CIR/ MRD/DP/21/2014 dated July 1, 2014 (copy enclosed) modified the provisions of its earlier circular pertaining to (i) dispatch of physical statement to beneficial owners having zero balance and NIL transactions and (ii) certain requirements in respect of valuation for Basic Services Demat Account. Participants are requested to take note of the following: 1. In respect of accounts having zero balance and nil transactions, Participants were required to send one physical statement to all such clients every year. With this modification made vide aforesaid SEBI Circular, the Participants will have an option to send such a physical statement only for one year provided it complies with the following conditions: For regular accounts (i.e. other than BSDA accounts) a. The Participant does not receive the annual maintenance charge (AMC) from the Client. b. The client is informed that the despatch of statement may be discontinued if the AMC is not received by the Participant. c. The account continues to remain zero balance. d. The Participant shall send electronic statement of holding to all the BOs whose email ids are registered with them and if a beneficial owner requests for a physical statement, the Participant shall provide the same. For BSDA accounts: a. The client is informed that the despatch of statement may be discontinued if the account continues to be remain zero balance. b. The account continues to remain zero balance. c. The Participant shall send electronic statement of holding to all the BOs whose email ids are registered with them and if a beneficial owner requests for a physical statement, the Participant shall provide the same. In case the Participant desires to continue to send physical statements to such accounts every year, none of the above conditions apply. 2. In order to determine the eligibility for BSDA and the charge structure applicable, SEBI had earlier informed that the value of holding shall be determined by the DPs on the basis of the daily closing price or NAV of the securities or units of mutual funds, as the case may be. Where such price is not available the last traded price may be taken into account and for unlisted securities other than units of mutual funds, face value may be taken in to account. In this context, SEBI has now clarified that the value of suspended securities may not be considered.

	Participants are requested to take note of the above and ensure compliance. The consequential amendments to the Business Rules will be notified subsequently. Further, the necessary enhancements in the system including change in methodology for the valuation in the accounts will be made and notified subsequently.

CIRCULAR

CIR/MRD/DP/ 21 /2014 **July 01, 2014**

To,

The Depositories and Depository Participants,

Dear Sir/ Madam,

Sub: Dispatch of physical Statements to BOs having Zero Balance and Nil Transactions

1. SEBI had vide circular no. CIR/MRD/DP/ 22 /2012 dated August 27, 2012 introduced the facility of Basic services Demat Account (BSDA) wherein inter alia it was mandated that one annual physical statement of holding shall be sent to the Beneficial Owners(BOs) having zero balance and Nil transaction.
2. Based on the representations from the Depositories and Depository Participants, the relevant provisions of the aforesaid circular are modified as under:

   Clause 5 (b) (i) DP shall send atleast one annual physical statement of holding to the stated address of the BO in respect of accounts with no transaction and nil balance even after the account has remained in such state for one year. The DP shall inform the BO that the dispatch of the physical statement may be discontinued if the account continues to remain zero balance even after one year.

   Clause 6 (a) Accounts with zero balance and nil transactions during the year: DP shall send atleast one annual physical statement of holding to the stated address of the BO in respect of accounts with no transaction and nil balance even after the account has remained in such state for one year. The DP shall inform the BO that if no Annual Maintenance Charge (AMC) is received by the DP, the dispatch of the physical statement may be discontinued for the account which continues to remain zero balance even after one year.
3. However, irrespective of the above, the DPs shall send electronic statement of holding to all the BOs whose email ids are registered with them. Also, if a BO requests for a physical statement, the DPs shall provide the same.
4. For the purpose of valuation of holdings in an account as provided in clause 4(b) of the aforesaid circular, it is clarified that the value of suspended securities may not be considered for the purpose of determining eligibility of demat account as BSDA.
5. The Depositories are advised to:-
   a) make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary ;
   b) bring the provisions of this circular to the notice of their DPs and also to disseminate the same on their website; and
   c) communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Report.

6. This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 and section 19 of the Depositories Act, 1996 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Maninder Cheema

Deputy General Manager

maninderc@sebi.gov.in

Circular No. NSDL/POLICY/ 2013/0034 Date: February 27, 2013	***Sub: Amendments to Bye Laws and Business Rules*** All Participants are hereby notified that Clause (6) of Annexure B (agreement between the Participant and its Client) of Bye Laws, Bye Law 6.4.4 and Rule 14.3.1 of Bye Laws & Business Rules have been amended, Rule 3.1.20 has been inserted in Business Rules and existing Rule 3.1.20 has been renumbered as 3.1.21. The amended Clause (6) of Annexure B (agreement between the Participant and its Client), Bye Law 6.4.4 and Rule 14.3.1 alongwith new Rule 3.1.20 of Bye Laws & Business Rules are enclosed as **Annexure A.** The Clause (6) of Annexure B (agreement between the Participant and its Client), Bye Law 6.4.4, new Rule 3.1.20 and Rule 14.3.1 of Bye Laws & Business Rules are also given in track change mode at **Annexure B.** Participants are advised to take note of the following: 1. In case of existing Clients, Participants are advised to intimate them about the amendments to Clause (6) of Annexure B (agreement between the Participant and its Client) of Bye Laws (Such intimation can be sent to Clients via email or alongwith the next monthly/quarterly transaction statement). 2. In case the Participant has stock of printed agreement between the Participant and the person seeking to open a depository account for new Clients, Participants may continue to use the existing stock till the stock is exhausted provided: a. Clients are made aware about the amendments at the time of account opening; and b. Written intimation is sent to Clients about the amendments after the account is opened. **Annexure A** **Clause (6) of Annexure B of Bye Laws of NSDL:** 6. The Depository Participant undertakes to provide a statement of accounts including transaction statement and holdings statement to the Client at monthly intervals and to the Clients opting for Basic Services Demat Account at quarterly intervals unless the Depository Participant and the Client have agreed for provision of such statements at shorter intervals. However, if there is no transaction in the account, then the Depository Participant shall provide such statement to the Client on an annual basis.

	Bye Law 6.4.4 of Bye Laws of NSDL: 6.4.4 Every Participant shall provide a statement of accounts including transaction statement and holdings statement to the Clients in such form as specified under the Business Rules. Such a statement shall be furnished to the Clients at monthly intervals and to the Clients opting for Basic Services Demat Account at quarterly intervals, unless the Participant and its Clients have agreed for provision of such statement at shorter intervals. However, if there is no transaction in the account, then the Participant shall provide such statement to the Client on an annual basis. **Rule 3.1.20 of Business Rules of NSDL:** 3.1.20 Transaction Statement means a statement giving the details of the security-wise transactions (credits and debits) and balances for a given period and is also referred as statement of account including transaction statement and holdings statement. **Rule 14.3.1 of Business Rules of NSDL:** 14.3.1 The Participant shall furnish a statement of accounts including transaction statement and holdings statement to every Client, who has opened an account with it, giving the details of the security-wise transactions and balances, in the accounts of the Clients. Such a statement shall be furnished to the Clients at monthly intervals and to the Clients opting for Basic Services Demat Account at quarterly intervals unless the Client and the Participant have agreed for provision of such statements at shorter intervals. However, if there is no transaction in the account, then the Participant shall provide such statement to the Client on an annual basis. A specimen of such statement is given in Annexure V. Provided however that in respect of accounts with no transaction and nil balance, one such statement shall be sent to the Client in physical form on an annual basis.
Circular No: 2012/0059 NSDL/POLICY/ Date: June 5, 2012	***Sub: Amendments to Business Rules of NSDL*** All Participants are hereby notified that existing Annexure Q (Application for Closing an Account) of the Business Rules of NSDL has been replaced by new Annexure Q and Annexure QA. The copy of the same are enclosed. Further, Participants can use the existing stock of Application for Closing an Account until the stocks last. However, in case where securities are transferred to any account other than Client's own account, Client will have to submit duly filled Delivery Instruction Slip signed by all account holders alongwith Application for Closing an Account.

ANNEXURE Q
APPLICATION FOR CLOSING AN ACCOUNT
(For Beneficiary Account only)

Date	D	D	M	M	Y	Y	Y	Y

To,
DP Name:
DP Address:
DP ID :

1. I / We hereby request you to close my/our account with you as per following details:

Name of the holder(s)	
Sole/ First Holder	
Second Holder	
Third Holder	

2. Reason/s for Closure of depository account: ______________________

3. Client ID (of account to be closed) | | | | | | | | |

4. Please tick the applicable option(s)

☐ Option A [There are no balances / holdings in this account]

☐ Option B [Transfer the balances / holdings in this account as per details given]	☐ Transfer to my / our own account (Provide target account details and enclose Client Master Report of Target Account) ☐ Transfer to any other account (Submit duly filled Delivery Instruction Slip signed by all holders)	Target Account Details

☐ NSDL	DP ID								
☐ CDSL	Client ID								

Option C [Rematerialise / Reconvert (*Submit duly filled Remat / Reconversion Request Form-for mutual fund units*)]

5. Signature(s)

Sole/ First Holder	
Second Holder	
Third Holder	

= =

Acknowledgement

We hereby acknowledge the receipt of your request for closing the following Account subject to verification:

DP ID		Client ID	

Name of Sole / First Holder

Name of Second Holder

Name of Third Holder

Signature of the Authorised Signatory **Date**	**Seal/ Stamp of Participant**

ANNEXURE QA
APPLICATION FOR CLOSING AN ACCOUNT
(For Clearing Member Account only)

Date	D	D	M	M	Y	Y	Y	Y

To,
DP Name:
DP Address:
DP ID :

1. I / We hereby request you to close my/our account with you as per following details

Name of the Clearing Member								
Client ID								
DP ID	**I**	**N**						
CM-BP ID								
CC-CM ID								

2. Reason for Closure
(Please tick)

☐ Shifting of Account

☐ Others
(Please specify,____)

Note for Participant:
In accordance with stipulated procedure for Account Shifting of Clearing Member, if the reason for closure is "Shifting of Account," Participant must close account in the DPM System only after receipt of confirmation from NSDL

3. Signature(s)	
Name of the Authorised Signatories	**Signature(s)**

= =

Acknowledgement

We hereby acknowledge the receipt of your request for closing the following Account subject to verification:

DP ID		Client ID	
CM-BP-ID		CC-CM-ID	
Name of Clearing Member			
Signature of the Authorised Signatory **Date**		**Seal/ Stamp of Participant**	

Circular No: NSDL/POLICY/ 2012/0053 Date: May 3, 2012	***Sub: Amendments to Bye Laws of NSDL*** All Participants are hereby notified that Clauses (8) and (9) of Annexure B (agreement between the Participant and its Client) of the Bye Laws of NSDL have been amended. The revised Clauses (8) and (9) of Annexure B are enclosed. **Annexure** **(8)** On the failure of the Client to pay the charges as laid out in Clause (1) of this agreement within a period of thirty days from the date of demand Depository Participant may terminate this agreement and close the account of the Client by requiring it to specify whether the balances in its account be transferred to the account of the Client held with another Depository Participant or be rematerialised in the manner specified in the Bye Laws and Business Rules. **(9)** The Client further agrees that in the event of the Client committing a default in the payment of any of the amounts provided in Clause (1) within a period of thirty days from the date of demand, without prejudice to the right of the Depository Participant to close the account of the Client, the Depository Participant may charge interest @ not more than 24% p.a. or such other rate as may be specified by the Executive Committee from time to time for the period of such default. In case the Client has failed to make the payment of any of the amounts as provided in Clause (1) of this agreement, the Depository Participant shall have the right to stop processing of instructions of the Client till such time he makes the payment along with interest, if any, after giving two days notice to the Client.
Circular No. NSDL/POLICY/ 2013/0141 Date: December 18, 2013	***Sub: Simplification of demat account opening process*** SEBI has vide its Circular No. CIR/MIRSD/12/2013 dated December 4, 2013 issued guidelines for simplification of demat account opening process. In terms of the said circular, the agreement to be executed between the person seeking to open an account with the Participant and the Participant shall be replaced with a common document "Rights and Obligations of the Beneficial Owner and Depository Participant". Copy of the SEBI circular is enclosed for information and compliance as Annexure A. In this context, Participants are requested to take note of the following: 1. For new Clients, Participants can start implementing the same immediately and in any event are required to implement the same with respect to all new Clients latest by March 3, 2014 *(i.e. 3 months from date of aforesaid SEBI circular)*. In the case of new Clients, Participants are no longer required to execute the Participant-Client agreement. Participants shall provide a copy of the Rights and Obligations Document as given in the Annexure to the aforesaid SEBI circular to the beneficial owner and shall obtain an acknowledgement of the same *(Refer point no. 3 of SEBI circular)*. Participants may incorporate the acknowledgement as a part of the Account Opening Form or use a separate form of acknowledgement. An illustrative format of the acknowledgement to be obtained from the Client is enclosed at Annexure B.

	2. For existing Clients, Participants are advised to intimate them about the modified provisions of the Rights and Obligations Document, replacing the existing Participant-Client agreements *(Refer point no. 4 (ii) of SEBI circular)* and keep record of the same. Such an intimation to the Clients can be sent on or before May 15, 2014 by a letter or by email registered in the DPM system or it can be combined alongwith the next monthly/ quarterly/ yearly transaction/ holding statement. An illustrative format of the intimation to be sent to Client is given at Annexure C. The consequential amendments to the Bye Laws and Business Rules will be notified separately.

CIRCULAR

CIR/MIRSD/12/2013 **December 04, 2013**

The Managing Directors
CDSL and NSDL

Sub: Simplification of demat account opening process

1. SEBI has taken a number of steps in the recent past to simplify the Account opening and KYC process in the securities markets. In continuation of the efforts in the same direction, it has now been decided in consultation with both the Depositories and Associations of stock brokers and Depository Participants to further simplify and rationalize the demat account opening process.
2. The existing Beneficial Owner-Depository Participant Agreements shall be replaced with a common document "Rights and Obligations of the Beneficial Owner and Depository Participant". The document annexed herewith shall be mandatory and binding on all the existing and new clients and depository participants. This will harmonize the account opening process for trading as well as demat account. This will also rationalise the number of signatures by the investor, which he is required to affix at present on a number of pages.
3. The Depository Participant shall provide a copy of Rights and Obligations Document to the beneficial owner and shall take an acknowledgement of the same. They shall ensure that any clause in any voluntary document neither dilutes the responsibility of the depository participant nor it shall be in conflict with any of the clauses in this Document, Rules, Bye-laws, Regulations, Notices, Guidelines and Circulars issued by SEBI and the Depositories from time to time. Any such clause introduced in the existing as well as new documents shall stand null and void.
4. The Depositories are directed to:
   i. Bring the provisions of this circular to the notice of the Depository Participants and also disseminate the same on their websites. They shall take necessary steps to implement this circular immediately and ensure its full compliance in respect of all new clients within 3 months from the date of this circular.
   ii. Advise the depository participants to intimate their clients the modified provisions of the Rights and Obligations Document, replacing the existing BO-DP agreements.\
   iii. Make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with each another to achieve uniformity in approach.
   iv. Communicate to SEBI, the status of the implementation of the provisions of this circular in their Monthly Development Reports.

5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of and to regulate the securities markets.

6. This circular is available on SEBI website (www.sebi.gov.in) under the categories "Legal Framework" and "Circulars".

Rights and Obligations of Beneficial Owner and Depository Participant as prescribed by SEBI and Depositories

General Clause

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars/Notifications/Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.

2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.

Beneficial Owner information

3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.

4. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

Fees/Charges/Tariff

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that "no *charges are payable for opening of demat accounts"*

6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars/directions/notifications issued from time to time.

7. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same.

Dematerialization

8. The Beneficial Owner shall have the right to get the securities, which have been admitted on the Depositories, dematerialized in the form and manner laid down under the Bye Laws, Business Rules and Operating Instructions of the depositories.

Separate Accounts

9. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DP's own securities held in dematerialized form.

10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye-Laws/Operating Instructions/ Business Rules of the Depositories.

Transfer of Securities

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.
12. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions.

Statement of account

13. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/depository in this regard.
14. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account.
15. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.
16. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

Manner of Closure of Demat account

17. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/ her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.
18. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

Default in payment of charges

19. In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the Beneficial Owner, the DP may charge interest at a rate as specified by the Depository from time to time for the period of such default.

20. In case the Beneficial Owner has failed to make the payment of any of the amounts as provided in Clause 5&6 specified above, the DP after giving two days notice to the Beneficial Owner shall have the right to stop processing of instructions of the Beneficial Owner till such time he makes the payment along with interest, if any.

Liability of the Depository

21. As per Section 16 of Depositories Act, 1996,
    1. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the beneficial owner due to the negligence of the depository or the participant, the depository shall indemnify such beneficial owner.
    2. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository, the depository shall have the right to recover the same from such participant.

Freezing/ Defreezing of accounts

22. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.
23. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or any statutory authority.

Redressal of Investor grievance

24. The DP shall redress all grievances of the Beneficial Owner against the DP within a period of thirty days from the date of receipt of the complaint.

Authorized representative

25. If the Beneficial Owner is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

Law and Jurisdiction

26. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other rights which the DP or the Beneficial Owner may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.
27. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/ notices issued by SEBI and Rules, Regulations and Bye-laws of the relevant Depository, where the Beneficial Owner maintains his/ her account, that may be in force from time to time.
28. The Beneficial Owner and the DP shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of the depository and that such procedure shall be applicable to any disputes between the DP and the Beneficial Owner.
29. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye-laws and Regulations and circulars/notices issued there under by the depository and /or SEBI
30. Any changes in the rights and obligations which are specified by SEBI/Depositories shall also be brought to the notice of the clients at once.
31. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

Annexure B

Option 1

[For Participants who are using existing stationery of Account Opening Form]

Acknowledgement

To,

Date	D	D	M	M	Y	Y	Y	Y

<Depository Participant Name>

<DP ID>

<Address>

With reference to my / our application for opening a depository account, I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".

Name of the holder(s)	
Sole/ First Holder	
Second Holder	
Third Holder	

Option 2

[For Participants who are printing new stationery of Account Opening Form (AOF) or would like to modify the existing stationery with additional printing, rubber stamping etc.]

In the Declaration part of the Account Opening Form, the sentence given below may be added at the end.

"I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".

Annexure C

Illustrative format of intimation to be sent to Client

Date : _____

<Name of Client>

<Address of Client>

Dear Sir/ madam,

Sub: Rights and Obligations of the Beneficial Owner and Depository Participant

This has reference to your demat account which you have opened with us having DP ID _____ and Client ID _____.

In this context, we wish to inform you that SEBI has taken a number of steps in the recent past to simplify the account opening and KYC process in the securities markets. In continuation of the efforts in the same direction, SEBI has decided that the existing Beneficial Owner-Depository Participant Agreement

is replaced with a common document "Rights and Obligations of the Beneficial Owner and Depository Participant". Copy of the same is enclosed. This document is mandatory and binding on all existing and new Clients and Depository Participants.

For and on behalf of

<DP Name>

Encl: a/a

This is a computer generated letter and does not require signature.

Rights and Obligations of Beneficial Owner and Depository Participant as prescribed by SEBI and Depositories

General Clause

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars/Notifications/Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.
2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.

Beneficial Owner information

3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.
4. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

Fees/Charges/Tariff

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that "no charges are payable for opening of demat accounts"
6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars/directions/notifications issued from time to time.
7. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same.

Dematerialization

8. The Beneficial Owner shall have the right to get the securities, which have been admitted on the

Depositories, dematerialized in the form and manner laid down under the Bye Laws, Business Rules and Operating Instructions of the depositories.

Separate Accounts

9. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DP's own securities held in dematerialized form.
10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye-Laws/Operating Instructions/ Business Rules of the Depositories.

Transfer of Securities

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.
12. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions.

Statement of account

13. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/depository in this regard.
14. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account.
15. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.
16. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

Manner of Closure of Demat account

17. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/ her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.
18. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

Default in payment of charges

19. In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the Beneficial Owner, the DP may charge interest at a rate as specified by the Depository from time to time for the period of such default.

20. In case the Beneficial Owner has failed to make the payment of any of the amounts as provided in Clause 5&6 specified above, the DP after giving two days notice to the Beneficial Owner shall have the right to stop processing of instructions of the Beneficial Owner till such time he makes the payment along with interest, if any.

Liability of the Depository

21. As per Section 16 of Depositories Act, 1996,
    1. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the beneficial owner due to the negligence of the depository or the participant, the depository shall indemnify such beneficial owner.
    2. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository, the depository shall have the right to recover the same from such participant.

Freezing/ Defreezing of accounts

22. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.

23. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or any statutory authority.

Redressal of Investor grievance

24. The DP shall redress all grievances of the Beneficial Owner against the DP within a period of thirty days from the date of receipt of the complaint.

Authorized representative

25. If the Beneficial Owner is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

Law and Jurisdiction

26. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other rights which the DP or the Beneficial Owner may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.

27. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/ notices issued by SEBI and Rules, Regulations and Bye-laws of the relevant Depository, where the Beneficial Owner maintains his/ her account, that may be in force from time to time.

28. The Beneficial Owner and the DP shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of the depository and that such procedure shall be applicable to any disputes between the DP and the Beneficial Owner.

29. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye-laws and Regulations and circulars/notices issued there under by the depository and /or SEBI

30. Any changes in the rights and obligations which are specified by SEBI/Depositories shall also be brought to the notice of the clients at once.

31. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

Circular No. NSDL/POLICY/ 2013/0056
Date: April 16, 2013

Sub: Change of Name of Karta in respect of 'HUF' depository accounts in the DPM System.

Attention of Participants is invited to SEBI's Circular No. CIR/MRD/DP/27/2012 dated November 1, 2012 regarding change of name in BO account (*informed to Participants vide NSDL Circular no. NSDL/POLICY/2012/0125 dated November 2, 2012*) and point no. 9 of 'Annexure A' of NSDL Circular no. NSDL/ POLICY/2013/0020 dated January 30, 2013 regarding incorporation of Change of Name facility in the Beneficial Owner (BO) Account. Accordingly, the revised list of Type/sub-type of accounts where name change will be permitted for individual accounts is given at Annexure.

In this regard, to facilitate Participants to Change the name of Karta in the HUF account, the client modification facility has been enhanced to change the name of Karta in the HUF account opened under type/sub type as 'Resident-HUF' in the Local DPM system. All the other operating procedure while executing change of name of Karta in the HUF account will be same as per the operating procedure for change of name in the BO account (*as informed at aforesaid point no. 9*).

Annexure

Type	Subtype
Resident	Ordinary
	Margin Account
	Ordinary-DR
	HUF
	NRI-Repartriable
NRI	NRI-NonRepartriable
	DR
Foreign National	DR
	FN
QFI	Individual

Circular No. NSDL/POLICY/ 2013/0026 Date: February 5, 2013	***Sub: Intimation to Client about activation of its depository account*** Attention of Participants is invited to Circular No. NSDL/PI/98/583 dated November 18, 1998 advising Participants to ensure that the information regarding account opening is provided to their Clients only after the depository account is in *"Active"* status. In case the Participant is using a separate series of Client IDs generated from the DPM system, the Client ID may be intimated to the Clients subject to the following conditions: (1) At the time of intimation of such Client ID, the Client must be clearly communicated that the Client ID is yet to be activated and should not be used for any purpose till communication is received from Participant about activation of Client account. (2) After the Client ID is in "Active" status separate communication *(letter / email or any other mode which the Participant may deem fit)* must be sent to the Client. Accordingly, necessary changes are made in procedure mentioned at point no.1.8.2 of NSDL Master Circular No. NSDL/POLICY/2012/0018 dated February 9, 2012 on account opening and is given at Annexure in track change mode. Further, updated version 4.5, February 2013 of aforesaid Master Circular is enclosed. **Annexure** **1.8.2 Information to Client:** The Participant should –give the Client Master Report alongwith a copy of the Agreement including charge structure to Client. Such information should be provided only after the account is in "Active" status in the DPM System . In case the Participant is using a separate series of Client IDs generated from the DPM system, the Client ID may be intimated to the Clients subject to the following conditions: a) At the time of intimation of such Client ID, the Client must be clearly communicated that the Client ID is yet to be activated and should not be used for any purpose till communication is received from Participant about activation of Client account. b) After the Client ID is in "Active" status, separate communication *(letter / email or any other mode which the Participant may deem fit)* must be sent to the Client.
Circular No. NSDL/POLICY/ 2012/0131 Date: November 9, 2012	***Sub: Email address of Clients*** As Participants are aware, a facility of capturing email ID of the Client in the DPM system is provided. Participants are advised to encourage their Clients to provide the same to them. The benefits to the Client in registering the email ID in the DPM system are as follows: 1. Participate in voting through e-voting platform of NSDL. 2. Receive Transaction Statements and other communication from Participants in electronic mode (subject to signing of terms and conditions).

	3. Intimating the Participant through email about change in its other demographic details such as Phone number, Fax number, Mobile number, Email ID and SMS facility as per the prescribed procedure. 4. Receive balance sheets, notices etc. from companies through email in accordance with Companies Act, 1956. In case any of the Clients intend to continue to receive such communication in physical form, a facility to opt for 'No download of email ID to Issuer/R&T Agent' is provided (Ref.: Circular No. NSDL/POLICY/2012/0026 dated February 29, 2012). In view of the above, all Participants are hereby requested to inform their Clients who have not provided their email addresses to register for availing such facilities. Such a communication can be included in the Transaction Statements sent to the Clients.
Circular No: NSDL/POLICY/ 2012/0087 Date September 4, 2012	***Sub: Procedure to be followed in case Client is not able to sign due to reasons such as paralysis, parkinsons, hemiplegia, old age, etc.*** Participants are requesting for procedure to be followed in case their Clients who are unable to sign the instructions for operating the depository account for various reasons such as paralysis, parkinsonism, hemiplegia, old age, etc. Accordingly, Participants are hereby informed that they may follow the procedure given below for such cases: 1. Ascertain that the Client himself/ herself has given the request and that the Client retains the capacity to contract. For this purpose, the Participant can take the following steps: 1.1 Advise the Client to provide a written request stating that the Client is unable to sign specifying the reason therein. The Client need to affix his/ her thumb impression on the written request. A Magistrate, a Notary Public or a Special Executive Magistrate must attest Thumb impression of the Client. 1.2 Advise the Client to provide a medical certificate issued by an appropriately qualified doctor which clearly states that the Client is unable to sign, the reason for the same and period since the Client is unable to sign. 1.3 Arrange for a meeting with the Client by a responsible Participant staff to ascertain the following and obtain the thumb impression of account holder who is unable to sign on written request provided by Client in the presence of the responsible Participant staff: 1.3.1 whether the Client himself/ herself has provided the request *(the photograph on the KYC Application Form/ Account Opening Form must be matched with the Client).* 1.3.2 whether the Client retains the capacity to contract i.e. if the Client cannot put his/her signature, then is he/she in a position to put his/her thumb impression on his/her own without the assistance of any other person and understand the consequence of putting his/ her thumb impression on a document to facilitate a transaction or authorize some other person to carry out the transaction on his/ her behalf.

1.4 Make an independent verification by another responsible Participant staff that the Client himself/ herself has provided the request (*by making a call at the telephone number recorded at the depository account or by visiting the Client at the address recorded in the depository account or such other means as deemed suitable by the Participant*).

1.5 The responsible Participant staff who has ascertained the aforesaid *[point 1.3 above]*, must put his name, signature and suitable remarks to the effect that **"Thumb impression affixed in my presence"** on the written request of the Client.

1.6 The responsible Participant staff who has made an independent verification as mentioned at point 1.4 above must put his name, signature and suitable remarks to the effect that **"Verified independently that the Client himself/herself has made the request"** on the written request of the Client.

1.7 Make such other checks/verifications as may be deemed appropriate by the Participant.

2. After it is ascertained that the Client himself/herself has given the request and that the Client retains the capacity to contract, the following steps must be taken:

2.1 Internal note *(Illustrative format enclosed)* to be approved by the Managing Director or Compliance Officer or any other officer designated in writing for this purpose by the Participant.

2.2 Participant may facilitate operation of the depository account on receipt of the instruction forms/ any request with the thumb impression in the presence of the official of the Participant. The official of the Participant must identify the Client by verifying the photograph submitted by the Client. The official of the Participant should then put his/her signature and remarks **"Thumb impression affixed in my presence"** on the instruction form/ request.

2.3 If the Client desires, Participant may facilitate operation of the depository account by the Power of Attorney (POA) Holder after ensuring compliance with the procedure mentioned at point no. (5) of Master Circular No. NSDL/POLICY/2012/0018 dated February 9, 2012.

3. If Client does not retain the capacity to contract (*i.e. he/she is not able to understand the implication of his/her actions*) for various reasons such as Client is on ventilator, in Coma, unconscious, etc., any of the nearest relative of the Client would have to obtain court order to act as a Legal Guardian and thereafter obtain an authority from the court/ court order to operate the depository account and transfer securities for the benefit of the account holder.

<Name of Participant>

Ref. No.:_____ Date: _____, _____

OPERATION OF DEPOSITORY ACCOUNT IN CASE CLIENT IS UNABLE TO SIGN

Sr. No.	Particulars		Details
1	DP ID & Client ID		
2	Name of account holder	Sole/ First holder	
		Second holder	
		Third holder	
3	Name of the account holder who is not able to sign		
4	Value of Holding (in Rs.)		
5	Written request received from Client		Yes ☐ No ☐
6	Thumb impression of Client on written requested is attested by a Magistrate, a Notary Public or a Special Executive Magistrate		Yes ☐ No ☐
7	Medical Certificate issued by an appropriately qualified doctor stating that Client is unable to sign		Yes ☐ No ☐
8	Reason as per Medical Certificate for not able to sign		
9	Period since the Client is not able to sign		
10	Name, Designation and Employee code of responsible Participant staff who had met the Client		
11	Client retains the capacity to contract		Yes ☐ No ☐
12	Name, Designation and Employee code of another responsible Participant staff who had carried out independent verification		
13	Written request is received from Client itself		Yes ☐ No ☐
14	Other Checks carried out by Participant		
15	Remarks		
16	Action to be taken (please tick):		Operation of depository account through thumb impression
			Operation of depository account by Legal Guardian appointed by Court
			Any other action (please specify) : _____

Submitted for Approval,

Name & Signature
(Maker)

Name & Signature
(Checker)

Name & Signature
(Authorised person to approve)

Internal

Circular No: NSDL/POLICY/ 2011/0013 Date: February 1, 2011	***Sub: SEBIs Clarification on opening of account in case of HUF*** Attention of Participants is invited to SEBI's Master Circular no. CIR/MRD/DP/ 41 /2010 dated December 31, 2010 for Depositories [*refer NSDL Circular no. NSDL/POLICY/2011/0003 dated January 4, 2011*], which is a compilation of circulars / communications issued by SEBI up to December 31, 2010. SEBI has vide point nos. 1.2.6 and 4.3 of aforesaid Master Circular clarified the following in case of Beneficial Owner (BO) account: **"1.2.6 HUF, Association of Persons (AoP), Partnership Firm, unregistered Trust, Registered Trust, Corporate Bodies, minors, etc.** The BO account shall be in the name of natural persons, PAN card details of the respective HUF, AoP, Partnership Firm, Unregistered Trust, etc shall be obtained. The PAN number of Registered Trust, Corporate Bodies and minors shall be obtained when accounts are opened in their respective names." **"4.3. Opening of demat account in case of HUF** It is noted that as per law, in case of HUF, shares can be held in the name of Existing Karta on behalf of HUF. Therefore, HUF demat accounts can be opened in the name of Existing Karta but not in the name of Deceased Karta and HUF entity." In view of the aforesaid, Participants are advised to continue to ensure that for an HUF, the accounts are opened under the type "HUF" in the name of Karta (i.e. natural person) who is alive and not in the name of HUF entity.
Circular No. NSDL/POLICY/ 2013/0139 Date: December 3, 2013	***Sub: SEBI Circular on Infrastructure Debt Fund (IDF)*** Attention of all Participants is invited to SEBI Circular No. CIR/IMD/DF/20/ 2013 dated November 29, 2013 (copy enclosed) regarding categorization of Foreign Institutional Investors (FIIs) as long term investors for the purpose of Infrastructure Debt Fund (IDF). Copy of the same is enclosed for information.

CIRCULAR

CIR / IMD / DF / 20 / 2013 November 29, 2013

All Mutual Funds/Asset Management Companies
Trustee Companies/Boards of Trustees of mutual funds

Sir / Madam,

Sub: Circular on Infrastructure Debt Fund (IDF)

Foreign Institutional Investors (FIIs) which are long term investors

1. SEBI, vide Circular CIR/IMD/DF/7/2013 dated April 23, 2013, has designated the following categories of FIIs as long term investors for the purpose of IDF:
   a. Foreign Central Banks
   b. Governmental Agencies
   c. Sovereign Wealth Funds
   d. International/Multilateral Organizations/ Agencies
   e. Insurance Funds
   f. Pension Funds

2. It has been decided that regulated foreign feeder funds, having at all times, at least 20% of their assets under management held by investors belonging to one of more of the above categories of FIIs, shall also be categorized as FIIs which are long term investors, for the purpose of IDF.

This circular is issued in exercise of powers conferred under section 11(1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of regulation 77 of the SEBI (Mutual Funds) Regulations, 1996 to protect the interests of investors in securities and to promote the development of and to regulate the securities market.

Yours faithfully,

PARAG BASU
Chief General Manager
Tel no. 022-26449360
Email-paragb@sebi.gov.in

Circular No. NSDL/POLICY/ 2013/0137
Date: November 22, 2013

Sub: Download of E-mail IDs to Issuers / RTAs

Attention of Participants is invited to Circular No. NSDL/POLICY/2012/0026 dated February 29, 2012 wherein Participants were inter-alia informed that in case Client wishes that email details mentioned in its depository account should not be downloaded to the Issuer / RTA, a flag is being provided in the Client Maintenance Module to facilitate the same. Participants were also informed about the benefits of capturing of email address of Clients in DPM system vide Circular No. NSDL/POLICY/2012/0131 dated November 9, 2012.

SEBI had advised to spread awareness about this facility and encourage investors to avail this facility. Accordingly, Participants are advised to incorporate the following footnote in the next Transaction Statement sent to Clients:

Quote

Email address updation in demat account.

1. Decide how you want to receive the annual reports, notices, etc. from companies i.e. whether by email or in paper form by post/courier. You can register your email address in your demat account (if not already done) and choose whether to share the email address with the companies/ Registrar & Transfer Agents. The default option is to share the email address with the companies/Registrar and Transfer Agents. If you want to register your email address in your demat account and still want to receive the annual reports, notices, etc. from companies in paper form, you can make a request to <*Participant Name*> to enable the option '*No download of email ID to Issuer/R&T Agent*' in your demat account.
2. If your email address is not updated in your demat account, you can simply make a written request *(duly signed by all the holders)* to <Participant Name> for updation of your email address.
3. By updating your email address in your demat account, you will receive information pertaining to your demat account on your registered email address faster and quicker in your inbox. It is a smart and convenient way that offers you the following benefits:
   a. Receive annual report, notices etc. from Issuer through email
   b. Participate in voting through e-voting platform of NSDL

	c. Receive Transaction Statements and other communication from Participants in electronic mode d. Intimate your Participant through email about change in your demographic details such as Phone number, Fax number, Mobile number, Email ID and SMS facility as per the prescribed procedure e. Easier registration for IDeAS facility provided by NSDL to view your holdings and transactions on internet, if email address is available in demat account f. Receive alerts directly from NSDL via email in case of change in your address **Unquote**
Circular No. NSDL/POLICY/ 2013/0130 Date: November 6, 2013	***Sub: SEBI Circular on e-KYC service launched by Unique Identification Authority of India (UIDAI)*** Attention of Participants is invited to SEBI's Circular No. CIR/MIRSD/ 09 /2013 dated October 8, 2013 (copy enclosed) regarding Know Your Client Requirements which states that "*In consultation with Unique Identification Authority of India (UIDAI) and the market participants, it has now been decided to accept e-KYC service launched by UIDAI also, as a valid process for KYC verification. The information containing relevant client details and photograph made available from UIDAI as a result of e-KYC process shall be treated as sufficient proof of Identity and Address of the client. However, the client shall have to authorize the intermediary to access his data through UIDAI system.*" Copy of the same is enclosed for information and compliance. The operating guidelines in this regard will be issued in due course.

CIRCULAR

CIR/MIRSD/ 09/ 2013 October 8, 2013

1. **All Recognized Stock Exchanges**
2. **Stock Brokers through Recognized Stock Exchanges**
3. **Depository Participants through Depositories**
4. **Association of Mutual Funds in India**
5. **Mutual funds through AMFI**
6. **Portfolio Managers**
7. **KYC Registration Agencies (KRAs)**
8. **Alternative Investment Funds (AIFs)**
9. **Collective Investment Schemes (CIS)**
10. **Custodians**

Dear Sir/ Madam,

Sub: Know Your Client Requirements

1. Please refer to SEBI circular No. CIR/MIRSD/ 09 /2012 dated August 13, 2012, advising that Aadhaar Letter issued by UIDAI would be admissible as Proof of Address in addition to it being recognized as Proof of Identity.
2. In consultation with Unique Identification Authority of India (UIDAI) and the market participants, it has now been decided to accept e-KYC service launched by UIDAI also, as a valid process for KYC verification. The information containing relevant client details and photograph made available from UIDAI as a result of e-KYC process shall be treated as sufficient proof of Identity and Address of the client. However, the client shall have to authorize the intermediary to access his data through UIDAI system.

3. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully,

A. S. Mithwani
Deputy General Manager
022-26449613
Email: aliasgarm@sebi.gov.in

Circular No. NSDL/POLICY/ 2014/0071 Date: June 3, 2014	***Subject: Updation of IFSC in depository accounts having MICR Code.*** As all Participants are aware that facility to capture bank details like 'IFSC', 'MICR code', 'Bank Name' and 'Bank address' in the depository accounts is available in the Local DPM. Further, 'Bank Master' containing the aforesaid bank details is available for download in Local DPM for back-office update (Uploads / Downloads ' Downloads ' Master ' Bank Master). As informed to Participants vide Circular no. NSDL/POLICY/2011/0075 dated September 20, 2011, on September 24, 2011 NSDL had conducted one-time update of IFSC in depository accounts where MICR codes in respect of bank details mentioned in the depository account were available but IFSC was not captured. Based on representations received from Participants, such an exercise will be conducted again to update IFSC in the 'IFSC Code' field as per the 'Bank Master' available in the local DPM for the corresponding MICR code already captured in the depository account. This activity will be carried out on Saturday, June 7, 2014. The details of update can be viewed at 'Client Details' screen of e-DPM and 'Details View' screen of Local DPM. Further, incremental or full 'Client Master' can be downloaded from Local DPM for update of back-office system. For any information / clarification, Participants are requested to contact Help Desk at (022) 2499 4601 to 4610 or email at helpdesk@nsdl.co.in
Circular No. NSDL/POLICY/ 2013/0067 Date: May 7, 2013	***Sub: Incorporation of settlement details in respect of off-market transfer in the DPM System and changes in file formats.*** As Participants are aware, SEBI has vide its Circular No. CIR/MRD/DP/32/2012 dated December 6, 2012 (*informed vide NSDL Circular No. NSDL/POLICY/2012/0143 dated December 7, 2012*) regarding implementation of Rajiv Gandhi Equity Savings Scheme (RGESS), advised that for transactions undertaken by investors through their RGESS designated depository account, Depositories may seek transactional details from stock exchange viz; Actual Trade Value, Trading date, Settlement number, etc., for the purpose of enforcing lock-in for RGESS investments. In respect of credits to RGESS designated depository accounts, the transactional details are sought from the stock exchanges. For transactions where the credits are received into the RGESS designated depository accounts by way of an off-market transfer through margin/other account of stock broker/clearing member, the settlement details (CC ID, market type & settlement number) are not provided to the stock exchanges for seeking transactional details.

	In order to facilitate a faster search of transactional details from stock exchanges for RGESS designated depository accounts, the off-market transfer module is enhanced to enable to provide optional information about settlement details (CC ID, market type & settlement number) in the eDPM System. The changes in the file formats in respect of the back-office interface with eDPM and Local DPM system are highlighted and enclosed at Annexure A. Participants are advised to make necessary changes to their back office system by incorporating aforesaid optional settlement details as per the enclosed file formats, if required. Further, Participants may obtain the settlement details (CC ID, market type & settlement number) from such Clients on a separate paper duly signed by the Client alongwith the Delivery Instruction Slips. An illustrative format for the same is enclosed as Annexure B. The detailed feature will be provided shortly. **Annexure B**

Additional Details

For Delivery Instructions by Clients

For Off-Market Trades (Receiver Details)

Sr. No.	Client ID	Instruction No. (To be filled by DP)	CC ID	Market Type	Settlement No.

Circular No: NSDL/POLICY/ 2010/0101 Date: September 3, 2010	***Sub: Capturing of old/legacy bank account numbers in Client Accounts*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2009/ 0091 dated October 5, 2009 regarding capturing of new bank account numbers in case of change in the existing bank account numbers for ensuring that instructions of ECS/NECS are not rejected on account of old/legacy bank account numbers. To facilitate identification of Clients accounts where the bank account numbers captured in the DPM System are more than 15 digits, a file named 'Legacy Bank Account Numbers' is being provided at the intranet site of NSDL i.e., https:// sqlassist. Participants will be required to enter the existing 'Maker' User ID i.e., DP ID and Password to access the file. The file will contain DP ID, Client ID, Client Name, Bank Name and Bank Account Number. Participants are requested to inform their Clients to provide the latest bank account numbers in case there is a change in the existing bank account numbers. At the time of capturing of new bank account details in the DPM system, Participants are advised to ensure compliance with point no. (I) (2) (2.3) of NSDL Master Circular No. NSDL/POLICY/2009/0029 dated April 16, 2009. For any information/clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in

Circular No: NSDL/POLICY/ 2013/0014 Date: January 21, 2013	***Sub: Updation of bank account number of IndusInd Bank Limited (IBL) in depository accounts where old/incorrect bank account number of IBL were captured.*** All Participants are hereby informed that IBL has approached NSDL to change the existing bank account number captured in the depository account of Clients who have provided bank account details of IBL with the new bank account numbers. IBL has provided the old bank account number and the new bank account number for each depository account where the updation is required to be done. In order to facilitate the Participants to carry out the updation in the depository accounts of their Clients where bank account of IBL is captured, a batch utility will be provided. The batch utility will replace the bank account number (of IBL) currently captured in the depository account with the new bank account number provided by IBL for the identified depository accounts. This updation will be carried out in the identified depository accounts only where the old bank number provided by IBL matches with bank account number currently captured. After the utility is executed and the updation is done, the report will be generated containing the list of Client accounts where the updation was carried out successfully and list of Client accounts which were identified for updation, but the updation was not carried out. This report will contain the DP ID, Client ID, Instruction Id, old bank account number, new bank account number, error code & error description, if any (in case updation was not carried out). The aforesaid utility namely 'Bank account number updation (IndusInd Bank Limited)' will be made available at the home page of NSDL's intranet site (https://i-assist) under the option 'Utilities'. Further, if Participants wants to view/download the list of clients before carrying out the updation, they can access and download the aforesaid file by following the procedure given below: a) Login to intranet site of NSDL i.e., https://i-assist/. Login to https://i-assist/ will be available from any DPM LAN machines. b) Enter the existing 'Maker' User ID viz., DP ID & Password. c) Click on the link named ''Bank account number updation (IndusInd Bank Limited)' and view/download the same. After the updation is carried out, the Participant should send a communication via letter / email / Client Master Report generated from the DPM System or its back office or any other mode which the Participant may deem fit or Participant can also send Client Modification letter generated from the DPM System to all such Clients informing about changes carried out in their bank account number. For any information/clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in.
Circular No: NSDL/POLICY/ 2012/0149 Date: December 21, 2012	***Sub: Updation of bank account number of Nutan Nagarik Sahakari Bank (NNS Bank) in depository accounts where old/incorrect bank account number of NNS Bank were captured.*** All Participants are hereby informed that NNS Bank has approached NSDL to change the existing bank account number captured in the depository account of Clients who have provided bank account details of NNS Bank with the new bank account numbers. NNS Bank has provided the old bank account number

	and the new bank account number for each depository account where the updation is required to be done. In order to facilitate the Participants to carry out the updation in the depository accounts of their Clients where bank account of NNS Bank is captured, a batch utility will be provided. The batch utility will replace the bank account number (of NNS Bank) currently captured in the depository account with the new bank account number provided by NNS Bank for the identified depository accounts. This updation will be carried out in the identified depository accounts only where the old bank number provided by NNS Bank matches with bank account number currently captured. After the utility is executed and the updation is done, the report will be generated containing the list of Client accounts where the updation was carried out successfully and list of Client accounts which were identified for updation, but the updation was not carried out. This report will contain the DP ID, Client ID, Instruction Id, old bank account number, new bank account number, error code & error description, if any (in case updation was not carried out). The aforesaid utility namely 'Bank account number updation (Nutan Nagarik Sahakari Bank)' will be made available at the home page of NSDL's intranet site (https://i-assist) under the option 'Utilities'. Further, if Participants wants to view/download the list of clients before carrying out the updation, they can access and download the aforesaid file by following the procedure given below: a) Login to intranet site of NSDL i.e., https://i-assist/. Login to https://i-assist/ will be available from any DPM LAN machines. b) Enter the existing 'Maker' User ID viz., DP ID & Password. c) Click on the link named "Bank account number updation (Nutan Nagarik Sahakari Bank)' and view/download the same. After the updation is carried out, the Participant should send a communication via letter / email / Client Master Report generated from the DPM System or its back office or any other mode which the Participant may deem fit or Participant can also send Client Modification letter generated from the DPM System to all such Clients informing about changes carried out in their bank account number. For any information/clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in.
Circular No: NSDL/POLICY/ 2011/0115 Date: December 31, 2011	***Sub: Updation of Bank account number of The Lakshmi Vilas Bank Limited from the present 16 digit to 15 digit*** All Participants are hereby informed that The Lakshmi Vilas Bank Limited (LVB) has intimated to NSDL to modify / truncate the bank account number of LVB from 16 digit to 15 digit in respect of demat accounts where bank details captured in DPM system pertain to LVB. In this regard, Participants are advised to note that in respect of: **1) Existing LVB account numbers captured in the DPM system:** Batch utility will be provided to facilitate Participants to update the bank account numbers of Laxmi Vilas Bank. The utility will identify the client accounts where the bank name is of Laxmi Vilas Bank, LVB, and such combinations and its a 16 digit bank account number starting with

	zero (0). On identifying such accounts, the utility will truncate the first digit from the left i.e. zero (0) and retain the remaining 15 digit bank account number. The utility will provide a report containing the list of client accounts where bank account numbers are updated after executing the utility and also a list of client accounts fulfilling the above criteria, but updations could not be done due to reasons such as client account pending modification, etc. After the updation is carried out, Participants are advised to communicate to all such Clients about changes carried out in their bank account details alongwith the transaction statement for the month/quarter ended December 2011 or earlier, as the Participant may deem fit. **2) New demat accounts opened/change in bank details after issuance of this circular:** Participants would be required to capture the 15 digit bank account numbers of LVB as per point no. (1) above for new demat accounts opened or change in bank details requested by Clients. For any information/clarifications, Participants are requested to contact NSDL officials on telephone numbers (022) 2499 4560 / 4212 / 4574 (email: participant-interface@nsdl.co.in)
Circular No: NSDL/POLICY/ 2010/0025 Date: March 19, 2010	***Sub: SEBI clarification on bank account details to be captured in depository accounts of PMS clients.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2009/0047 dated June 13, 2009 informing about SEBI's clarifications regarding issues raised by Portfolio Managers especially in respect of bank account details to be captured in the depository accounts of PMS clients. SEBI has now vide its letter no. MRD/DoP/NSDL/ST/198672/2010 dated March 17, 2010 informed that bank account details of Portfolio Managers cannot be captured in the depository system in place of bank details of PMS clients. Participants are advised to take note of the above for opening and operating depository accounts.
Circular No: NSDL/POLICY/ 2008/0070 Date: October 16, 2008	***Sub: Updation of Bank account number of Punjab National Bank from the present 16 digits to 15 digits and Updation of Bank name from UTI Bank Limited to Axis Bank Limited*** All Participants are hereby informed that Punjab National Bank (PNB) has intimated to NSDL to modify / truncate the bank account number of PNB from the present 16 digits to 15 digits for demat accounts with bank details of PNB. In this regard, Participants are advised to note that NSDL would facilitate updation by truncating/deleting the fifth digit having '0' in 16 digit bank account number under the field name 'Bank A/c No.' with bank name 'Punjab National Bank' / 'PNB' under the field name 'Bank name', captured in the DPM System under the head 'Financial Details' in the Client Maintenance Module. In addition, Bank Name also will be updated to 'Punjab National Bank'. Similarly, in light of change of name of UTI Bank Limited to Axis Bank Limited, NSDL would update bank name to "Axis Bank Limited" for those beneficiary accounts that carry bank name as "UTI Bank Limited" / "UTI Bank", in the field name 'Bank name', captured in the DPM system under the head 'Financial Details' in the Client Maintenance Module.

	After the updation has been carried out, Participants are advised to communicate to all such Clients about the changes carried-out in their bank details alongwith the transaction statement for the month of October 2008 or earlier, as the Participants may deem fit. Further, a batch utility would be provided to Participants to generate a report containing list of Client accounts where the updation could not be effected. Participants may take appropriate action based on this utility. For new demat accounts opened or change in bank details requested by Clients, Participants are advised to capture the correct 15 digit bank account numbers of PNB or bank name as 'Axis Bank Limited' as the case may be. For any information/clarifications, Participants are requested to contact NSDL officials on telephone numbers (022) 2499 4482 / 4488 / 4494 / 4214 / 4479 / 4363 / 4212 / 4348 (email : participant-interface@nsdl.co.in).
Circular No: NSDL/POLICY/ 2009/0091 Date: October 5, 2009	***Sub: RBI intimation - Updation of new bank account numbers*** Participants may be aware that Reserve Bank of India (RBI) has introduced a new variant of Electronic Clearing System (ECS) called National Electronic Clearing Services (NECS) which aims to centralize the ECS operation and bring in uniformity and efficiency to the system. RBI has informed that with effect from January 1, 2010 necessary validations will be built into the ECS/NECS process flow to ensure that instructions with old/legacy account numbers are rejected at the ECS centre level itself. RBI has advised member banks participating in ECS/NECS to initiate necessary steps to update the old information pertaining to customer account numbers by December 31, 2009. In view of the aforesaid, Participants are advised to inform their Clients to provide the new bank account numbers in case of change in the existing bank account numbers to ensure that instructions of ECS/NECS are not rejected on account of old/legacy account numbers. At the time of updation of new bank account details in the DPM system, Participants are advised to ensure compliance with point no. (I) (2) (2.3) of NSDL Master Circular No. NSDL/ POLICY/2009/0029 dated April 16, 2009 for capturing of Bank details.
Circular No: NSDL/POLICY/ 2008/0041 Date: June 04, 2008	***Sub: Updation of HDFC Bank account numbers - Prefixing the existing 13 digit account numbers with '0' in beneficiary accounts under bank account number field.*** As all Depository Participants (DPs) are aware, HDFC Bank Limited (HBL) has changed the length of the bank account numbers from 13 digits to 14 digits by prefixing the existing 13 digit account numbers with '0'. In this regard, DPs are advised to note that in respect of: **1) Existing HBL account numbers captured in the DPM system :** NSDL would facilitate updation of the bank account numbers by prefixing the existing 13 digit account numbers with '0' for those beneficiary accounts that carry 13 digit HBL account number with name 'HDFC Bank', captured in the DPM System under the field names 'Bank A/c No.' and 'Bank name' respectively under the head 'Financial Details' in Client Maintenance Module. After the updation has been carried out, DPs are advised to communicate to all such Clients about the changes carried-out

	in their bank details alongwith the transaction statement for the month / quarter ended June 2008 or earlier, as the DP may deem fit. Further, a batch utility would be provided to DPs to generate a report containing list of Client accounts where the updation could not be effected. DPs may take appropriate action based on this utility. **2) New demat accounts opened / change in bank details after issuance of this circular:** DPs would be required to capture the correct 14 digit bank account numbers of HBL for new demat accounts opened or change in bank details requested by Clients. For any information/clarifications, DPs are requested to contact NSDL officials on telephone numbers (022) 2499 4482 / 4488 / 4494 / 4214 / 4479 / 4363 / 4212 / 4348 (email : participant-interface@nsdl.co.in).
Circular No. NSDL/POLICY/ 2008/0022 Date : April 7, 2008	***Sub : RBI intimation - Updation of new bank account numbers*** All Depository Participants (DPs) are hereby informed that Reserve Bank of India (RBI) vide its letter no. DPSS (CO) No. 1432 / 04.03.02/2007-08 dated March 12, 2008 has informed NSDL about allotment of new bank account numbers by banks who have implemented Core Banking Solution (CBS) and the need to update the same in demat accounts by DPs. The relevant extracts from the letter of RBI is reproduced for information and necessary action of the DPs. *"Retail electronic payment system such as Electronic Clearing Services (ECS) and National Electronic Funds Transfer (NEFT) are being used extensively for payments of IPO refunds by IPO managers, since these electronic payment products facilitate direct, speedy and secured credit of funds to the investors' accounts.* *However, of late, we have been receiving complaints from the managers to the issues that funds routed through the electronic modes are getting returned by the destination banks. We further observe that such returns are mostly due to providing* ***incorrect or old account numbers of the beneficiary customers****.* *As you may be aware, most of the banks have operationalised their Core Banking Solution (CBS) and new account numbers have been allotted to customers under CBS. Majority of banks are posting their inward electronic transactions in Straight Through Processing (STP) manner. Due to this seamless processing, truncated or old account numbers, if any, are being rejected by the system leading to manual intervention at bank's end. In order to avoid manual intervention, all customers are required to update their account numbers with their respective depositories."* In view of the aforesaid, all DPs are requested to advise their Clients to provide the new bank account details in case of change in the existing bank account details. As all DPs are aware, updation of correct bank particulars of the Clients would facilitate receipt of IPO refunds, dividend, redemption payments etc., into correct bank account of the Clients. At the time of updation of new bank account details in the DPM system, DPs are advised to ensure compliance with point no. (I) (2) (2.3) of NSDL Circular No. NSDL/PI/2007/0077 dated December 19, 2007.

Circular No: NSDL/PI/2002/0698 Date:April 30, 2002	All Participants are hereby informed that SEBI vide its Circular No. DCC/FITTCIR-3/2001 dated October 15, 2001 has advised that companies should mandatorily use ECS facility for distribution of dividends and other cash benefits to the investors. However, where ECS facility is not available, companies may use warrants for distribution of dividends. Further, SEBI has informed vide its Circular no. D&CC/FITTC/CIR-04/2001 dated November 13, 2001 that it has received complaints about fraudulent encashment of instruments pertaining to distribution of dividends and other cash benefits. In order to avoid such situations, it has advised that companies should mandatorily print the bank account details furnished by the Depositories on the payment instruments. In view of the aforesaid, Participants are once again advised that they should capture the details or record changes in the bank details including MICR number in the DPM system as per the procedure communicated by NSDL in this regard vide its Circular NSDL/PI/2000/2295 dated December 20, 2000.
Account opening - Bank account details - MICR	
Circular No.: NSDL/POLICY/2019/0021 April 09, 2019	***Subject: Updation of IFSC and MICR codes captured under the financial details in depository accounts pursuant to merger of SBI Associate Banks with State Bank of India.*** Participants are hereby informed that pursuant to the merger of associate banks of State Bank of India viz., State Bank of Patiala, State Bank of Hyderabad, State Bank of Bikaner & Jaipur, State Bank of Mysore and State Bank of Travancore with State Bank of India (SBI), SBI has informed NSDL that the existing IFSC & MICR codes of Bank accounts held with these associate banks have undergone change along with the change in the Bank Name as "State Bank of India". Accordingly, SBI has informed NSDL to update new IFSC & MICR codes along with the bank name as "State Bank of India" in respect of demat accounts wherein the existing IFSC & MICR codes of these SBI associate banks are captured under financial details in the depository accounts in NSDL DPM system. Further, it may be mentioned that the erstwhile bank account numbers pertaining to associate banks of SBI as captured under financial details in the depository accounts shall remain unchanged. In order to facilitate the Participants to carry out the updation of IFSC & MICR in the NSDL depository system, a batch utility is provided to Participants. The batch utility will replace existing IFSCs & MICR codes of associate banks of SBI as captured under the financial details in depository accounts in NSDL DPM system with the new IFSC & MICR codes in respect of Bank accounts as provided by the State Bank of India to NSDL pertaining to identified depository accounts along with Bank Name as 'State Bank of India'. The aforesaid utility named 'SBI Associate Bank IFSC-MICR updation' along with user manual is made available on NSDL's intranet site viz., i-Assist facility under the menu option 'Utilities'. This updation will be carried out in the identified depository accounts only where the old IFSC and MICR code (combination) as currently captured in the financial details under the depository accounts in NSDL DPM system matches with new IFSC and MICR code (combination) as provided by State Bank of India to NSDL. Before executing the aforesaid utility, Participants can identify list of demat account(s) which will be impacted with aforesaid conversion (i.e. old IFSC-MICR to new IFSC-MICR) by executing an additional batch file namely 'Preview Report' being made available in the SBI utility (zip file) on NSDL i-Assist facility. Upon execution of the preview report (batch file), an excel output will be generated containing the identified list of demat account(s) with existing bank account information (i.e. old IFSC-MICR) and new bank account information (i.e. new IFSC-MICR) which will be updated under the financial details in the depository accounts in NSDL DPM system.

	Upon successful execution of aforesaid utility (refer to procedural document enclosed in the aforesaid bank utility zip file hosted on NSDL i-assist facility) the updation will be carried out in the DPM system and a report will be generated containing the list of demat account(s) wherein the updation was carried out successfully as well as list of demat accounts which were identified for updation, but the updation was not carried out due to certain errors. This report will contain the DP ID, Client ID, old IFSC code, new IFSC code, old MICR code, new MICR code, old Bank name, New Bank name and Instruction ID along with error description, if any. After carrying the aforesaid updation, the Participant should send a communication via letter / email / Client Master Report generated from the DPM System or its back office or any other mode which the Participant may deem fit or Participant can also send Client Modification letter generated from the DPM System to all such Clients which were mentioned in the list of demat account(s) wherein the updation was carried out successfully, informing about changes carried out in their bank account information. Participants are requested to carry out the aforesaid updation in NSDL DPM system on or before April 26, 2019 and confirm its compliance to NSDL at Email ID viz., Participant-Interface@nsdl.co.in by April 30, 2019. For any information / clarification, Participants are requested to contact NSDL Help Desk at (022) 2499 4601 to 4610 or email at helpdesk@nsdl.co.in.
Circular No. NSDL/POLICY/ 2013/0076 Date: May 30, 2013	***Sub: Updation of MICR Code and/or IFSC details in depository accounts in the DPM system.*** Attention of Participants is invited to SEBI Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 regarding usage of electronic payment modes for making cash payments to the investors. Participants were advised vide NSDL Circular No. NSDL/POLICY/2013/0044 dated March 25, 2013 to ensure that the correct bank account particulars of the investors are captured in the demat accounts. As Participants are aware, for investors to receive the cash payments (dividend / interest / redemption) electronically, the MICR code and/or IFSC details in the depository accounts are required. In order to facilitate Participants to identify such depository accounts where both MICR Code as well as IFSC details are not updated in the DPM system, an exercise is conducted to identify such accounts. The file named 'List of depository accounts for MICR code and IFSC updation' containing details viz.; DP ID, DP Name, Client ID, Client Name, Client Status, Bank Name, Bank Account Type, Bank Account No., Bank Address etc. is made available under the link "MICR code and IFSC updation" at the intranet site of NSDL i.e., https://i-assist for download. Participants are advised to update the MICR code and/or IFSC in the aforesaid depository accounts in the DPM system (*as per the point no. 1.7.3 of the Master Circular on Account Opening Version 4.8, April 2013*) after verifying the same from the existing records and/or by obtaining the same from the clients as per the point no. 1.1.7 of the aforesaid Master Circular on Account Opening Version 4.8, April 2013.
Circular No: NSDL/POLICY/ 2010/0014 Date: February 9, 2010	***Sub: Utility to identify Client accounts with no MICR code or MICR code captured with invalid format in the DPM System*** All Participants are hereby informed that based on the representation received from Participants, utility is being provided to identify Client accounts with no MICR code or MICR code captured with invalid format in the MICR field. Examples; Client accounts with no MICR code, MICR Code not equal to 9 digits, MICR code consists of alphanumeric characters / only alphabets / special characters or spaces in between MICR code.

	Participants can download this utility from NSDL SQLASSIST Intranet site (https://sqlassist) under the head (https://sqlassist/utility to identify incorrect MICR details). The process to install the utility in the DPM System is given below: 1. Copy the folder i.e. "Utility to identify incorrect MICR details" (after downloading it from SQLASSIST) into C:\ drive of your GISMO. 2. Double click on the file named as "Double_Click.Bat". 3. TAB delimited text file would be generated containing Client ID, contents captured in the MICR field, Client name, Client status, bank name, bank account number, Client address, mobile number of the first holder. The aforesaid output will facilitate Participants to re-verify with account opening documents / take up with their Clients and obtain correct information about MICR details for re-capturing of the same in the DPM System. For information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4601 to 4610 or email at helpdesk@nsdl.co.in
Circular No. NSDL/POLICY/ 2007/0023 Date: April 24, 2007	***Sub : SEBI Circular - Updation of bank accounts and corresponding change in MICR code by Depository Participants*** Attention of Depository Participants (DPs) is invited to NSDL Circular No. NSDL/POLICY/2006/0006 dated February 23, 2006 wherein DPs were advised to update the MICR code in the DPM system if not updated in respect of Clients residing in 15 centers where clearing houses are managed by Reserve Bank of India (RBI). Securities and Exchange Board of India (SEBI) vide its letter no. MRD/DEP/ PP/91405/07 dated April 17, 2007 has again informed NSDL to instruct DPs to update MICR code while updating the bank account details of the demat account holders. Extract from the letter is reproduced for the information and necessary action of the DPs. **"Some of the Merchant Bankers & Registrars to Issue had brought to SEBI's notice that in some cases, when the investors change their bank accounts, the DPs do not update the corresponding change in MICR code while updating their bank account details. This results in the refund advice sent through Electronic Clearance System (ECS) being rejected or credit done to wrong bank account."** In view of the aforesaid, all DPs are hereby advised to : (i) Communicate to all Clients residing at 15 centers (for the list centers refer RBI website http://www.rbi.org.in under Electronic Clearing Service) to provide details of MICR code, if not already updated in the DPM system. (ii) Ensure that the details of MICR code are updated in the DPM system for all new accounts as well as changes in bank details of existing accounts with respect to Clients residing in 15 centres by following the procedure mentioned in Circular No. NSDL/PI/2000/2295 dated December 20, 2000.

Circular No. NSDL/POLICY/ 2006/0006 Date : February 23, 2006	***Sub : Updation of MICR code, pursuant to SEBI circular on Electronic Clearing System (ECS) for refund in public issues*** All Participants are hereby informed that SEBI vide its circular no. SEBI/MRD/DEP/Cir-3/06 dated February 21, 2006 (copy enclosed) has mentioned that applicants residing in 15 centers where clearing houses are managed by Reserve Bank of India (RBI) will get refunds through Electronic Clearing System only for public issues. In view of the above, Participants are advised as under : (i) Inform all the clients residing in 15 centers (For the list of centers refer RBI website http://www.rbi.org.in under Electronic Clearing Service) to provide the details of MICR code, if not already updated in the DPM system. (ii) For all new accounts that are opened or changes in bank details of existing accounts, who are residing in 15 centers, Participants should ensure that the details of MICR code are updated as per the procedure mentioned in circular no. NSDL/PI/2000/2295 dated December 20, 2000.

ANNEXURE

GENERAL MANAGER
Market Regulation Department

SEBI/MRD/DEP/Cir-3/06
February 21, 2006

The Chairman & Managing Director
National Securities Depository Ltd.
Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013.

The Managing Director and CEO
Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 023.

Dear Sirs,

Sub. : Use of Electronic Clearing System (ECS) for refund in public issues - Instructions for updation of MICR code for refunds through ECS

1. SEBI vide circular No. SEBI/CFD/DIL/DIP/18/2006/1 dated January 20, 2006 has amended SEBI (DIP) Guidelines, 2000 providing for use of various modes for making refunds in public issues. A copy of the said circular is available on the SEBI website, namely, www.sebi.gov.in.
2. It was mentioned in the aforesaid circular that applicants in 15 centers where clearing houses are managed by Reserve Bank of India will get refunds through ECS only and the bank details of such applicants will be taken directly from the database of the depositories in respect of issues made completely in dematerialised form. It is, therefore, necessary that the MICR code maintained at the database of the depositories is updated on a real time basis as and when changes take place to ensure credit of refunds to the bank accounts of the applicants. For this purpose, DPs have to update the MICR Code and other bank details of the applicants in the database of the depositories. This is to ensure that the refunds through ECS are made in a smooth manner and that there are no failed/wrong credits.
3. In view of the above, you are advised to issue suitable instructions immediately to your Depository Participants to comply with the aforesaid requirement.
4. The Depositories are advised to:-
   a) make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/ necessary;
   b) communicate to SEBI the status of the implementation of the provisions of this circular in the Monthly Development Report.

5. This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Yours faithfully,

V S SUNDARESAN

Account opening Forms and New Features

Circular No.: NSDL/ POLICY/ 2020/0055 April 29, 2020	***Subject: Updation of email ID in demat account of Clients.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2015/0017 dated January 30, 2015 inter alia permitting Participants to update the mobile number in the demat account of the client, if the same is available in its back-office, trading account or in the bank account which is provided by the client. In this regard, Participants have been representing to permit updation of email ID in the demat account of the client, if the same is available in its back office, trading account or in the bank account which is provided by the client. Accordingly, Participants may update (not mandatory) the email ID in the demat account as per the aforesaid. Participants must ensure that correct email ID as provided by the Client is updated in DPM system. After updation of the same, the Participant must send the Client Master Report intimating the client about the email ID updation.
Circular No.: NSDL/POLICY/ 2020/0032 March 16, 2020	***Subject: e-mail updation facility to shareholders of Companies.*** All Participants are hereby informed that based on the request received from issuers, NSDL has developed a facility wherein issuers can approach its shareholders for updation of their email ID and other details in demat account. Accordingly, process followed by NSDL is as under: SMS is sent by NSDL on the registered mobile number in demat account to those shareholders of the company whose email ID is not updated requesting them to update email id & other details. SMS will have the link for updation of information. On clicking the link, client will be guided to NSDL eServices, where on the basis of PAN and OTP authentication updation of following details can be done: Email ID Consent to receive eCAS Consent to receive Annual reports, AGM notices and other communication in electronic form. Based on the aforesaid authenticated request of the clients on NSDL eServices the relevant fields will be updated in the demat account of such clients. A SMS confirmation will be sent to client upon successful updation of details in its demat account. These modifications will be made under reason viz., “Clients request to NSDL” with static code viz., “05” in the Local DPM System. The static code ‘05’ was informed to Participants vide Circular No. NSDL/POLICY/2015/0109 dated December 4, 2015 for making the necessary changes in the back-office. Participants are required to intimate about updation of aforesaid details to respective Clients. Participants can download the Client Master Export containing the details of aforesaid updations from the Local DPM system for updating their back-office system.

Circular No.: NSDL/POLICY/ 2020/0026 March 12, 2020	***Subject: Facility to capture and submit applications of Accreditation of Investors on e-Pass system.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/67 dated May 22, 2019 regarding framework for the process of accreditation of investors for the purpose of Innovators Growth Platform. Participants were informed about the application procedure for Individuals and Non-Individuals vide Circular no. NSDL/POLICY/2019/0040 dated July 10, 2019. In this context, Participants are requested to take note that NSDL has developed a facility to submit applications for accreditation of Investors through online portal i.e. e-PASS (https://www.epass.nsdl.com/). This facility will be made available to Participants with effect from March 16, 2020. The procedure of aforesaid feature is enclosed at Annexure.

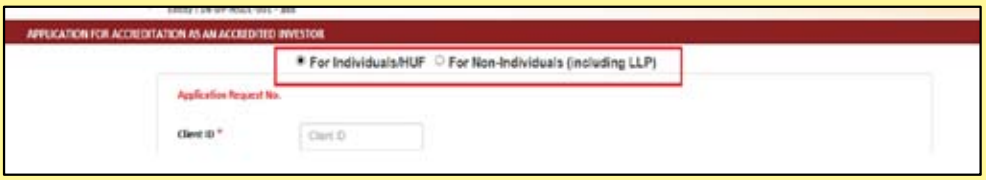
Annexure

Participants are hereby informed that a new feature has been incorporated on e-Pass portal to facilitate participants for accreditation of investors for the purpose of Innovators Growth Platform (IGP). We have introduced new option viz., 'Investor Accreditation for IGP' under menu viz., 'Transaction'. On clicking this option, it will display two sub-menus as under:

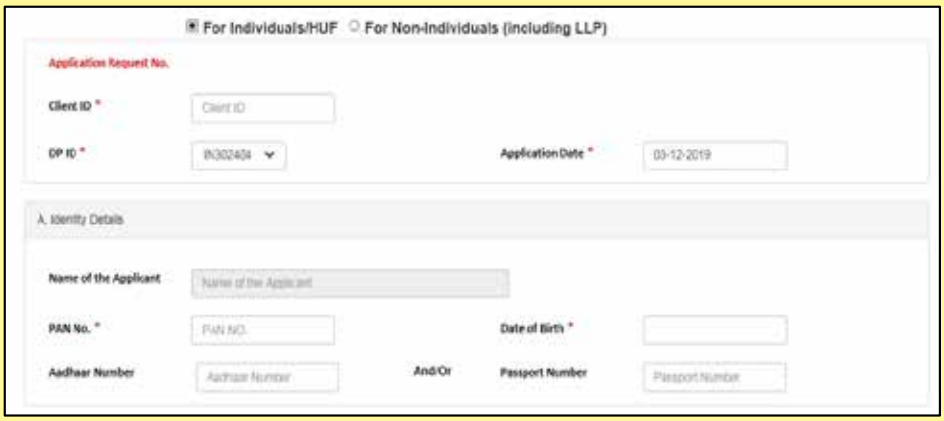
- Submit Accreditation: This section will enable user to capture/submit the Accredited Investors applications.
- View/Search Accreditation: This section will populate all AI applications submitted/approved by the Participant.

The maker / checker functionality need to be followed for the AI application request. The applications for Accreditation can be submitted by Maker user. Maker user shall capture and submit the same by clicking on sub menu 'Submit Accreditation' under the option viz., 'Investor Accreditation for IGP' as exhibited below.

On clicking on the sub menu viz., Submit Accreditation, the system will be redirected into new application capture screen as exhibited below wherein user will be able to capture details of Accredited Investor under appropriate category viz., Individuals/HUF and Non-Individuals (including LLP).



As per applicant's category type, user needs to select radio button viz., Individuals/HUF and Non-Individuals (including LLP). User will be required to enter Client ID and associated DP ID for which AI application needs to be submitted along with Application date as exhibited below:



The following details are required to be captured as per applicant's category type:

A. Identity Details:

Upon entering of client id, the Name of the Applicant will be auto populated as per NSDL demat system. For individuals, participants will fill the details as exhibited below. PAN no. and Date of Birth are mandatory to submit the AI application. Participant will have to capture either Aadhaar no and/ or Passport no.

For Non-individual, participants will fill the details as exhibited below wherein PAN no. is mandatory to submit the AI application.

B. Financial Details:

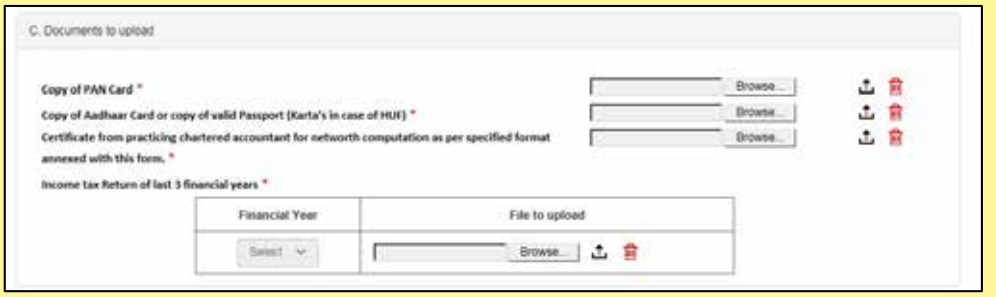
For individuals, participants will fill financial year wise income details as exhibited below. All fields provided under this section are mandatory to submit the AI application. Liquid Net Worth as on date cannot be prior to one year.

For non-individuals, participants will fill details in respect of Net Worth as exhibited below which are mandatory to submit the AI application.

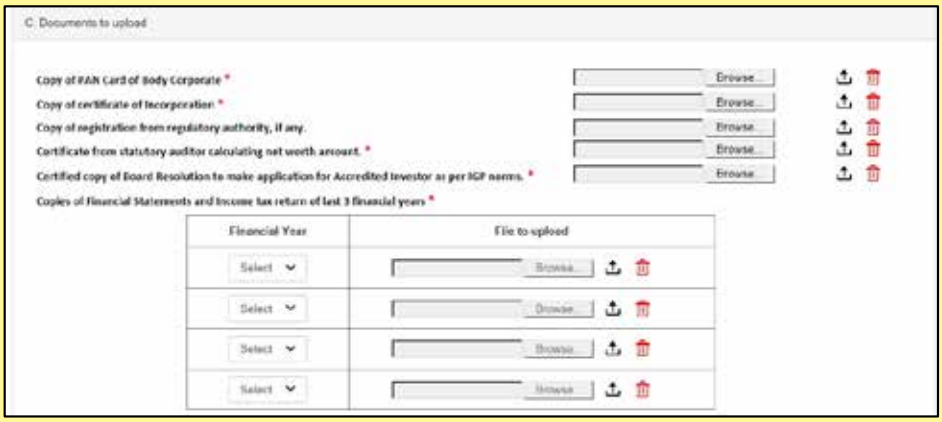
C. Document Upload:

For individuals, participants will be required to upload documents for verification purpose. For uploading documents, user will have to click on browse button and select appropriate file (in.pdf only) and click on upload icon provided next to browse option. User can also re-upload or delete the uploaded file.

For Income tax Return, user has to upload file for each financial year which are captured under section viz., Financial Details. Please refer screen for this section as exhibited below:



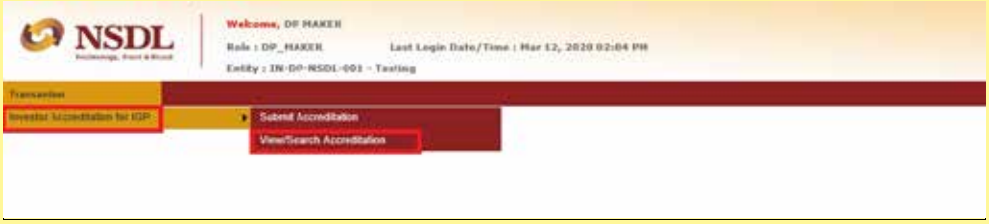
For non-individuals, please refer below screen. For Income tax Return, user has to upload file for each financial year.

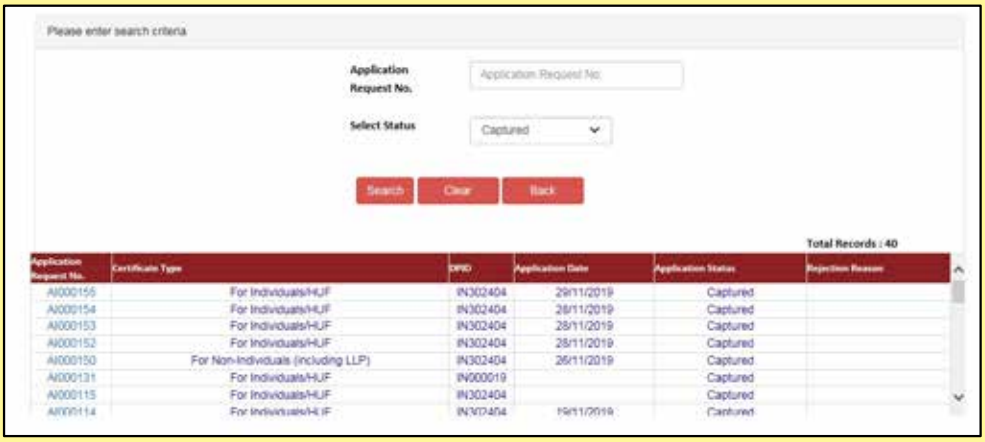


D. For Office Use Only:

User has to mandatorily capture details under this section as exhibited below.

Maker User shall capture all required fields and submit the application to the checker user for review. Once the application get submitted, checker user will be able to view the application on link View/Search Accreditation provided under option viz., 'Investor Accreditation for IGP' as exhibited below.





On successful review, checker user will approve the AI application by clicking on 'Verify Release' button. Once request is Verify Released by the checker user, the selected client is permitted for Accredited Investor.

If the checker user wishes to reject the submitted application, the same can be done by clicking on 'Reject' button. In addition, checker user can also return the application to Maker user by clicking on 'Return to Maker' button for executing any changes in the application.

We wish to inform you that we are in the process of incorporating the flag viz., Accreditation Investor under client modification module in NSDL DPM system. Wherein, Participants will be able to tag existing clients as Accreditation Investor.

Circular No: NSDL/POLICY/ 2010/0020 Date: March 4, 2010	***Sub: Launch of ACE - Alerts to Clients through Email*** As Participants are aware, SMS Alerts are being sent to Clients upon change of address in respect of their demat accounts. As a measure to further strengthen the risk containment mechanism, **ACE** – **A**lerts to **C**lients through **E**mail, a facility is being launched whereby emails will be sent by NSDL to the email address *(captured in the DPM System)* of the account holder(s) in case of change of address. The salient features of ACE are as follows: ✓ The parameters for sending email alerts will be similar to SMS Alert facility *(Refer Circular No. NSDL/POLICY/2009/0077 dated August 29, 2009)*. ✓ Email alerts will be sent to the email address of the account holder(s) available in the DPM System. ✓ Account holder(s) will receive email alerts from the Email ID : nsdl_alerts@nsdl.com A sample text of the email is enclosed at Annexure A. **Annexure A** **Subject line** : Your demat account with _____(DP name) - address updation Dear _____ (name of the holder), As you are aware, your demat account (Client ID XXXX9999) is with _____ (name of DP) (DP Id IN_____), a Depository Participant of National Securities Depository Limited (NSDL). As per your request, the address in your demat account (Client ID XXXX9999) is updated by your Depository Participant. The updated address is mentioned below: Address Line 1 Address Line 2 Address Line 3 Address Line 4 For more information, please contact your Depository Participant Regards, **National Securities Depository Limited** (www.nsdl.co.in) This is an auto generated email, Please do not reply.

Circular No: NSDL/POLICY/ 2009/0004 Date: January 9, 2009	***Sub: Nomination details and usage of existing Account Opening Forms (AOF)*** Attention of all Participants is invited to NSDL Circular no. NSDL/POLICY/ 2009/0002 dated January 3, 2009 regarding the new format of Account Opening Form (AOF) in the context of declaration of nomination details by Clients. Participants may use the existing stock of AOFs provided a stamp with the words "I/We do not wish to make a nomination" is affixed at the relevant place to enable the Client to tick the appropriate option. Alternatively, Participants may obtain a separate letter from Client(s) duly signed by the Client(s) (all the holders in case of joint account) stating that they do not wish to make a nomination, if the Client(s) so desires. As regards the declaration to be obtained from the existing accountholders who have not opted for nominations, Participants are advised to inform their Clients that the declaration must be submitted by April 30, 2009.
Circular No. NSDL/POLICY/ 2008/0019 Date: March 26, 2008	***Sub: Extension of deadline for usage of existing Account Opening Form (AOF) & Delivery Instruction Slip (DIS)*** Attention of Depository Participants (DPs) is invited to NSDL Circular Nos. NSDL/POLICY/2007/0069 / 0070 and 0071 dated November 12, 2007 regarding Modification of AOF & DIS under the advise of Financial Intelligence Unit-India (FIU-IND). As all DPs are aware, NSDL vide its Circular No. NSDL/ POLICY/2007/0071 dated November 12, 2007 had informed the DPs to use the existing AOF and DIS till March 31, 2008 or till such time the existing AOFs and DIS are exhausted, whichever is earlier. As an interim measure, DPs were advised to accept the existing AOF and DIS for opening new accounts and executing transactions respectively, alongwith the 'Additional Details', in a prescribed format, on a plain paper, duly signed by the applicant(s)/Clients. In this regard, DPs have represented to NSDL with a request to extend the aforesaid deadline of March 31, 2008, citing a few practical difficulties as mentioned below: 1) Existing stock of AOF / DIS are yet to be exhausted and hence printing of revised AOF / DIS will be a financial burden on the DPs. 2) The process of dispatching of the revised DIS in lieu of the existing DIS (which are lying with the Clients) would put the DPs and the Clients into hardship. The process would also increase the overheads (cost, man hours etc) of the DPs. In light of the above representations, all DPs are hereby informed that the deadline for usage of the existing AOFs / DIS is extended till September 30, 2008 or till such time the existing AOF / DIS are exhausted, whichever is earlier. During this interim period, DPs are advised to follow the procedure mentioned in the aforesaid Circular No. NSDL/POLICY/2007/0071 dated November 12, 2007 regarding obtaining of 'Additional Details' alongwith the AOF / DIS. In case the stock of the existing AOF / DIS are exhausted before, September 30, 2008, DPs would be required to print and distribute the revised AOF and DIS in the format mentioned in NSDL Circular No. NSDL/POLICY/2007/0069 dated November 12, 2007. For further information, DPs are requested to contact Mr. Amit Shinde on Tel No. (022) 2499 4486 (email: shindea@nsdl.co.in) / Mr. Vinith Nair on Tel. No. (022) 2499 4414 (email: vinithn@nsdl.co.in).

Circular No. NSDL/PI/2005/2328 Date : November 25, 2005	***Sub : Updation of email id and mobile no. in the DPM system.*** As all Participants are aware, DPM version 3.9 enabled the Participants to capture certain additional information of account holders viz., mobile numbers, e-mail addresses etc. Participants have been seeking clarification from NSDL whether the mobile numbers and e-mail addresses collected / received from the account holders prior to the release of DPM version 3.9 can be captured. It is hereby clarified that Participants can capture the aforesaid details provided Participants have verified the same.
Circular No. NSDL/PI/2005/1726 Date: September 15, 2005	Attention of Participants is invited to point no. (E) (c) of Circular no. NSDL/PI/2005/1102 dated June 22, 2005, which enabled Participants to key-in from front end application or upload from back office interface, a few special characters. In this regard, all Participants are advised not to use (key-in or upload) the special character **Colon (":")** in any of the module of the DPM system.
Account opening - HUF accounts with joint holdings	
Circular No: NSDL/PI/2002/1346 Date : August 12, 2002	As per Business Rules of NSDL, penalty points are imposed on Participants if HUF accounts are opened with joint holdings. In this regard, while some Participants have taken steps to rectify such accounts, it is observed that many HUF accounts with joint holding are still in 'Active' status. In this context, Participants are advised to inform all such Clients to open new accounts in the name of Karta of the HUF, transfer the securities to such new accounts and close the old accounts on or before October 31, 2002. Participants are also advised to note that if such accounts are not closed by October 31, 2002, then the standing instructions to receive credits should be removed. Further, Participants should not accept any fresh dematerialisation requests, receipt instructions, new issue applications and any other instruction which may result in credit to such accounts and inform all such Clients suitably. Further, if transfers are effected on or before October 31, 2002 and waiver request alongwith necessary supporting documents are submitted to NSDL within one month from the date of the bill, the same may be considered for exemption from settlement fee.
Clarification regarding capturing address in the client master - IPO financing	
Circular No: NSDL/PI/2004/1794 Date : October 1, 2004	Participants have represented to NSDL whether they can capture in the DPM, address details of a person different from that of the accountholder. This request was received mainly in respect of accounts opened for the purpose of IPO financing where the accounts are opened with financier's address instead of the first holder's. The matter was referred to SEBI and SEBI has expressed its inability to accede to the request. In view of the aforesaid, all Participants are advised to strictly comply with the guidelines prescribed by SEBI and communicated by NSDL vide Circular No. NSDL/PI/2004/1622 dated September 7, 2004 by capturing the address details and other particulars of the account holder.

Requirement of submission of Transaction Statement for various depository related activities	
Circular No. NSDL/POLICY/ 2007/0030 Date: June 18, 2007	***Sub : Requirement of submission of Transaction Statement for various depository related activities*** As all Depository Participants (DPs) are aware, DPs are required to obtain latest transaction statement from the Client at the time of: (a) Change of address in the depository account of the Client (non-body corporates) (refer Circular No. NSDL/PI/2004/1622 dated September 7, 2004), (b) Change of address in the depository account of the Corporate (refer Circular No. NSDL/PI/2002/1319 dated August 8, 2002), (c) Change of signature (refer Circular No. NSDL/PI/2004/0045 dated January 7, 2004), (d) Registration, reset of password etc. in case of ***SPEED-e*** and ***IDeAS***, (e) Requisition for loose-leaf delivery instruction slip (DIS) (refer Circular No. NSDL/PI/2004/1401, dated August 5, 2004). In this regard, DPs have requested for exemption from the requirement of obtaining the latest transaction statement from the Client, in case the Client personally visits the DP's office. **1) Revised guidelines - exemption from obtaining the latest transaction statement** **(a) Change of address in case of non-body corporate accounts:** In case a Client (sole holder or either of the holders) personally visits the DP's office to submit an application (signed by all holders in case of joint holdings) for change of address alongwith necessary documents (proof of identity / proof of address) mentioned in Circular No. NSDL/PI/2004/1622 dated September 7, 2004, the DP need not obtain the transaction statement from that Client. **(b) Change of address with respect to Corporate Accounts:** As one of the authorised signatories is required to personally visit DP's office as stated in Circular No. NSDL/PI/2002/1319 dated August 8, 2002, the DP need not obtain transaction statement from the authorised signator(ies). **(c) Change of signature :** Since the Client in case of change in his/her signature is required to personally visit the DP's office, as stated in Circular No.NSDL/ PI/2004/0045 dated January 7, 2004, the DP need not obtain the transaction statement from that Client. **(d) *SPEED-e and IDeAS* :** In case of ***SPEED-e*** and ***IDeAS***, if a Client [sole holder or either of the holders who is authorised on behalf of the other holder(s) to operate ***SPEED-e*** or ***IDeAS***] personally visits the DP's office to submit an application (signed by all holders in case of joint holdings) for the following cases, the DP need not obtain the transaction statement from the Client. ***SPEED-e*** : (i) Registration of password based User (ii) Addition to pre-notified accounts and (iii) Resetting of password. ***IDeAS*** : (i) Registration of password based User and (ii) Resetting of password. **(e) Requisition for Loose leaf DIS :**

In case of requisition for loose leaf DIS, if the Client personally visits DP's office and signs (all the holders in case of joint holdings) the DIS in the presence of the authorised official of DP, the DP need not obtain transaction statement from such Client(s). In this regard, DPs will also have to ensure compliance with Circular No. NSDL/POLICY/2007/0011 dated February 15, 2007 regarding SEBI guidelines regarding safeguards to be followed to address the concerns of the investors in case of transfer of securities in dematerialized mode. The procedure for processing and recording the details of the Client(s) as mentioned in the Circular No. NSDL/PI/2004/1401 dated August 5, 2004 will remain unchanged.

2) Procedure for processing above mentioned requests from the Client(s):

The authorised official (including the staff of the approved franchisee) of the DP will verify the identity of the Client(s) to its satisfaction and note the following details on the documents/ back of the DIS:

(i) Details of the Authorised official (name, designation, employee code if any and signature) who verified the documents,

(ii) Name of the DP and DP Id,

(iii) Date and place;

(iv) Remark to the effect that the Client had personally visited the DP's office.

In case the authorised representative of the Client visits DPs office to submit the application, the requirement of obtaining transaction statement from the Client will have to be followed as per the procedures laid down in the aforesaid circulars.

DPs are advised to note that other processes mentioned in the aforesaid circulars remain unchanged and DPs will have to ensure compliance with the same.

SEBI Order

Circular No.: NSDL/POLICY/2021/0024
March 08, 2021

Subject: SEBI Order issued under Section 11B of the Securities and Exchange Board of India Act, 1992.

Attention of Participants is invited to the following Order passed by SEBI restraining and prohibiting the entities specified therein including the following person from accessing the securities market from buying, selling or otherwise dealing in securities, directly or indirectly, in any manner whatsoever until further orders.

Sr. No.	Name	Address	Order detail	Date
1	Mr. Dharam Vir Bhandari	House No. 172, Defence Colony, Chhatwal, Tahsil - Pathankot, Dist Gurdaspur, Pincode- 143521	WTM/MB/NRO/10695/2020-21	February 26, 2021

Circular No.:
NSDL/POLICY/
2021/0018
February 26, 2021

Subject: SEBI Order issued under Section 11B of the Securities and Exchange Board of India Act, 1992.

Attention of Participants is invited to the following Order passed by SEBI restraining and prohibiting the following entities from accessing the securities market from buying, selling or otherwise dealing in securities, directly or indirectly, in any manner whatsoever, and restrained persons mentioned below (Sr. No. 2, 3, 4 & 5) from being associated with any intermediary registered with SEBI for the specified period:-

National Securities Depository Limited

Sr No.	Name	PAN	Order detail	Date	Address	Period
1	R B Horticulture and Animal Project Limited	-	WTM/MPB/ EFD-1-DRA-IV/172/2021	02-02-2021	Hasnabad, 24 Parganas, Hasnabad, West Bengal - 743426. & 48/2 DumDum Road Kolkata - 700074	4 years from date of completion of refunds to investors
2	Mr. Ranjit Kumar Baidya	-			Village - Amalni, P.O. Hasnabad, P.S. Hasnabad 24, Pgs (N), Hasnabad, West Bengal - 743426	
3	Mr. Sujit Baidya	-			Vill - Hasnabad (Devi More), P.O. Hasnabad, P.S. Hasnabad 24, Parganas (N), Hasnabad, West Bengal - 743435	4 years from the date of SEBI order
4	Ms. Swapna Baidya	-			W/o Ranjit Kumar Baidya Village - Amalni, P.O. Hasnabad, P.S. Hasnabad 24, Pgs (N), Hasnabad, West Bengal - 743426	
5	Mr. Koushik Baidya		ALVPB8642D		Vill + P.O. Hasnabad, P.S. Hasnabad 24, Parganas (N), Hasnabad, West Bengal - 743426	

Circular No.: NSDL/ POLICY/2021/0017 February 23, 2021	***Subject: SEBI Order issued under Section 11B of the Securities and Exchange Board of India Act, 1992.*** Attention of Participants is invited to the following Order passed by SEBI restraining the following persons and entities from being associated with any intermediary registered with SEBI for a period of two years.

Sr. No.	Noticee	PAN	SEBI Order No.	Date
1.	D. Ravi Kumar	ACNPK9304L	WTM/GM/EFD/ DRA2/10286/2020-21	04-Feb-21

Circular No.: NSDL/POLICY/2020/0159 December 10, 2020	***Subject: SEBI Orders issued under Section 11B of the Securities and Exchange Board of India Act, 1992.*** Attention of Participants is invited to the following Orders passed by SEBI restraining the following persons and entities from being associated with any intermediary registered with SEBI.

Sr. no.	*Name*	*PAN*	*SEBI Order No.*	*Date*	*Period (refer SEBI circular For details)*
1	Baman Charana Das	AJMPD9925C			
2	Bipin Chandra Das	ACHPD4632J			
3	Kalyani Das	AUHPD9009R			
4	Sujata Das	ACHPD4631M	WTM/AB/SEBI/ 10 /2020-21	15-Sep-20	3 Years
5	Sanjaya Kumar Satapathy	AUGPS8376P			
6	Santosh Kumar Panda	ASMPP9586C			
7	Madhusudan Acharya	Not Available			
8	Jagannath Satapathy	Not Available			
9	Chetan Yashwant Shukla	ABBPS2467H	WTM/MPB/IMD-CIS/127/2020	04-Aug-20	Till further orders
10	Rajeev Kumar Tiwari	ATUPR0113L	WTM/SM/SRO/ SRO/8408/2020-21	30-Jul-20	2 years
11	Saurabh Samir	GAUPS3690J			
12	Ankit Kumar Upadhayay	AHNPU3089M			
13	Harshadkumar Patel	AGMPP7021Q	WTM/S M/IVD/ ID8/8388/2020-21	29-Jul-20	3 Years
14	Rajeshkumar Theophilbhai Christie	AKAPC0179L			
15	Pritesh Patel	AJIPP7200L			

Circular No.: NSDL/POLICY/2020/0133 October 14, 2020	***Subject: SEBI Orders issued under Section 11B of the Securities and Exchange Board of India Act, 1992.*** Attention of Participants is invited to the following Orders passed by SEBI restraining the following persons and entities from being associated with any intermediary registered with SEBI for the specific periods.

Sr. no.	*Name*	*PAN*	*SEBI Order No.*	*Date*	*Period*
1	Surekaben K Shah	BORPS0804Q	WTM/SM/IVD/ID7/8 825/2020-21	31-Aug-20	3 Years
2	Vishal Kumar Shah	AYBPS0534J			
3	Bavik Satish Badani	ALRPB9295L			
4	Bipin Bhikhabhai Patel	AIDPP3653M			
5	Narendra R Shah	AAPPS6559P			1 Year
6	Nand Lal Koiree	AREPK5807E	WTM/SM/ERO/ERO /9172/2020-21	25-Sep-20	4 Years
7	Ashok Saw	BLXPS0512A			
8	Mukesh Singh	BNVPS8079L			
9	Ganesh Thakur	AFOPT8328K			
10	Barun Kumar Rawani	AFPPR5448M			
11	Bisun Rawani	ANDPR8996C			
12	Subhash Sharma	AXCPS8189D	WTM/SM/IVD/I D3/9 174/2020-21	25-Sep-20	3 Years
13	Amit Sharma	AVRPS2826C			
14	Harish Ketan	AAHPK3325R			6 months

Copies of the aforementioned SEBI orders are enclosed. Participants are requested to take note of the same and ensure compliance.

Circular No.: NSDL/POLICY/2020/0102 July 29, 2020

Subject: SEBI Order issued under Section 11B of the Securities and Exchange Board of India Act, 1992.

Attention of Participants is invited to the following Order passed by SEBI restraining the following persons and entities from being associated with any intermediary registered with SEBI, till further orders.

Sr. no.	Name	PAN	SEBI Order No.	Date
1	FIVE CORE ELECTRONICS LIMITED	AAACF6709Q	WTM/GM/ CFD/19/2020-21	23-Jul-20
2	AMARJIT SINGH KALRA	AKWPK0803H		
3	SURINDER KAUR KALRA	AFMPK2461E		
4	JAGJIT KAUR KALRA	ANTPK4395G		
5	AMARJIT SINGH KALRA HUF	AAHHA8772Q		
6	SURINDER SINGH KALRA	AFYPK7984E		
7	SURINDER SINGH KALRA HUF	AAQHS3875P		

Copy of the aforementioned SEBI order is enclosed. Participants are requested to take note of the same and ensure compliance.

Circular No.:
NSDL/POLICY/2020/0098
July 27, 2020

Subject: SEBI Orders issued under Section 11B of the Securities and Exchange Board of India Act, 1992.

Attention of Participants is invited to the following Orders passed by SEBI restraining and prohibiting the following entities from accessing the securities market from buying, selling or otherwise dealing in securities, directly or indirectly, in any manner whatsoever, for the specified periods.

Sr. No.	*Name*	*Address*	*Order detail*	*Date*	*Period*
1	*URO Autotech Ltd*	*-*	*WTM/GM/EFD 1/08 /2020-21*	*18-May-20*	*4 Years*
2	*Sanjoy Chowhan*	*-*	*WTM/GM/EFD 1/08 /2020-21*	*18-May-20*	*4 Years*
3	*Raju Landge*	*Hanuman Nagar, Parsik Retibandar, Mumbra, Thane 400 612*	*WTM/GM/EFD-I/ DRA-II/16/2020-21*	*08-Jul-20*	*5 Years*
4	*Sujitkumar Amarnath Gupta*	*202 Welfare Society, Nehru Nagar, Marol Pipe Line, Andheri- East, Mumbai-400059*	*WTM/GM/EFD-I/ DRA-II/16/2020-21*	*08-Jul-20*	*7 Years*

Copy of the aforementioned SEBI orders is enclosed. Participants are requested to take note of the same and ensure compliance.

Circular No.:
NSDL/POLICY/2020/0092
July 08, 2020

Subject: SEBI Order under Section 11B of the Securities and Exchange Board of India Act, 1992.

Attention of Participants is invited to SEBI Order no. WTM/GM/EFD/13/2020-2021 dated June 26, 2020 (Copy enclosed) restraining and prohibiting the following entities from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly in whatsoever manner, for a period of one year:-

Sr. no.	**Name**	**Address if any**
1	Shivkori Construction Pvt. Ltd.	95A, C.R. Avenue, 1st Floor, Kolkata, West Bengal 700073
2	Amanat Suppliers Pvt. Ltd.	33, CR Avenue, 9th Floor, Kolkata 700012
3	Lagan Dealtrade Pvt. Ltd.	P-38, Princep Street, 2nd Floor, Kolkata -700072

Circular No.: NSDL/POLICY/2020/0068 May 15, 2020	***Subject: SEBI Orders issued under Section 11B of the Securities and Exchange Board of India Act, 1992.*** Attention of Participants is invited to the following Order passed by SEBI restraining the following persons from being associated with any intermediary registered with SEBI for the specified periods.

Sr. no.	Name	PAN	SEBI Order No.	Date	Period
1	*Bipin Pushpasen Divecha*	*AABPD5165A*	*WTM/GM/EFD 1 - DRA 2/06/2020-21*	*05-May-20*	*5 Years*
2	*Sham Sadhuram Gandhi*	*AAAPG8353J*			
3	*Dilip Shah*	*AJAPS4111R*			
4	*Jiger Dilip Shah*	*BBOPS1405H*			
5	*Sharad Ramchandra Ghadi*	*AIQPG6396R*			
6	*Mohammad Rafi*	*BMEPM7501B*			
7	*Roma Shamshad Khan*	*AHMPP8481F*			
8	*Mohd Salim Khan*	*AVRPK7818C*			
9	*Amir Hamza Hakim Khan*	*ASXPK2912L*			*3 Years*
10	*Abdul Hakim Khan*	*AHAPK0293Q*			
11	*Abdul Zameer Hakim Khan*	*ASXPK2911K*			
12	*Talat Wahadatali Mohamad*	*AAHPM1979K*			
13	*Rehana Khan*	*BVFPK4495L*			

Copy of the aforementioned SEBI order is enclosed. Participants are requested to take note of the same and ensure compliance

Circular No.: NSDL/POLICY/2020/0063 May 7, 2020	*Subject: SEBI Orders issued under Section 11B of the Securities and Exchange Board of India Act, 1992.* **Attention of Participants is invited to the Orders passed by SEBI restraining and prohibiting the following entities from accessing the securities market from buying, selling or otherwise dealing in securities, directly or indirectly, in any manner whatsoever, for the period specified below.**

Sr. no.	Name	Address if any	SEBI Order No.	Date	Period
1	**Arohan Trustee Co. Pvt Ltd**	**-**	**WTM/AB/EFD1/EFD1-DRA3/7492/2020-21**	**13-Apr-20**	**4 Years**
2	**Clifford Capital Partners A.G.S.A**	**-**	**WTM/AB/IVD/ID-4/7171/2019-20**	**6-Mar-20**	**5 Years**

Circular No.: NSDL/POLICY/2020/0049 April 20, 2020	***Subject: SEBI Orders issued under Section 11B of the Securities and Exchange Board of India Act, 1992.*** Attention of Participants is invited to the following Orders passed by SEBI restraining the following persons from being associated with any intermediary registered with SEBI for the specified periods.

Sr. no.	***Name***	***PAN***	***SEBI Order No.***	***Date***	***Period***
1	Arvind Gupta	AERPG2839N	WTM/AB EFD1/ EFD1-DRA3/7449/2020-21	7-Apr-20	4 Years
2	Yogesh Ghisumal Gemawat	ADVPG4051D			
3	Girishchandra Mukundram Baluni	AAKPB5408R			
4	Nimain Charan Biswal	ACRPB3767C			
5	Sanjay Gupta	ABUPG5799B			
6	Kamlendra Chunilal Joshi	ABIPJ6029P			
7	Manoj Singhal	ARFPS7604E			
8	Suresh Kumar	ADZPK2242A			
9	Rishi Agarwal	ADNPA1610Q	WTM/MPB/EFD-1-DRA-III/115/2020	24-Mar-20	4 Years
10	Kamlesh Kumar Agarwal	ABUPA9340A			
11	Vikrant Kayan	AFJPK8437M	WTM/MPB/EFD-DRA-III/113/2020	19-Mar-20	3 Years
12	Shaleni Kayan	AFZPK1051R			
13	Sukumar Das	AEJPD0435R			
14	Sharad Jhunjhunwala	ACVPJ0763C			
15	Datuk K Ketheeswaran	AUZPK2273Q	WTM/MPB/EFD-1-DRA-IV/ 104 /2020	18-Feb-20	5 Years
16	R Chandrasegaran	AHUPC1432D			
17	Sudhir Kumar Jena	AASPS2187G			7 Years
18	K Murugavel	AKIPN9312K			
19	Vasan Chidambaram	ACEPV8596L			
20	K Ramdasan	AKTPR9734M			

Copies of the aforementioned SEBI orders are enclosed. Participants are requested to take note of the same and ensure compliance

Circular No.: NSDL/POLICY/ 2020/0046 April 8, 2020	*Subject: SEBI Orders issued under Section 11B of the Securities and Exchange Board of India Act, 1992.* Attention of Participants is invited to the following Orders passed by SEBI restraining the following persons from being associated with any intermediary registered with SEBI for the specified periods.

Sr. no.	*Name*	*PAN*	*SEBI Order No.*	*Date*	*Period*
1	Sujit Acharjee	ASZPA9649Q	WTM/MPB/EFD-1-DRA-IV/93 /2020	21-Jan-20	4 Years
2	Sumanta Modak	AMHPM3794L			
3	Gautam Thapar	ABNPT6298B	WTM/GM/CFD/ 78/ 2019-20	11-Mar-20	Till further orders
4	V. R. Venkatesh	AAKPV9947M			
5	Madhav Acharya	ABOPA4250D			
6	B. Hariharan	ADXPB2158A			
7	Divyesh Ashwin Sukhadia	ANUPS7272F	WTM/MB/IVD/ID6/ 7231/2019-20	16-Mar-20	5 years
8	Dharmesh Ashwin Sukhadia	ABFPS0273F			
9	Anuj Vipin Sukhadia	AYSPS2795Q			

Copies of the aforementioned SEBI orders are enclosed. Participants are requested to take note of the sam and ensure compliance.

Circular No.: NSDL/POLICY/2020/0042 April 3, 2020	***Subject: SEBI Order under Section 11B of the Securities and Exchange Board of India Act, 1992.*** Attention of Participants is invited to SEBI Order no. WTM/MPB/EFD-1-DRA-1/116 /2020 dated April 1, 2020 (copy enclosed) wherein Shri Pramod Khera (PAN - AADPK2859G) has been restrained from accessing the securities market and is further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, from the date of the aforesaid SEBI order, for a period of five years from the date of the order and further states that Shri Pramod Khera has been restrained from holding any position as Director or Key Managerial Personnel in any listed company and **SEBI Registered Intermediary** for five years from the date of the aforesaid SEBI Order. Accordingly, Participants are requested to take note of the above and ensure compliance.
Circular No.: NSDL/POICY/2020/0022 February 26, 2020	***Subject: SEBI Order under Section 11B of the Securities and Exchange Board of India Act, 1992.*** Attention of Participants is invited to the Order dated December 31, 2019 passed by SEBI (order copy enclosed) prohibiting Sri V. Shankar, (Company Secretary) (PAN: AAZPS3984J) and Sri Mani Oommen, Partner M/s. C.B. Moulli & Associates, Chartered Accountants (PAN: AAAPO5818N) as under:

	Sri V. Shankar shall not directly or indirectly provide company secretarial services for a period of one year to any listed company or offer services pertaining to compliance of obligations of listed companies and intermediaries registered with SEBI in terms of the requirements under the SEBI Act, 1992, the SCRA 1956, the Depositories Act, 1996, those provisions of the Companies Act, 2013 which are administered by SEBI under section 24 thereof and the Rules, Regulations and Guidelines made under those Acts which are administered by SEBI. For a period of one year, Sri Mani Oommen, Partner M/s. C.B. Moulli & Associates, Chartered Accountants shall not directly or indirectly issue any certificate of audit and render any other auditing services including issuances of certificates of compliances whatsoever, to any listed companies and intermediaries registered with SEBI in compliance with the requirements under the SEBI Act, 1992, the SCRA 1956, the Depositories Act, 1996, and those provisions of the Companies Act 2013 which are administered by SEBI under section 24 thereof and also the Rules, Regulations and Guidelines made under those Acts which are administered by SEBI. For removal of operational difficulties, this Order will not impact audit assignments already undertaken by Sri Mani Oommen, however, such ongoing audit assignments shall be completed as expeditiously as possible but not later than 6 months from the date of this Order. For a period of one year, listed companies and intermediaries registered with SEBI shall not engage the Sri V. Shankar for company secretarial services, or engage any audit firm associated with Sri Mani Oommen in any capacity, for issuing any certificate with respect to compliance of statutory obligations which SEBI is competent to administer and enforce, under various laws.
Circular No.: NSDL/POLICY/2020/0009 January 21, 2020	***Subject: SEBI Order under Section 11B of the Securities and Exchange Board of India Act, 1992.*** Attention of Participants is invited to the Order dated December 13, 2019 passed by SEBI (order copy enclosed) prohibiting Mr. K P Joshi, Proprietor of M/s KP Joshi & Co., Chartered Accountants, from directly or indirectly, issuing any certificate of audit and render other auditing services including issuances of certificates of compliances, whatsoever, to any listed companies and intermediaries registered with SEBI, in compliance with the requirements under the SEBI Act, 1992, the SCRA, 1956, the Depositories Act, 1996, those provisions of the Companies Act 2013 which are administered by SEBI under section 24 thereof, the Rules, Regulations and Guidelines made under those Acts which are administered by SEBI for a period of one year. Furthermore, it is stated that the listed companies and intermediaries registered with SEBI shall not engage any audit firm wherein Mr. K P Joshi is related / associated

	directly or indirectly, for issuing any certificate with respect to compliance of any statutory obligations which SEBI is empowered to administer and enforce, under various laws for a period of one year. It has been further clarified in the aforesaid SEBI order that the aforesaid directions may not impact ongoing audit assignments already undertaken by Mr. K P Joshi and he shall complete such ongoing audit assignments as expeditiously as possible, but not later than 6 months from the date of this order.
Circular No.: NSDL/POLICY/ 2019/0012 March 11, 2019	***Subject: SEBI Order under Section 11B of the Securities and Exchange Board of India Act, 1992.***

Attention of Participants is invited to the Orders passed by SEBI restraining and prohibiting the following entities / persons from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly in whatsoever manner, till further directions from SEBI.

Sr. no.	Name	Address if any	SEBI Order No.	Date	Debarred Till date
1	Aryan Nutrient Food Projects Ltd	-	WTM/GM/ IMD/82/2018-19	31-12-2018	NA
2	Sunil Kumar	Town/Vill, Gudamiyo, Lalganj, Vaishali, Bihar-844119	WTM/GM/ IMD/82/2018-19	31-12-2018	NA
3	Golden Pariwar Holding and Developers India Limited		WTM/AB/CFD/ ERO/14/2018-19	09-01-2019	NA
4	Amit Shivalkar	C/o Shree Krishna Polyester Ltd (SKPL), Bhilad Vapi, Gujarat	WTM/GM/ EFD/84/2018-19	10-01-2019	09-01-2021
5	Anil Kumaran				
6	Gauri S. Raut				
7	Sudhir Gargodia	396, Kamath Estate, Prabhadevi, Mumbai- 400025			
8	Satish Mhatre				

Circular No.:
NSDL/POLICY/2018/ 0070
December 19, 2018

Subject: SEBI Order under Section 11B of the Securities and Exchange Board of India Act, 1992.

Attention of Participants is invited to the Orders passed by SEBI restraining and prohibiting the following entities / persons from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly in whatsoever manner, till further directions from SEBI.

Sr. no.	Name	Address if any	SEBI Order No.	Date
1	Ms. Pushpa Gupta	40A, Mount Kailash, East of Kailash, New Delhi - 110065	WTM/MPB/EFD-1-DRA-III/11/2018	25-05-2018
2	Shivgurunathan	G1, 1252, Pushp Raag, 19th Main Road, Anna Nagar (W), Chennai, 600040	WTM/GM/EFD/ 66 /2018	10-10-2018
3	Shri Shekh Nur Mohammad	Old Kolkata Road, Mondal para, Titagarh, North 24, Parganas, Kolkata-700119	WTM/MPB/EFD-1-DRA-IV/53-/2018	30-10-2018
4	Mr. Preyesh Mehta	F-1/A, Profit Centre, Mahavir Nagar, Above Pizza Hut, Kandivali West, Mumbai - 67	WTM/MPB/ ISD/52/2018	30-10-2018
5	Samrudhi Devbuild Industries India Ltd	N.A	WTM/GM/ IMD/69/2018-19	30-10-2018
6	Shri Manoj Yadav	H. No-1229, Amadiha,Amadiha P.S-Jhagahan, The-Chuari-Chaura,Gorakhpur, Uttar Pradesh -273201	WTM/GM/ IMD/69/2018-19	30-10-2018
7	Shri Mafijul Laskar	BarbariyaNoa-Para, Paschim Khilkapur Barasat North 24 Parganas Kolkata West Bengal- 700125	WTM/GM/ IMD/69/2018-19	30-10-2018
8	Shri Biswajit Ghosh	Bara Kanthalia (Majhepura) Mohanpur Titagarh North 24 Parganas Kolkata West Bengal- 700121	WTM/GM/ IMD/69/2018-19	30-10-2018

Circular No.:
NSDL/POLICY/2018/0030
Date: May 23, 2018

Subject: SEBI Order under Section 11B of the Securities and Exchange Board of India Act, 1992.

Attention of Participants is invited to the Orders passed by SEBI restraining and prohibiting the following entities / persons from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly in whatsoever manner, till further directions from SEBI. .

Sr. no.	Name	Address if any	SEBI Order No.	Date	Debarred Till date
1	Shri Pijush Gupta,	R/o P179B, Unique Park, Calcutta-700034	WTM/M PB/EFD-1-DRA-IV/ 127 /2018	19/01/2018	N.A
2	Shri Nihar Ranjan Khuntia,	R/o Koutan, P.O. Arilo, Dist-Cuttack, 754130	WTM/M PB/EFD-1-DRA-IV/ 127 /2018	19/01/2018	N.A
3	Shri Balaram Chatterjee	R/o 144/C, S.P. Mukherjee Road, Calcutta, 700026.	WTM/M PB/EFD-1-DRA-IV/ 127 /2018	19/01/2018	N.A
4	Shri Raja Banerjee,	Diamond Harbour Road, Block 'P', New Alipore, Kolkata:700 053	WTM/M PB/EFD-1-DRA-IV/ 127 /2018	19/01/2018	N.A
5	Shri A K Goswami	R/o 33A, S.P. Mukherjee Road, Calcutta, 700026	WTM/M PB/EFD-1-DRA-IV/ 127 /2018	19/01/2018	N.A
6	Shri. Pradip Bose	R/o Madhaba Lane, Calcutta-700025	WTM/M PB/EFD-1-DRA-IV/ 127 /2018	19/01/2018	N.A
7	Shri Ashok Chowdhury	R/o 22, Post Office Road, Calcutta-700093	WTM/M PB/EFD-1-DRA-IV/ 127 /2018	19/01/2018	N.A
8	Life Care Debenture Trust	N.A	WTM/MPB/ EFD-1-DRA-IV/131/2018	08/02/2017	N.A
9	Ms. Paromita Mondal	AD Apartment, OD Road, Baza Para, P.O. Uluberia, Howrah- 711316	WTM/MPB/ EFD-1-DRA-IV/131/2018	08/02/2017	N.A
10	MMF Solutions (alias MMF and Solutions)	14/1, Old Palasia, 6th Floor, 601 Rukmani Plaza, A B Road, Indore, Madhya Pradesh - 452001	WTM/M PB/ SEBI/EFD-DRA4/136/2018	15/02/2018	N.A

Sr. no.	Name	Address if any	SEBI Order No.	Date	Debarred Till date
11	Mr. Md. Abdul Muktadir	Vill&P.O. Kurikhala, Dist-Karimganj, Assam-788712	WTM/MPB/EFD-1 -DRA-III/138 /2018	15/02/2018	N.A
12	Real Sunshine Corp Limited (earlier known as Real Sunshine Agrotech Limited)	N.A	WTM/MPB/ EFD-1-DRA-IV/139/2018	15/02/2018	N.A
13	Gita Karmakar	2/92 A, Sree Colony, Kolkata - 700092	WTM/GM/IMD/ 93 /2017-18 and Corrigendum no. WTM/GM/ IMD/93A/2017-18	23/02/2018	N.A
14	Sun Techno International Limited	N.A	WTM/MPB/ EFD-1 -DRA-IV/145/2018	01/03/2018	N.A
15	Remac Realty India Limited	N.A	WTM/GM/ EFD/100/2017-18	19/03/2018	N.A
16	Helios Corporation Limited,	N.A	WTM/MPB/ EFD-1 -DRA-II I/148/2018	06/03/2018	N.A
17	Helios Chemicals Limited,		WTM/MPB/ EFD-1 -DRA-II I/148/2018	06/03/2018	N.A
18	Mr. Virendra Prasad Sinha	Village Kundi, P.O. Daruara, Dist. Nalanda, Bihar -803111	WTM/MPB/ EFD-1 -DRA-II I/148/2018	06/03/2018	N.A
19	Mr. Satyendra Singh	Addalbari, Near ITI, Hajipur, Dist. Vaishali, Bihar - 844101	WTM/MPB/ EFD-1 -DRA-II I/148/2018	06/03/2018	N.A
20	Ms. Prema Kumari	Shiva Sadan, Indrapuri, Patna, Bihar - 800023	WTM/MPB/ EFD-1 -DRA-II I/148/2018	06/03/2018	N.A
21	Mr. Devendra Prasad Singh	Village Narayanpur, PO-Bhatta Sarho, Dist. Saran, Bihar -841401	WTM/MPB/ EFD-1 -DRA-II I/148/2018	06/03/2018	N.A
22	Mr. Surendra Nath Singh		WTM/MPB/ EFD-1 -DRA-II I/148/2018	06/03/2018	N.A
23	Ms. Krishna Devi		WTM/MPB/ EFD-1 -DRA-II I/148/2018	06/03/2018	N.A

Sr. no.	Name	Address if any	SEBI Order No.	Date	Debarred Till date
24	Mr. Rakesh Kumar	Mainpura, Patna, Bihar	WTM/MPB/ EFD-1 -DRA-II I/148/2018	06/03/2018	N.A
25	Ms. Manju Pathak	Harmu, Ranchi, Jharkhand - 834002	WTM/MPB/ EFD-1 -DRA-II I/148/2018	06/03/2018	N.A
26	Greater Kolkata Infracon Limited	N.A	WTM/M PB/EFD-1-DRA-IV/ 155 /2018	21/03/2018	N.A
27	Mr. K.R. Udayaraj	22/2, Gariahat road, Kolkata-700029	WTM/M PB/EFD-1-DRA-IV/ 155 /2018	21/03/2018	N.A
28	Greater Kolkata Debenture Trust Company	N.A	WTM/M PB/EFD-1-DRA-IV/ 155 /2018	21/03/2018	N.A
29	SLF Investment India Limited	N.A	WTM/GM/ IMD/119/2017-18	28/03/2018	N.A

Circular No.: NSDL/POLICY/2018/0020
Date: April 2, 2018

Subject: SEBI Order under Section 11B of the Securities and Exchange Board of India Act, 1992

Attention of Participants is invited to the Orders passed by SEBI restraining and prohibiting the following entities / persons from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly in whatsoever manner, till further directions from SEBI.

Sr. no.	Name	Address if any	SEBI Order No.	Date
1	MMF Solutions (alias MMF and Solutions)	14/1, Old Palasia, 6th Floor, 601 Rukmani Plaza, A B Road, Indore, Madhya Pradesh - 452001	WTM/MPB/SEBI/EFD-DRA4/136/2018	15/02/2018
2	Insure Life Infrastructure (India) Limited	Not Provided	WTM/GM/ EFD/86/2017-18	05/02/2018
3	Smt. Jeba Parween	Kanki Bazar, P.O. Bogra, Purulia-723145	WTM/MPB/EFD-1-DRA-IV/ 130/2018	01/02/2018
4	Smt. Renu Singh	Vill:Shyampur, P.O.: Anara, Purulia, West Bengal : 723126	WTM/MPB/EFD-1-DRA-IV/ 130/2018	01/02/2018
5	Gulshan Debenture Trust represented by Smt. Aisha Begum	31/2A, Marquis Street, Kolkata-700016	WTM/MPB/EFD-1-DRA-IV/128 /2018	24/01/2018
6	Media 9th Creations Ltd	141A/1P, South Sinthee Road, Kolkata - 700050 & 164C/11, Lake Gardens, Prince Anwar Shah Road, Kolkata - 45	WTM/MPB/EFD-1-DRA-IV/ 118 /2018	10/01/2018
7	Shri Pushpal Roy Choudhury	141A/1P, South Sinthee Road, Kolkata - 700050	WTM/MPB/EFD-1-DRA-IV/ 118 /2018	10/01/2018

Sr. no.	Name	Address if any	SEBI Order No.	Date
8	Shri Shuvra Roychoudhury	141A/1P, South Sinthee Road, Kolkata - 700050	WTM/MPB/EFD-1-DRA-IV/ 118 /2018	10/01/2018
9	Shri Sibsankar Chowdhury	35/1, Anjangarh Birati, Kolkata -700051	WTM/MPB/EFD-1-DRA-IV/ 118 /2018	10/01/2018
10	Shri Sanjoy Chowhan	Protapgarh (W), Silodubi Road, P.S. -Nimta, Kolkata - 700049	WTM/MPB/EFD-1-DRA-IV/109/2017	18/12/2017
11	Shri Nabarun Bhattacharya	Panihati, 24 Parganas (N), Pin -700104, WB	WTM/MPB/EFD-1-DRA-IV/109/2017	18/12/2017
12	Shri Ram Sunder Bhattacharya	Panihati, 24 Parganas (N), Pin -700104, WB	WTM/MPB/EFD-1-DRA-IV/109/2017	18/12/2017
13	Smt. Pratima Roy	110, Vivekananda Road, Kolkata -700006, WB	WTM/MPB/EFD-1-DRA-IV/109/2017	18/12/2017
14	ICore E Services Limited.	Not Provided	WTM/GM/EFD/ DRAIII/76/2017-18	11/12/2017
15	Shri Dilip Kumar Das	34/1, New Santoshpur, Mail Road, Dist. South 24 PGS, Kolkata, West Bengal - 700075	WTM/MPB/EFD-1-DRA-IV/ 103/2017	07/12/2017
16	Shri Laxmi Narayan Sharma	Chini Patti, 9/1, Ramakumar Rakshit Lane, Kolkata - 700007	WTM/MPB/EFD-1-DRA-IV/ 103/2017	07/12/2017
17	Nirmal Debenture Trust	Not Provided	WTM/MPB/EFD-1-DRA-IV/93/2017	21/11/2017
18	Shri Jeetendra Rajput	Shop no. 1, Chhajed Complex Saket Nagar Sanjogitaganj, Indore - 452001	WTM/MPB/EFD-1-DRA-IV/93/2017	21/11/2017
19	Swarabhumi Agritech India debenture trust and Gautam Bandopadyay	101, Tollugunge Circular Road, Kolkata, West Bengal - 700 053	WTM/MPB/EFD-1-DRA-IV/89/2017	16/11/2017
20	Shri Gautam Kundu,	71 Jessore Road, (South), Ashabari Appt, Barasat, 24 Pgs (n), Barasat, West Bengal - 743201	WTM/GM/EFD/ ERO/72/2017-18	15/11/2017
21	Shri Shibamoy Dutta	Regent Enclave, Flat 1B, Blk-4 1st FL, VIP Road, Kolkata - 700052	WTM/GM/EFD/ ERO/72/2017-18	15/11/2017
22	Shri Abhijit Dutta	Flat no. B+B1, Pushpahar Appt, 193, Shanti pally, Kasba, Kolkata - 700107	WTM/GM/EFD/ ERO/72/2017-18	15/11/2017
23	Shri Abir Kundu,	6, S K Deb Road, 5th Bye Lane, Patipukur, Kolkata, West Bengal, 700048	WTM/GM/EFD/ ERO/72/2017-18	15/11/2017
24	Shri Ashok Kumar Saha,	Shibnagar College Road, Ext. PO -Agartala College, Tripura, West Tripura, Agartala, Tripura - 799004	WTM/GM/EFD/ ERO/72/2017-18	15/11/2017
25	Shri Ram Lal Goswami	Rajarbag, R K pur, South Tripura, Agartala, Tripura - 799120	WTM/GM/EFD/ ERO/72/2017-18	15/11/2017

Sr. no.	Name	Address if any	SEBI Order No.	Date
26	Shri Dhanjit Gayary	1 Portal, Village Nalpara, P.O. Nimua, Barpeta, Dist. - Barpeta, Assam-781315	WTM/MPB/EFD-1-DRA-IV/ 86/2017	14/11/2017
27	Shri Chandan Dey	54/2, Rafi Ahmed Kidwai Road, Kolkata-700016	WTM/MPB/EFD-1-DRA-IV/ 82 /2017	07/11/2017
28	Smt Kanika Maiti	54/2, Rafi Ahmed Kidwai Road, Kolkata-700016	WTM/MPB/EFD-1-DRA-IV/ 82 /2017	07/11/2017
29	Shri Narayan Karmakar	1/1/H/25, Biplabi Barin Ghosh Sarani, Kolkata - 700 067	WTM/MPB/EFD-1-DRA-IV/ 79/2017	03/11/2017
30	Gurukul Debenture Trust	Vill. & Post : Jhorahat, Andul, Howrah - 711302	WTM/MPB/EFD-1-DRA-IV/ 79/2017	03/11/2017
31	Angel Rural Development Limited	Not Provided	WTM/MPB/EFD-1-DRA-IV/74/2017	31/10/2017
32	Moral Debenture Trust (Trustee: Santu Kumari)	Not Provided	WTM/GM/ EFD/69/2017-18	31/10/2017
33	Milan and Milan International Limited	Not Provided	WTM/MPB/EFD-1-DRA-IV/68/2017	23-Oct-17
34	Grass Root Finance & Investment Company (India) Limited	Not Provided	WTM/GM/ CFD/68/2017-18	18/10/2017
35	Jiten Chandra Bora	Village - Kalmouguri, P.O. Kalmouguri, P.S. Gohpur, Sonitpur District Assam-784178	WTM/GM/ CFD/68/2017-18	18/10/2017
36	Jagneswar Saikia	Village Sonalibori, Bordup, P.O. Sonalibori, Sonitpur - 784178 Assam	WTM/GM/ CFD/68/2017-18	18/10/2017
37	Karuna Borah	Village Karchantala, P.S. Karchantala, Sonitpur - 784178 Assam	WTM/GM/ CFD/68/2017-18	18/10/2017
38	Gopi Bhuyan Ram	Rajbari, P.S. - Bihpuria, Sub-divn. -North Lakhimpur, Lakhimpur Assam - 785014	WTM/GM/ CFD/68/2017-18	18/10/2017
39	Harisa Goyari	Bhalmanuhor, Vitha P.S. - Patacharkuchi, P.O. -Golagaon, Baksa Assam - 781326	WTM/GM/ CFD/68/2017-18	18/10/2017
40	Bikash Roy	Nityananda, Panbari P.O. - Nityananda, P.S. -Patacharkuchi, Barpeta Assam - 781329	WTM/GM/ CFD/68/2017-18	18/10/2017
41	Pradip Sarmah	Madhupur, P.S. -Dhakuakhana, Sub divn - Dhemaji, Dhemaji Assam - 787058	WTM/GM/ CFD/68/2017-18	18/10/2017
42	Keshab Gogoi	Saru Ram Gogoi, Dubia, Sonitpur Assam - 784178	WTM/GM/ CFD/68/2017-18	18/10/2017
43	Bhupen Burha Gohain	Village Silapathar, Mazgaon, PO Silapathar, Assam	WTM/GM/ CFD/68/2017-18	18/10/2017

Sr. no.	Name	Address if any	SEBI Order No.	Date
44	Pradip Hazarika	Hazarika, Village Nilakh Takowani, PO Palengi, District Dhemaji - 787059	WTM/GM/ CFD/68/2017-18	18/10/2017
45	Minaram Hazarika	Vill- Nilakh Tokowarri, Dist- Dhemaji, Assam	WTM/GM/ CFD/68/2017-18	18/10/2017
46	Guluk Gogoi	Vill- Silapathar, Mazgaon, Dist- Dhemaji, Assam	WTM/GM/ CFD/68/2017-18	18/10/2017
47	Khargeswar Das	Vill- Kapahua, P.O. Khubalia, Dist- Dhemaji, Assam	WTM/GM/ CFD/68/2017-18	18/10/2017
48	Smt Kabita Rani Pal	Village and Post office Changul, Police Station - Kharagpur (Local), District - Midnapore, West Bengal -721301	WTM/MPB/EFD-1-DRA-IV/ 60/2017	10/10/2017
49	Parivar Dairies and Allied Ltd.	Not Provided	WTM/GM/EFD/ 63 /2017-18	10/10/2017
50	Shri Chapal Biswas	R/o 111/3, Swamiji Sarak, Kolkatta 700034	WTM/MPB/EFD-1-DRA-IV/57 /2017	09/10/2017
51	Shri Chinmoy Ghatak	R/o 107, Shripal Apartment, Ground Floor, N.S.C Bose Road, Kolkata-700040	WTM/MPB/EFD-1-DRA-IV/57 /2017	09/10/2017
52	Smt Kabita Rani Pal	Village and Post office Changul, Police Station - Kharagpur (Local), District - Midnapore, West Bengal -721301	WTM/MPB/EFD-1-DRA-IV/ 55/2017	06/10/2017
53	Roofers Debenture Trust and Diamond debenture Trust	P103A, C.I.T, Road, 2nd Floor, Kolkata-700014	WTM/MPB/EFD-1-DRA-IV/ 55/2017	06/10/2017
54	Shri Kanai Lal Bhattacharya	R/o 62/3A, Ichapur Road, Kadamtala, Howrah-711101	WTM/MPB/EFD-1-DRA-IV/ 55/2017	06/10/2017
55	Shri Biman Kumar Tat	62/3A, Ichapur Road, Kadam Tala, Howrah 711101 WB & Alternate Address: P103A, C.I.T, Road, 2nd Floor, Kolkata-700014	WTM/MPB/EFD-1-DRA-IV/ 55/2017	06/10/2017
56	Cell Debenture Trust and Shri Abdul Basad Molla	30, Jawahar Nehru Road, Chowringhee Mansion, Gate No. 1, 2nd Floor, Room No. 4, Kolkata-700016	WTM/MPB/EFD-1-DRA-IV/49/2017	04/10/2017
57	Express Cultivation Limited	Not Provided	WTM/MPB/EFD-1-DRA-IV/47 /2017	03/10/2017

Sr. no.	Name	Address if any	SEBI Order No.	Date
58	BNP India Developers and Infrastructure Limited	(a) Flat No 204, MID Point Complex, Opp. Bharat talkies, Shinde Ki Chhawani, Lashkar, Gwalior. Madhya Pradesh- 4474001. (b) M-8 & 9, Promila Plaza, Thatipur, Gwalior, Madhya Pradesh- 474011. (c) 203, Anmol Tower, Old Palasia, Saket Chauraha, Indore, Madhya Pradesh. (d) T-2, 3rd floor, Kohli Plaza, LSC, CIJ Block, Pitampura, Delhi- 110034.	WTM/GM/ EFD/60/2017-18	29/09/2017
59	Neelesh Singh Narwaria	Gola Ka Mandir, Gwalior, Madhya Pradesh- 474006.	WTM/GM/ EFD/60/2017-18	29/09/2017
60	Devendra Kumar Sahu	31, Bhairo Khidaki- 2, Jhansi- 284001 (UP)	WTM/GM/ EFD/60/2017-18	29/09/2017
61	Som Datta	Kushtayana Inside, Jhansi- 284001 (UP)	WTM/GM/ EFD/60/2017-18	29/09/2017
62	Kedar Nagar	(a) 41-B, Mitra Bandhu Nagar, Kanadia Road, Indore, Madhya Pradesh- 452016. (b) 703, Gyansagar Apartments Sanchar Nagar, Kanadia Road, Indore, Madhya Pradesh- 452016.	WTM/GM/ EFD/60/2017-18	29/09/2017
63	Anil Kumar Pachhoriya	Village Mudara, Niwari, Tikamgarh, Madhya Pradesh- 474442.	WTM/GM/ EFD/60/2017-18	29/09/2017
64	Daya Nand	Jaitpur Kalan Agra (UP)- 283114.	WTM/GM/ EFD/60/2017-18	29/09/2017
65	Raghvendra Singh Narwaria	8, Arya Nagar, District- Bhind, Madhya Pradesh	WTM/GM/ EFD/60/2017-18	29/09/2017
66	Genda Bai	158, Mayur Nagar, Behind OBC Bank, Thatipur, Gwalior- 474009 (MP)	WTM/GM/ EFD/60/2017-18	29/09/2017
67	Angel Economic Debenture Trust	Kartar Singh, 18811, B11, Khud Mohalla, Habib Road, Khud Mohalla, Ludhiana, Punjab, India- 141008	WTM/MPB/EFD-1-DRA-IV/45/2017	29/09/2017
68	Shri. Succhhanda Ghosh	8/1A, Little Russal street 4th Floor, Chowdhury House, Kolkata WB 700071	WTM/MPB/EFD-1-DRA-IV/45/2017	29/09/2017

Sr. no.	Name	Address if any	SEBI Order No.	Date
69	Roofit Industries Ltd	Not Provided	WTM/GM/ EFD/54/2017-18	21-Sep-17
70	Khandelwal Herman Electronics Ltd	Not Provided	WTM/GM/ EFD/54/2017-18	21-Sep-17
71	CVIL Infra Ltd	Not Provided	WTM/GM/ EFD/54/2017-18	21-Sep-17
72	Essenes Forgings Ltd	Not Provided	WTM/GM/ EFD/54/2017-18	21-Sep-17
73	Synthetics & Chemicals Ltd	Not Provided	WTM/GM/ EFD/54/2017-18	21-Sep-17
74	Kinjal Finance Ltd	Not Provided	WTM/GM/ EFD/56/2017-18	21-Sep-17
75	Shri Amit Samanta and Shri Raktim Dhar trustee of the Debenture Holders of Multinational Industries Limited.	Not Provided	WTM/MPB/EFD-1-DRA-IV/21/2017	13/09/2017
76	Swarabhumi Agritech India Ltd,	Not Provided	WTM/MPB/EFD-1-DRA-IV/89/2017	16/11/2017

Circular No.: NSDL/POLICY/ 2017/0065
Date: October 31, 2017

Subject: SEBI Order under Section 11B of the Securities and Exchange Board of India Act, 1992

Attention of Participants is invited to the Orders passed by SEBI restraining and prohibiting the following entities / persons from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly in whatsoever manner, till further directions from SEBI.

Sr. no.	Name	Address if any	SEBI Order No.	Date	Debarred Till date
1	Shankalp Secured Debenture Trust	41/B, Hari Shankar Mukherjee Lane, Kolkata-700043	WTM/MPB/ EFD-1-DRA-IV/53/2017	05-10-2017	N.A
2	Shri Amit Samanta	James Long Sarani, Nandan Pally, Kolkata-700008	WTM/MPB/ EFD-1-DRA-IV/53/2017	05-10-2017	N.A
3	Shri Jagadish Chandra Nag	Russa Road, Kolkata-700033	WTM/MPB/ EFD-1-DRA-IV/53/2017	05-10-2017	N.A
4	Agragami Agro-Farms Limited	N.A	WTM/GM/ IMD/53/2017-18	18-09-2017	N.A
5	Hasem Molla	S/O M. Molla Vill + P.O.-Tetul Beria, P.S-Baruipur, Dist. -24 PGS. South, West Bengal-743376, India	WTM/GM/ IMD/53/2017-18	18-09-2017	N.A

Sr. no.	Name	Address if any	SEBI Order No.	Date	Debarred Till date
6	Mukul Sardar	S/O Raj Kumar Sardar Vill-Baikunthapur, P.O. & P.S.- Sonarpur, Dist. - 24 PGS. South Kolkata-700150, West Bengal, India	WTM/GM/ IMD/53/2017-18	18-09-2017	N.A
7	Bhabesh Halder	S/O Jitendra Halder Vill.-Baikunthapur, P.O. & P.S.- Sonarpur Kolkata-700150, West Bengal, India	WTM/GM/ IMD/53/2017-18	18-09-2017	N.A
8	Susanta Sardar	S/O Ganendra Nath Sardar Vill. + P.O.-Manmatha Nagar, P.S- Gosaba, Dist. -24 PGS. South, West Bengal -743370, India	WTM/GM/ IMD/53/2017-18	18-09-2017	N.A
9	Polaris Debenture Trust (represented by Ms. Dipanwita Das)	N.A	WTM/MPB/ EFD-1-DRA-IV/27/2017	18-09-2017	17-Sep-21
10	Mr. Adhish Halder	Methopara, Mouja-Debgram, Ranaghat, Nadia, 741233, West Bengal, India	WTM/GM/ EFD/DRAIII / 50/2017-18	08-09-2017	N.A
11	Clifford Capital Partners AG SA [Ertswhile Seazun Limited]	N.A	WTM/SR/EFD/ 59/09/2017	05-09-2017	N.A
12	Vintage FZE (now known as Alta Vista International FZE)	N.A	SEBI/WTM/SR/ EFD/ 64/09/2017	05-09-2017	N.A
13	Durgamaya Advisors Pvt. Ltd	N.A	WTM/SR/ EFD-DRA-II/66/09/2017	05-09-2017	N.A

Sr. no.	Name	Address if any	SEBI Order No.	Date	Debarred Till date
14	V3 Infrastructure and Estates Private Ltd.	N.A	WTM/GM/ EFD/46/2017-18	04-09-2017	N.A
15	Parekh Aluminex Ltd	N.A	SEBI/WTM/SR/ CFD-FAC/ 53 /08/2017	30-08-2017	N.A
16	Sri Ganesh Stocks and Shares	N.A	WTM/SR/ SEBI/EFD-DRA2/51/08 /2017	22-08-2017	N.A
17	Ram Niwas Baghel	Sanjay Colony, 5th BN Road, Morena, M.P – 476001	WTM/GM/ EFD/42/2017-18	14-08-2017	N.A
18	Sarvesh Singh Baghel	Vill. Newari, P.O-Kharka, Chattarpur, M.P – 471001	WTM/GM/ EFD/42/2017-18	14-08-2017	N.A
19	Surakshaplus Infrastructure & Projects Limited	N.A	WTM/GM/ SEBI/ERO/ IMD/39/2017-18	08-08-2017	N.A
20	Giri Dhari Naskar	Dhap Dhopi, Baruipur, Kolkata, West Bengal - 700144, India	WTM/GM/ SEBI/ERO/ IMD/39/2017-18	08-08-2017	N.A
21	Digstar Projects Limited	N.A	WTM/MPB/EFD-DRA4/8/2017	28-07-2017	N.A
22	Finosys Securities, Good Time Securities, Global Securities and Tradefast Securities	N.A	WTM/SR/ EFD-DRA-II/43/07/2017	27-07-2017	N.A
23	Aditya Lime Industries, Watson Software Ltd, Numero Uno Projects Ltd, Intech International Ltd and Shri Anjaney Agro Food Ltd	N.A	WTM/GM/ EFD/36/2017-18	31-07-2007	N.A

Circular No.: NSDL/POLICY/ 2017/0048
Date: August 10, 2017

Subject: SEBI Order under Section 11B of the Securities and Exchange Board of India Act, 1992

Attention of Participants is invited to the Orders passed by SEBI restraining and prohibiting the following entities / persons from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly in whatsoever manner, till further directions from SEBI.

Sr. no.	Name	Address if any	SEBI Order No.	Date
1	Trustline Realty Infra India Ltd	-	WTM/GM / SEBI/ERO/ IMD/01/ APR/2017	05 April 2017
2	Mr. Sarbaniprasad Bishwas	Surpara, Itachuna G.P.Itachuna Khanyan, P.S. Panpandua Dist Hooghly 712204	SEBI/WTM/ SR / ERO/ 31/05/2017	12 May 2017
3	Jeevan Dhara Geomine Limited	-	WTM/GM/ SEBI/ERO/ IMD/20/ June/2017	7 June, 2017
4	R. N. Polymer Industries Ltd	-	WTM/GM / SEBI/ERO/ IMD/24/ JUNE/2017	19 June 2017
5	Sekh Jasim Hossain	Md Kala Chand Road, P.O. Ghola Bazar, 24 Pgs North, Kolkata, West Bengal -700111, India	WTM/GM / SEBI/ERO/ IMD/28/ JUNE/2017	29 June 2017
6	Capquest Research Pvt. Limited	-	WTM/GM/ IMD/29/ JULY/2017	04 July 2017
7	Aspen Industries Limited and Aspen Debenture Trust and	-	WTM/GM/ NRO/30/2017	06 July 2017
8	Shri Raju Sarkar	28, Micheal Madhu Sudan Sarani, Kolkata - 700023	WTM/GM/ NRO/30/2017	06 July 2017
9	Mr. Pallab Das	Vill + P.O.- Nalikul, P.S.- Haripal, Hooghly, West Bengal - 712407, India	WTM/GM / SEBI/ERO/ IMD/27/ JUNE/2017	23 June 2017
10	Bettahalli R. Lakshmegowda	44, High Phase 2, 7th Main, Alanahally, Mysore, Karnataka-57001	WTM/GM/ EFD/33/2017-18	18 July 2017
11	Aruna Prasad	House No 2254, Vinoba Road, Mysore- 570001, Karnataka	WTM/GM/ EFD/33/2017-18	18 July 2017

Sr. no.	Name	Address if any	SEBI Order No.	Date
12	Shri Balaji Investments	-	WTM/SR/ SEBI/EFD-DRA2/38/07 /2017	20 July 2017
13	Shri Ajigul Haque	Vill- Jodsadi, Post-Bantir Rayana, Near High School, Burdwan, West Bengal- 713101	WTM/MPB/ EFD-1-DRA-IV/05/2017	14 July 2017
14	Digstar Projects Limited	`	WTM/ MPB/EFD-DRA4/8/2017	28 July 2017

Circular No.: NSDL/POLICY/ 2016/0099
Date: December 6, 2016

Subject: SEBI Orders under Section 11B of the Securities and Exchange Board of India Act, 1992.

Attention of Participants is invited to the Orders passed by SEBI restraining and prohibiting the following entities / persons from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly in whatsoever manner, till further directions from SEBI.

Sr. no.	Name	Address if any	SEBI Order No.	Date
1	Chemox Laboratories Limited	N.A	WTM/RKA/EFD/34/2016	18-Mar-16
2	Minhas Steels Limited	N.A	WTM/RKA/EFD/35/2016	18-Mar-16
3	Kushal Diamonds Limited	N.A	WTM/RKA/EFD/36/2016	18-Mar-16
4	Amrut Credit Corporation (India) Limited	N.A	WTM/RKA/EFD/37/2016	18-Mar-16
5	Bagri Minerals and Chemicals Limited	N.A	WTM/RKA/EFD/38/2016	18-Mar-16
6	Lawa Coated Papers Limited	N.A	WTM/RKA/EFD/39/2016	18-Mar-16
7	Smt Kabita Rani Pal	Vill+P.O.-Changual, P.S.-Kharagpur (Local), Dist-Midnapur (P), Kharagpur, West Bengal-721301	WTM/SR/SEBI – ERO/ IMD/21/03/2016	18-Mar-16
8	ATM Secure Debenture Trust	11A, Raja Rammohan Roy Sarani, Paschim Medinipur, West Bengal - 721101	WTM/PS/15/ERO/APR/2016	29-Apr-16
9	Ms. Pratima Roy	110, Vivekananda Road, Kolkata- 700006	WTM/PS/15/ERO/APR/2016	29-Apr-16
10	Mr. JAGADISH CHANDRA NAG	Russa Road, Kolkata-700033	WTM/PS/15/ERO/APR/2016	29-Apr-16

Sr. no.	Name	Address if any	SEBI Order No.	Date
11	Mr. Arghya Sengupta	25, Kalibazar Purba, Burdwan Sardar, Burdwan-713103	WTM/PS/15/ERO/APR/2016	29-Apr-16
12	Mr. Amit Samanta	Son Of Gautam Samanta, James Long Sarani, Nanadan Pally,Kolkata-700008	WTM/PS/15/ERO/APR/2016	29-Apr-16
13	Swar Agrotech India Limited	N.A	WTM/PS/22/EFD/MAY/2016	6-May-16
14	Asurre Agrowtech Limited	N.A	WTM/PS/25/IMD-CIS/SRO/ MAY/2016	9-May-16
15	Mr. P. Saravanan	No.80, Puthu Marriyamman Kovil Street, Salem (C) - 636 002	WTM/PS/25/IMD-CIS/SRO/ MAY/2016	9-May-16
16	Smt Kabita Rani Pal	Vill+P.O.-Changual, P.S.-Kharagpur (Local), Dist-Midnapur (P), Kharagpur, West Bengal-721301	WTM/PS/37/IMD/ERO-RLO/ MAY/2016	16-May-16
17	Alexcon Extrusions Limited	N.A	WTM/RKA/EFD/DRA II/57/2016	31-May-16
18	Multicolour Offset Limited	N.A	WTM/RKA/EFD/DRA II/58/2016	31-May-16
19	Vishwas Steel Limited	N.A	WTM/RKA/EFD/DRA II/63/2016	8-Jun-16
20	Parsoli Corporation Limited	N.A	WTM/RKA/EFD/DRA II/77/2016	29-Jun-16
21	Credence Sound and Vision Limited	N.A	WTM/RKA/EFD/DRA II/ 75/2016	29-Jun-16
22	Libra Filaments Limited	N.A	WTM/RKA/EFD/DRA II/72/2016	29-Jun-16
23	Faze Three Limited	N.A	WTM/RKA/EFD/DRA II/73/2016	29-Jun-16
24	Indo American Cement Corporation Limited	N.A	WTM/RKA/EFD/DRA II/74/2016	29-Jun-16
25	Datapro Information Technology Limited	N.A	WTM/RKA/EFD/DRA II/76/2016	29-Jun-16
26	Avikem Resins Limited	N.A	WTM/RKA/EFD/DRA II/70/2016	29-Jun-16
27	Varun Cements Limited	N.A	WTM/RKA/EFD/DRA II/87/2016	28-Jul-16
28	Vishwamitra Debenture Trust	N.A	WTM/RKA/EFD/92/2016	10-Aug-16
29	Asia Automative Limited	N.A	WTM/RKA/EFD/DRA II/110/2016	24-Aug-16
30	Arihant Themoware Limited	N.A	WTM/RKA/EFD/DRA II/119/2016	27-Aug-16
31	PCI Chemicals & Pharmaceuticals Limited	N.A	WTM/RKA/EFD/DRA II/118/2016	27-Aug-16

<table>
<tr>
<td>Circular No.:
NSDL/POLICY/
2016/0027
Date: March 15, 2016</td>
<td>

Subject: SEBI Order under Section 11B of the Securities and Exchange Board of India Act, 1992.

Attention of Participants is invited to the Order dated February 17, 2016 passed by SEBI (order copy enclosed) prohibiting Shri Shashi Bhushan, Proprietor of M/s. Bhushan Aggarwal & Co. from, directly or indirectly, issuing any c□ertificate required under securities laws namely Securities Board of India Act, 1992, the Securities Contract (Regulations) Act, 1956, the Depositories Act, 1996, Rules, Regulations, Guidelines made thereunder, the Listing Agreement and the applicable provision of the Companies Act, 2013, the Rules, Regulations, Guidelines made thereunder which are administered by SEBI, with respect to listed companies and the intermediaries registered with SEBI for a period of one year.

Participants are hereby advised to take note of the same while appointing an auditor for their depository operations.

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<tr>
<td>Circular No.:
NSDL/POLICY/
2015/0103
Date: November 10, 2015</td>
<td>

Subject: SEBI Order under Section 11B of the Securities and Exchange Board of India Act, 1992.

Attention of Participants is invited to the Orders passed by SEBI (order copies enclosed) restraining and prohibiting the following four companies from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly in whatsoever manner, till further directions from SEBI.

<table>
<tr><th>Sr. no.</th><th>Company Name</th><th>SEBI Order no.</th></tr>
<tr><td>1</td><td>Pittie Finance Limited</td><td>WTM/RKA/EFD/138/2015</td></tr>
<tr><td>2</td><td>Prime Petro Products Limited</td><td>WTM/RKA/EFD/137/2015</td></tr>
<tr><td>3</td><td>Ratna Drugs Limited</td><td>WTM/RKA/EFD/139/2015</td></tr>
<tr><td>4</td><td>Rusoday & Company Limited</td><td>WTM/RKA/EFD/140/2015</td></tr>
</table>

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<tr>
<td>Circular No.:
NSDL/POLICY/
2015/0086
Date: September 21, 2015</td>
<td>

Subject: SEBI Orders.

Attention of Participants is invited to SEBI Orders restraining and prohibiting the following entities / persons mentioned against the orders (copies enclosed) from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly in whatsoever manner, till further directions from SEBI.

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</tr>
</table>

Table no. 1 (List of Entities prohibited from accessing the securities market):

Sr. No.	Name	SEBI Order No.	Date
1	IHI Developers India Limited	WTM/PS/31/CIS-NRO/AUG/2015	3-Aug-15
2	Eminence Infraprojects Limited	WTM/SR/SEBI – ERO: RLO/155/08/2015	6-Aug-15
3	Astha India Infra-tech Limited	WTM/SR/SEBI – ERO: PLO/157/08/2015	11-Aug-15
4	Aspen Projects India Limited	WTM/PS/39/ERO/IMD/AUG/2015	14-Aug-15

Table no. 2: (List of Individuals prohibited from accessing the securities market):

Sr. No.	Name	Address as provided by SEBI	SEBI Order No.	Date
1	Shri Girraj Vashistha	101, Vivek CHS, Sheetal Nagar, Kandivali (E), Mumbai - 400101	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
2	Shri Shree Kishan Chaudhary	28 C, Prakash Nagar, Bhuteshwar, Mathura - 281001	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
3	Shri Munshi Lal Tiwari	41, Hazipur, Sandila, Hardoi - 241204	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
4	Shri Rajesh Chakravarty	47/10, Plato Park, New Delhi - 110010	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
5	Shri Rajit Ram Maurya	5, Saheed Nagar, Koraon, Allahabad - 212303	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
6	Shri Satish Kumar	C-1/7, DDU Hospital Complex, Hari Nagar, New Delhi	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
7	Shri Shailandra Kumar Prajapati	C-184, Indira Nagar, Lucknow - 226016	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
8	Shri Jasjeet Singh Sethi	GH 4/306, Meera Apartments, Paschim Vihar, New Delhi - 110063	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
9	Shri Gurbhej Singh Hora	L-11/303/G, LDA Colony, Kanpur Road, Lucknow - 226023	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
10	Shri Narayan Jay Tripathi	Roxy Lane, Aatkalgali, Badamwadi, Cuttack, Orissa	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
11	Shri Anil Pratap Singh	S/O Parmeshwar, Kailash Hills, East of Kailash, New Delhi	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
12	Shri Uday Pratap Singh	S/o R Singh, U 54/A, Upadhyay Colony, Shakarpur, Delhi 92	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
13	Shri Vinod Kaul	S/o Shri A N Kaul, A 54, Uttam Nagar, New Delhi -110059	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
14	Shri Mukesh Mishra	S/o Shri Jagdish Mishra, C-22, Railway Quarters, Lajpat Nagar, New Delhi	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
15	Shri Prahlad Singh	Sector N - 2, Aliganj, Kursi Road, Lucknow - 226020	WTM/PS/34/NRO/LKO/AUG/ 2015	5-Aug-15
16	Rahul Banerjee	155 Bajramoni Debya Road Kolkata - 700061	WTM/SR/SEBI – ERO: PLO/154/08/2015	6-Aug-15
17	Mita Roy	10, Vivekananda Road, Kolkata-700006	WTM/PS/39/ERO/IMD/AUG/2015	14-Aug-15
18	Ram Sunder Bhattacharya	Panihati, 24 Parganas (N), Pin- 700 104	WTM/PS/39/ERO/IMD/AUG/2015	14-Aug-15
19	Abhijit Das Gupta	Talpukur, Ward 101, Jadavpur, South 24-Parganas, Kolkata, 700032, West Bengal	WTM/PS/39/ERO/IMD/AUG/2015	14-Aug-15

Circular No. NSDL/POLICY/ 2015/0080 Date: September 3, 2015	***Sub: Order under section 119 of the Income-tax Act extending the due date for filling of the statement of reportable account by a prescribed reporting financial institution under section 285BA of income-tax Act pertaining to calendar year 2014.*** All Participants are hereby informed that SEBI has vide its emails dated August 26 and 27, 2015 advised to inform all Participants that the Department of Revenue –Ministry of Finance has communicated that the time for furnishing statement of reportable account under Rule 114G of the Income-tax Rules for calendar year 2014 has been extended from August 31, 2015 to September 10, 2015. Participants are requested to take note of the attached order issued by Central Board of Direct Taxes (CBDT) and ensure compliance.
Circular No. NSDL/POLICY/ 2015/0077 Date: August 28, 2015	***Sub: SEBI Orders..*** Attention of Participants is invited to SEBI Orders restraining and prohibiting the following entities / persons mentioned against the orders (copies enclosed) from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly in whatsoever manner, till further directions from SEBI.

Table no. 1 (List of Entities prohibited from accessing the securities market):

Sr. No.	Name of Company	SEBI Order No.	Order Date
1	Dynavox Industries Limited	WTM/RKA/EFD-DRA-I/66/2015	10-Jul-15
2	Goodearth Financial Services Limited	WTM/RKA/EFD/68/2015	17-Jul-15
3	Ebers Pharmaceuticals Limited	WTM/RKA/EFD/69/2015	17-Jul-15
4	Elegant Pharmaceuticals Limited	WTM/RKA/EFD/70/2015	17-Jul-15
5	Pailan Agro India Limited	WTM/SR/SEBI – ERO/151/07/2015	27-Jul-15
6	Weird Infrastructure Corporation Limited	WTM/PS/24/NRO/JULY/2015	24-Jul-15

Table no. 2: (List of Individuals prohibited from accessing the securities market):

Sr. No.	Name of person	Address as provided by SEBI	SEBI Order No.	Order Date
1	Chitta Ranjan Chowdhury	S/O. Sahadeb Chaudhuri, Vill- Raguri, P.O.- Adra, Purulia – 723121, WB	WTM/SR/SEBI- ERO: RLO/147/07/2015	17-Jul-15
2	Smt. Swapna Chaudhury	D/O Abani Mohan Chatterjee, Vill- Raguri, P.O.- Adra, Purulia – 723121, WB	WTM/SR/SEBI- ERO: RLO/147/07/2015	17-Jul-15
3	Smt. Jeba Parween	Not provided by SEBI	WTM/SR/SEBI-WRO:ILO/IMD/148 /07/2015	21-Jul-15
4	Smt. Renu Singh	Not provided by SEBI	WTM/SR/SEBI-WRO:ILO/IMD/148 /07/2015	21-Jul-15
5	Mr. Bajran Lal Bohara	Not provided by SEBI	WTM/PS/24/NRO/JULY/2015	24-Jul-15
6	Mr. Harish Chandra	Not provided by SEBI	WTM/PS/24/NRO/JULY/2015	24-Jul-15
7	Shri Jasjeet Singh Sethi	GH 4/306, Meera Apartments, Paschim Vihar, New Delhi - 110063	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15
8	Shri Rajesh Chakravarty	47/10, Plato Park, New Delhi - 110010	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15
9	Shri Satish Kumar	47/10, Plato Park, New Delhi - 110010	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15

10	Shri Rajit Ram Maurya	5, Saheed Nagar, Koraon, Allahabad - 212303	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15
11	Shri Girraj Vashistha	101, Vivek CHS, Sheetal Nagar, Kandivali (E), Mumbai - 400101	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15
12	Shri Narayan Jay Tripathi	Roxy Lane, Aatkalgali, Badamwadi, Cuttack, Orissa	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15
13	Shri Shree Kishan Chaudhary	28 C, Prakash Nagar, Bhuteshwar, Mathura - 281001	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15
14	Shri Munshi Lal Tiwari	41, Hazipur, Sandila, Hardoi - 241204	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15
15	Shri Prahlad Singh	Sector N - 2, Aliganj, Kursi Road, Lucknow - 226020	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15
16	Shri Shailandra Kumar Prajapati	C-184, Indira Nagar, Lucknow - 226016	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15
17	Shri Gurbhej Singh Hora	L-11/303/G, LDA Colony, Kanpur Road, Lucknow - 226023	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15
18	Shri Vinod Kaul	S/o Shri A N Kaul, A 54, Uttam Nagar, New Delhi -110059	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15
19	Shri Mukesh Mishra	S/o Shri Jagdish Mishra, C-22, Railway Quarters, Lajpat Nagar, New Delhi	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15
20	Shri Anil Pratap Singh	S/O Parmeshwar, Kailash Hills, East of Kailash, New Delhi	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15
21	Shri Uday Pratap Singh	S/o R Singh, U 54/A, Upadhyay Colony, Shakarpur, Delhi 92	WTM/SR/SEBI-NRO:LLO/IMD/149/07/2015	30-Jul-15

Circular No.: NSDL/POLICY/ 2015/0064
Date: July 24, 2015

Subject: SEBI Order under Section 11B of the Securities and Exchange Board of India Act, 1992.

Attention of Participants is invited to the Orders passed by SEBI (order copies enclosed) restraining and prohibiting the following ten companies from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly in whatsoever manner, till they obtain SCORES authentication in terms of the SEBI circular dated August 13, 2012 and resolves all their pending investor grievances.

Sr. no.	Company Name	SEBI Order no.	SEBI Order date
1	Sarda Information Technology Limited	WTM/RKA/EFD/ 55 /2015	June 30, 2015
2	Supreme Telecoms & Network India Limited	WTM/RKA/EFD/ 56 /2015	June 30, 2015
3	Sanvan Software Limited	WTM/RKA/EFD/ 57 /2015	June 30, 2015
4	Sun Infoways Limited	WTM/RKA/EFD/ 58 /2015	June 30, 2015
5	Systel Infotech Limited	WTM/RKA/EFD/ 59 /2015	June 30, 2015
6	Subhlaxmi Export Limited	WTM/RKA/EFD/ 60 /2015	June 30, 2015
7	Rishab Concast Limited	WTM/RKA/EFD/ 61 /2015	June 30, 2015
8	Shanti Packaging Limited	WTM/RKA/EFD/ 62 /2015	June 30, 2015
9	Shatrunjay Extrusions Limited	WTM/RKA/EFD/ 63 /2015	July 1, 2015
10	Ravraj Impex Limited	WTM/RKA/EFD/ 64 /2015	July 1, 2015

Circular No.: NSDL/POLICY/ 2014/0075 Date: June 11, 2014	***Subject: SEBI Order no. WTM/RKA/MIRSD-5/58/2014 dated June 9, 2014 against Mrs. Reena Bansal (PAN: AHRPB9035G).*** Attention of Participants is invited to NSDL Circular no. NSDL/POLICY/2011/ 0036 dated April 21, 2011 regarding SEBI order no. WTM/MSS/MIRSD-1/97/2011 dated April 21, 2011 in the matter of unregistered sub-broking activities of Mrs. Reena Bansal, wife of Mr. Rajeev Bansal, sub-broker affiliated to ICICI Securities Limited. Participants were advised vide above Circular dated April 21, 2011 not to give effect to any debit instruction in depository accounts of Mrs. Reena Bansal or in the depository accounts of any beneficial owner on the authority of power of attorney obtained by her or Mr. Rajeev Bansal. SEBI has vide its above order dated June 9, 2014 has confirmed the directions issued in respect of Mrs. Reena Bansal (PAN: AHRPB9035G) vide SEBI order dated April 21, 2011. Participants are advised to take note of the above SEBI orders and ensure compliance. Copies of SEBI orders are available on SEBI website (http://www.sebi.gov.in) for reference.
Circular No. NSDL/POLICY/ 2012/0080 Date: August 14, 2012	***Sub: Additional details provided by SEBI in respect of orders dated February 27, 2012 issued by the Hon'ble High Court of Judicature at Bombay against Petitioners; Mr. Subramani Gopalkrishnan and Mr. Talluri Srenivas.*** Attention of Participants (DPs) is invited to NSDL Circular no. NSDL/POLICY/2012/0054 dated May 7, 2012 *inter alia* advising DPs to ensure compliance with the directions issued by the Hon'ble High Court vide **serial no. 2 (i - iv)** in Writ Petition no. 1899 of 2011 filed by Mr. Subramani Gopalkrishnan [Annexure A] and **serial no.11 (i - iv)** in Writ Petition no. 1900 of 2011 filed by Mr.Talluri Srenivas [Annexure B]. In this context, additional details provided by SEBI in respect of aforesaid orders are given below for your ready reference and records:

Sr.No.	Name of the Person	PAN	Address
1)	**Mr. Subramani Gopalkrishnan**	-	6-B Shangrilla Apartments, 8-2-269/3 Road No.2, Banjara Hills, Hyderabad-500 034
2)	**Mr. Talluri Srenivas**	ABAPT0642E	8-2-293/82/A/1131A, Road No.36, Jubilee Hills, Hyderabad-500082

Participants are hereby advised to take note of the above and ensure compliance.

HIGH COURT, BOMBAY

IN THE HIGH COURT OF JUDICATURE AT BOMBAY ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION NO. 1899 OF 2011

Subramani Gopalkrishnan ..Petitioner.

Versus

Securities & Exchange Board of India (SEBI) and Anr. ..Respondents.

Mr. F. Devitre, Seniqr, Advocate alongwith Mr. Simil Purohit, Mr. Amol Barase i/b Udwadia & Udeshi for the Petitioner,

Mr. Ravi Kadam and Mr. Shiraz Rustomjee, Senior Advocates alongwith Mr. Jayesh Ashar, Mr. Mobin Shaikh i/b K. Ashar & Co., for the Respondent,

Coram : MOHITS. SHAH, C.J. &

RANJIT MOREJ.

Date : **February 27, 2012.**

P. C. :

1. The petitioner herein challenges the order dated 18th January 2011 passed by the Whole Time Member of SEBI.
2. The petitioner herein has raised the same contentions which were raised in Writ Petition No. 1900 of 2011. Following the judgment rendered today in the said writ petition, this writ petition is also disposed of in terms of the said directions, i.e. to say :

   (i) SEBI shall commence the proceedings against the petitioner pursuant to the show cause notices dated 14th February 20009 and 19th February 2010 against the petitioner from the week commencing from 7th May 2012, We may, however, aJd that if by that date, trial in criminal cases No. CC 1/10, CC 2/10 and CC 3/10, in progress in the Court of XXI ACMM, Hyderabad is not completed for any reason, the respondents shall ensure that the dates of hearing fixed by them do not clash with the dates fixed by the trial Court.

   (ii) We further direct that during the pendency of the proceedings befdre SEBI pursuant to above show cause notices dated 14th February 2009 and 19th February 2010, the petitioner shall not :-

      (a) directly or indirectly, in any manner, issue any certificate with respect to compliance of obligations of listed companies and intermediaries registered with SEEfl and requirements of those made under securities laws {Securities & Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the provisions of the Companies Act, 1956, which are administered by SEBI under section 55A thereof, the Rules, Regulations, Guidelines made under these Acts (which are administered by SEBI and the Listing Agreement};

      (b) access the securities market and he is prohibited from buying, selling or dealing in the securities of Satyam and its associate listed companies in any manner whatsoever;

      (c) access the .securities market except for the purpose of disposing of the share in a company other the SCSL However, in case the petitioner disposes of any shares in a company other than SCSL, the petitioner shall send an intimation to SEBI about such transaction within a week from the date of the transaction.

   (iii) It will be open to SEBI to issue appropriate directions to listed companies and intermediaries registered with SEBI not to engage services of the petitioner for issuing any certificate with respect to compliance of statutory obligations which SEB! is competent to administer and enforce under various laws, till the disposal of above proceedings in respect of notices dated 14th February 2009 and 19th February 2010.

(iv) It is made clear that this order is passed without prejudice to the rights and contentions of the parties and all the questions are kept open.

[CHIEF JUSTICE]
[RANJIT MORE, J.]

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION NO. 1900 OF 2011

Talluri Srenivas ...Petitioner.

Versus

Securities & Exchange Board of India (SEBI) and Anr ...Respondents.

Mr. F. Devitre, Senior Advocate alongwith Mr. Simil Purohit, Mr. Amol Barase *i/b* Udwadia & Udeshi for the Petitioner.
Mr. Ravi Kadam and Mr. Sniraz Rustomjee, Senior Advocates alongwith Mr. Jayesh Ashar, Mr. Mobin Shaikh i/b K. Ashar & Co., for the Respondent.

Goram : MOHIT S. SHAH, CJ. &

RANJIT MORE, J.

Date : **February 27, 2012.**

P. C. :

1. What is challenged in this petition under Article 226 of the Constitution of India is the order dated 18th January 2011 of the Whole Time Member of Securities & Exchange Board of India ["SEBI" for short], rejecting the petitioner's preliminary objection in the enquiry pursuant to the SEBI show-cause notice dated 14th February 2009 and supplementary show-cause notice dated 19th February 2010 under sections 11, 11(4) and 11B of the SEBI Act, 1992 and Regulation 11 of the SEBI (Prohibition of Fraudulent & Unfair Trade Practices relating to Security Market), Regulations 2003 in the matter of Satyam Computer Services Ltd ["SCSL" for short].
2. The petitioner is facing prosecution for certain offences alleged to have been committed by the petitioner in what is popularly known as *"Satyam Scam"*. SEBI issued show cause notices calling upon the petitioner to show cause why certain actions, as indicated hereinafter, should not be taken against the petitioner.
3. Show cause notice dated 14th February 2009 calls upon the petitioner to show cause as to why action should not be taken against the petitioner, which may include:-

   (a) prohibiting the petitioner from directly or indirectly, in any manner, issuing any certificate with respect to compliance of obligations of listed companies and intermediaries registered with SEBI and requirements of those made under securities laws {Securities & Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the provisions of the Companies Act, 1956, which, are administered by SEBI under section 55A thereof, the Rules, Regulations, Guidelines made under these Acts (which are administered by SEBI and the Listing Agreement} permanently or for a specified period.

(b) restraining the petitioner from accessing the securities market and prohibiting from buying, selling or dealing in the securities of Satyam and its associate listed companies in any manner whatsoever, permanently or for a specified period.

4. Similarly, the supplementary show cause notice dated 19th February 201.0 calls upon the ;petitipner to show cause why the appr6priate action should not, be taken against the petitioner, which may include:-

(a) prohibiting the petitioner from directly or indirectly, in any manner, issuing any certificate audit of listed companies, compliance of obligations of listed companies and intermediaries registered with SEBI and the requirements under securities laws (the SEBI Act, 1992, the SCRA 1956, the Depositories Act, 1996, those provisions of the Companies Act, 1956, which are administered by SEBI under section 55A thereof, the Rules, Regulations, Guidelines made under these Acts, which are administered by SEBI and the Listing Agreement) permanently or for a specified period;

(b) Issuing appropriate directions to listed companies and intermediaries registered with SEBI not to engage the petitioner's services for issuing any certificate with respect to compliance of statutory obligations which SEBI is competent to administer and enforce under various laws for such period as deemed fit;

(c) restraining the petitioner from accessing the securities market for a suitable period;

(d) directing the petitioner to disgorge the fees/gains of Rs. 23,31,60,070/- and any further amounts found to have been received by you for performing the audit of SCSL during the period 2001-2008; arid

(e) any other directions as deeded fit and proper.

5. The petitioner raised preliminary objection against the above show cause notices on the ground that the petitioner is already facing prosecution in respect of the allegations, which are same or overlapping with the allegations made in the above show cause notices. The whole time member of SEBI by the impugned order dated 18th January 2011 overruled the preliminary objection and passed the following order :-

"22.In view of the above and on consideration of the entire facts and circumstances of the case, I am unable to accept the noticees' request to keep the present proceedings in abeyance. The hearing of the SCNs shall proceed on merits. For that purpose, the next hearing of the matter is fixed on February 5, 2011 at 11 AM at SEBI Head Office in Mumbai. The hearing has been fixed on a Saturday as the noticees have pointed out that the hearing of the criminal trial is proceeding on day-to-day basis and that they are required to remain present at the trial each day. In case the noticees fail to appear in person or through any representative and make arguments on merits of the case on the given date and time, the SEBI proceedings shall be conducted ex-parte, on the basis of the material available on records."

6. Mr. DeVitre, learned Senior Counsel for the petitioner submitted that in View of the catena of decisions of the Supreme Court including in *M. Paul Antony* vs. *Bharat Gold Mines Ltd.*, **(1993) 3 SCC 679**, during the pendency of the criminal proceedings, the disciplinary proceedings by the

bodies like, SEBI should be kept in abeyance, as the right available to the petitioner under Article 20(3) of the Constitution of India will be violated and the defence of the petitioner in the criminal proceedings would be prejudiced, if he is required to make any Submission in the matter on the show cause notices, before the conclusion of the criminal trials.

7. The petition has been opposed by Mr. Ravi Kadam, learned Senior Counsel for SEBI on the ground that as per the settled legal position, pendency of the criminal trial is no bar to disciplinary proceedings being heard by the disciplinary authorities or regulatory bodies, like SEBI. It is submitted that as observed in the impugned order, and having regard to the scheme of the SEBI Act, such proceedings should be completed expeditiously and effectively. If these proceedings were to result in debarring the petitioner from undertaking the audit of listed companies in the interest of investors, this ought to be done expeditiously so that investors do not suffer any further from the audit of the petitioner. Keeping these proceedings in abeyance, would cause continued suffering of investors and thereby defeat the statutory purpose. It is submitted that SEBI cannot have control over the conclusion of criminal proceedings and, therefore, the law does not contemplate holding section 11 and 11B proceedings under the SEBI Act in abeyance till the completion of criminal trials. It is further submitted that the proceedings initiated by SEBI are really in the nature of remedial or preventive measures, therefore, need not be postponed till the conclusion of criminal trials.

8. It is further submitted that Institute of Chartered Accountants of India had also initiated disciplinary proceedings against the petitioner and the petitioner had challenged such proceedings before the Delhi High Court on the same grounds which are now being raised for challenging the SEBI proceedings. The Delhi High Court dismissed the said writ petition as well as the Letters Patent Appeal and in Special Leave Petition (Civil) No, 20915 of 2011, the Supreme Court has passed the following order on 1st August 2011;-

"Learned counsel for parties are agreed that this petition can be disposed of by directing the respondent - Institute to commence the disciplinary proceedings from the week commencing 3rd October, 2011. We order accordingly. We may, however, add that if by that date trial in criminal cases No. CC 1/10, CC 2/10 and CC 3/10, in progress in the Court of XXI ACMM, Hyderabad is not completed for any reason, the respondents shall ensure that the dates of hearing fixed by them do not clash with the dates fixed by the trial Court."

9. It is submitted that the Whole Time Member in the impugned order has, therefore, followed the guideline given by the Supreme Court to schedule the hearing on such dates to ensure that there will be no clash of dates.

10. Having heard learned counsel for the parties and having regard to the aforesaid order of the Supreme Court in SLP filed by this very petitioner challenging the initiation of disciplinary proceedings by the Institute of Chartered Accounts of India, we are of the view that the interests of justice would be served if this writ petition is also disposed of by an order on the same lines.

11. Hence, we dispose of this writ petition by issuing following directions :-

(i) The SEBI shall commence the proceedings against the petitioner pursuant to the show cause notices dated 14th February 20009 and 19th February 2010 against the petitioner from the week commencing from 7th May 2012. We may, however, add that if by that date, trial in criminal cases No. CC 1/10, CC 2/10 and CC 3/10, in progress in the Court of XXIACMM, Hyderabad is not completed for any reason, the respondents shall ensure that the dates of hearing fixed by them do not clash with the dates fixed by the trial Court.

(ii) We further direct that during the pendency of the proceedings before the SEBI pursuant to above show cause notices dated 14th February 2009 and 19th February 2010, the petitioner shall not :-

(a) directly or indirectly, in any manner, issue any certificate with respect to compliance of obligations of listed companies and intermediaries registered with SEBI and requirements of those made under securities laws {Securities & Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the provisions of the Companies Act, 1956, which are administered by SEBI under section 55A thereof, the Rules, Regulations, Guidelines made under these Acts (which are administered by SEBI and the Listing Agreement};

(b) access the securities market and he is prohibited from buying, selling or dealing in the securities of Satyam (SCSL) and its associate listed companies in any manner whatsoever;

(c) access the securities market except for the purpose of disposing of the share in a company other than SCSL.

However, in case the petitioner disposes of any shares in a company other than SCSL, the petitioner shall send an intimation to SEBI about such transaction within a week from the date of the transaction.

(iii) It will be open to the SEBI to issue appropriate directions to listed companies and intermediaries registered with SEBI not to engage services of the petitioner for issuing any certificate with respect to compliance of statutory obligations which SEBI is competent to administer and enforce under various laws, till the disposal of above proceedings in respect of notices dated 14lh February 2009 and 19th February 2010.

(iv) It is made clear that this order is passei" without prejudice to the rights and contentions of the parties and all the questions are kept open.

[CHIEF JUSTICE]

[RANJITMORE, J.]

<table>
<tr>
<td>Circular No.
NSDL/POLICY/
2012/0079
Date: August 14, 2012</td>
<td>

Sub: Additional details provided by SEBI in respect of SEBI order dated July 9, 2012 against NGHI Developers India Limited and its Promoters.

Attention of Participants (DPs) is invited to NSDL Circular no. NSDL/POLICY/2012/0070 dated July 16, 2012 *inter alia* advising DPs to comply with ***point no. 23(c)*** of SEBI order dated July 9, 2012 against NGHI Developers India Limited and its Promoters wherein it is stated that ***"NGHI Developers India Ltd, its promoters and directors including Mr. Pipal Singh, Mr. Bakshish Singh and Mr. Avtar Singh are prohibited from buying, selling or otherwise dealing in the securities and are restrained from accessing the securities market, directly or indirectly, or in any manner whatsoever. Further, they shall not be associated with any intermediary registered with SEBI."***

In this context, additional details provided by SEBI in respect of aforesaid SEBI order are given below for your ready reference and records:

<table>
<tr><th>Sr. No.</th><th>Name of the Person</th><th>PAN</th><th>Address</th></tr>
<tr><td>1)</td><td>Mr. Pipal Singh Sidhu
(s/o Balbir Singh Sidhu)
Date of Birth: 01/01/1971</td><td></td><td>Sardar Colony, Near Gupta Petrol Pump, Ferozepur, Punjab - 152002</td></tr>
<tr><td>2)</td><td>Mr. Bakshish Singh
(s/o Balbir Singh)
Date of Birth: 30/10/1973</td><td></td><td>Guru Harsahai, Firozepur, Punjab - 152022</td></tr>
<tr><td>3)</td><td>Mr. Avtar Singh
(s/o Anokh Singh)
Date of Birth: 08/08/ 1977</td><td></td><td>V. Alfu Ke, Ferozepur, Punjab - 152003</td></tr>
</table>

Participants are hereby advised to take note of the above and ensure compliance.

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<tr>
<td>Circular No.
NSDL/POLICY/
2012/0070
Date: July 16, 2012</td>
<td>

Sub: SEBI order under Sections 11 and 11B of the SEBI Act, 1992 read with Regulation 65 of the SEBI (CIS) Regulations, 1999 against NGHI Developers India Limited and its Promoters and Directors.

SEBI has passed an ad interim ex-parte order no. WTM/RKA/CIS/WRO/22 /2012 dated July 9, 2012 against NGHI Developers India Limited and its Promoters and Directors viz., Mr. Pipal Singh, Mr. Bakshish Singh and Mr. Avtar Singh.

In this context, attention of Participants is invited to **point no. 23(c)** of the aforesaid SEBI order wherein it is stated that ***"NGHI Developers India Limited, its promoters and directors including Mr. Pipal Singh, Mr. Bakshish Singh and Mr. Avtar Singh are prohibited from buying, selling or otherwise dealing in the securities and are restrained from accessing the securities market, directly or indirectly, or in any manner whatsoever. Further, they shall not be associated with any intermediary registered with SEBI."***

Participants are hereby advised to comply with the above SEBI directions. The detailed SEBI order is available on SEBI website (http://www.sebi.gov.in).

</td>
</tr>
</table>

Circular No. NSDL/POLICY/ 2012/0054 Date: May 7, 2012	***Sub: Orders dated February 27, 2012 issued by the Hon'ble High Court of Judicature at Bombay against Petitioners; Mr. Subramani Gopalkrishnan and Mr. Talluri Srenivas*** All Participants are hereby informed that SEBI has vide its email dated May 2, 2012 advised to comply with two Orders dated February 27, 2012 *(copies of the same are enclosed as **Annexure A** and **Annexure B**)* issued by the Hon'ble High Court of Judicature at Bombay in Writ Petition nos. 1899 of 2011 and 1900 of 2011 filed by petitioners, Mr. Subramani Gopalkrishnan and Mr. Talluri Srenivas respectively, against SEBI order no. WTM/MSS/SRO/86/11 dated January 18, 2011 in the matter of Satyam Computer Services Limited. In this context, attention of Participants is invited to the directions issued by the Hon'ble High Court vide **serial no. 2 (i - iv)** in Writ Petition no. 1899 of 2011 filed by Mr. Subramani Gopalkrishnan [**Annexure A**] and **serial no.11 (i - iv)** in Writ Petition no. 1900 of 2011 filed by Mr.Talluri Srenivas [**Annexure B**] and are advised to ensure compliance of the same.
Circular No. NSDL/POLICY/ 2011/0036 Date: April 21, 2011	***Sub: Sebi order under section 11(4) read with section 11b of the securities and exchange board of india act, 1992 and regulation 35 of sebi intermediaries) regulations, 2008 in the matter of unregistered sub-broking activities of mrs. Reena bansal, wife of mr. Rajeev bansal, sub-broker affiliated to icici securities limited.*** SEBI has passed an ad interim ex-parte order no. WTM/MSS/MIRSD-1/97/2011 dated April 21, 2011 in the matter of unregistered sub-broking activities of Mrs. Reena Bansal, wife of Mr. Rajeev Bansal, sub-broker affiliated to ICICI Securities Limited. In this context, we invite Participants attention to **Para no. 5 (b)** of the aforesaid SEBI order and advise Participants not to give effect to any debit instruction in depository accounts of Mrs. Reena Bansal or in the depository accounts of any beneficial owner on the authority of power of attorney obtained by her or Mr. Rajeev Bansal. The detailed SEBI order is available on SEBI website (http://www.sebi.gov.in).
Circular No. NSDL/POLICY/ 2010/0103 Date: September 7, 2010	***Sub: SEBI order in the matter of illegal trading - dealings by Shri Bhadresh Sanghvi, Sub-Broker, SEBI REGN. No. INS235801011 (Trade Name: Arihant Investment) affiliated to Anand Rathi Share & Stock Brokers Limited, Member of National Stock Exchange of India Ltd.*** This is further to our Circular ref. no. NSDL/POLICY/2009/0124 dated December 24, 2009 in the context of SEBI ad interim ex-parte order no. WTM/MSS/MIRSD-2/30/09 dated December 21, 2009 against Shri Bhadresh Sanghvi. NSDL has vide aforesaid circular dated December 24, 2009, advised all Participants not to act upon debit instructions given by the above mentioned entity on the authority of Power of Attorney obtained by him from any other beneficial owner in compliance with the directions issued at **Para no. 5(b)** of the aforesaid SEBI order dated December 21, 2009. SEBI has vide its order no. WTM/MSS/MIRSD-2/ 64 /10 dated August 30, 2010 **confirmed the directions contained in Para 5 of the ad interim ex-parte Order dated December 21, 2009 subject to the outcome of the inspection being carried out by SEBI.** The detailed SEBI order is available on SEBI website (http://www.sebi.gov.in). In this context, we once again advise Participants to ensure compliance with the directions issued at **Para no. 5(b)** of the aforesaid SEBI order dated December 21, 2009 and the directions issued vide SEBI order dated August 30, 2010.

Circular No. NSDL/POLICY/ 2009/0124 Date: December 24, 2009	***Sub: SEBI order in the matter of illegal trading - dealings by Shri Bhadresh Sanghvi, Sub-Broker affiliated to Anand Rathi Share & Stock Brokers Limited***

SEBI has passed an ad interim ex-parte order no. WTM/MSS/MIRSD-2/30/09 dated December 21, 2009 against Shri Bhadresh Sanghvi. The details of this entity as mentioned in the SEBI order are given below:

Sr. No.	Name	PAN	Office Address
1	Shri Bhadresh Sanghvi (Trade Name: Arihant Investment)	AXDPS8704K	4, Ankruti Apartments, Swastik Society, Navrangpura, Ahmedabad - 380009, Gujarat

The detailed SEBI order is available on SEBI website (http://www.sebi.gov.in).

In this context, we invite Participants attention to **Para no. 5 (b)** of the aforesaid SEBI order and advise Participants not to act upon debit instructions given by the above mentioned entity on the authority of Power of Attorney obtained by him from any other beneficial owner.

Circular No. NSDL/POLICY/ 2009/0102 Date: October 29, 2009	***Sub: SEBI Order under sections 11(4) and 11B of the Securities and Exchange Board of India Act, 1992, in respect of Sunchan Securities Ltd., Mr. Sunil Mansinghani, Ms. Kanchan Mansinghani, Mr. Ajay Janardan Kotwal and Mr. Riyaz Ismail Shaikh.***

Attention of Participants is invited to Circular No. NSDL/POLICY/2009/0011 dated February 10, 2009 in respect of SEBI ad interim ex-parte Order WTM/MSS/MIRSD/DPS-I/160/09 dated January 30, 2009 against a company viz., Sunchan Securities Limited, its Directors and Compliance Officer.

Participants are requested to note that SEBI vide its Order WTM/KMA/MIRSD/156/10/2009 dated October 26, 2009 has **confirmed** the directions passed vide SEBI ad interim ex-parte Order dated January 30, 2009 against ***Stock Broker, Sunchan Securities Ltd., its Directors viz., Mr. Sunil Mansinghani, Ms. Kanchan Mansinghani and its Compliance Officer Mr. Riyaz Ismail Shaik*** and **revoked** the directions issued against ***Mr. Ajay Janardan Kotwal***.

In light of SEBI Order dated October 26, 2009, Participants may act upon debit instructions given by ***Mr. Ajay Janardan Kotwal (PAN AANPK8226F)*** as a Power of Attorney holder. However, SEBI's advice to **not** to act upon debit instructions given by the below mentioned entities on the authority of Power of Attorney obtained by them from any beneficial owner as per the directions issued in **Point no. 6.1 (e)** of SEBI Order dated January 30, 2009 continues:

Sr. No.	Name	Description of the entity	PAN
1	Sunchan Securities Limited	Company	AAFCS8953A
2	Mr. Sunil Mansinghani	Director	AARPM7113P
3	Mrs. Kanchan Mansinghani	Director	AAQPM1032Q
4	Mr. Riyaz Ismail Shaikh	Compliance Officer	AAVPS2375K

The detailed SEBI Orders are available on SEBI website (http://www.sebi.gov.in).

Circular No.: NSDL/POLICY/ 2016/0016 Date: February 16, 2016	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida, ISIL (Da'esh).*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated February 15, 2016 has informed about the changes made in the Al-Qaida, ISIL (Da'esh) Sanctions List. The updated lists are available on the UN website: https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/1267.htm.
Circular No.: NSDL/POLICY/ 2016/0013 Date: February 5, 2016	***Subject: Corrigendum - SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida, ISIL (Da'esh).*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2016/0007 dated January 28, 2016, Participants are hereby requested to read date of SEBI email as '**January 16, 2016**' instead of 'January 18, 2016'. Further, in para 2 of Circular No. NSDL/POLICY/2016/0009 dated January 29, 2016, Participants are requested to read as "**Circular No. NSDL/POLICY/2016/0007 dated January 28, 2016**' instead of 'Circular No. NSDL/POLICY/2014/0033 dated March 24, 2014'.
Circular No.: NSDL/POLICY/ 2016/0009 Date: January 29, 2016	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida, ISIL (Da'esh).*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated January 21, 2016 has informed about the changes made in the Al-Qaida ISIL (Da'esh) Sanctions List. The updated lists are available on the UN website https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/1267.htm. Further to Circular No. NSDL/POLICY/2014/0033 dated March 24, 2014 regarding SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida, ISIL (Da'esh), Participants are hereby requested to read 'SEBI email date' as "January 16, 2016" instead of "January 18, 2016".
Circular No.: NSDL/POLICY/ 2016/0007 Date: January 28, 2016	Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida, ISIL(Da'esh). Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated January 18, 2016 has informed about the changes made in the Al-Qaida, ISIL (Da'esh) Sanctions List. The updated lists are available on the UN website: https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/1267.htm.
Circular No.: NSDL/POLICY/ 2015/0120 Date: December 28, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated December 21, 2015 has informed about the changes made in the Al-Qaida Sanctions list. The updated lists are available on the UN website - https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/1267.htm.

Circular No.: NSDL/POLICY/ 2015/0112 Date: December 11, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated December 7, 2015 has informed about the changes made in the Al-Qaida Sanctions list. The updated lists are available on the UN website - https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/1267.htm.
Circular No.: NSDL/POLICY/ 2015/0107 Date: November 26, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida and Taliban.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated November 18, 2015 has informed about the changes made in the Al-Qaida and Taliban Sanctions list. The updated lists are available on the UN website https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/1267.htm and https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/1988.htm.
Circular No.: NSDL/POLICY/ 2015/0106 Date: November 26, 2015	***Subject: SEBI's instructions on Implementation of UN Security Council's resolutions 2104 (2014) and 2216 (2015) related to Yemen.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated November 19, 2015 has informed about the order dated September 21, 2015 of the Ministry of External Affairs regarding implementation of UN Security Council's resolutions 2104 (2014) and 2216 (2015) (copy enclosed) related to Yemen.
Circular No.: NSDL/POLICY/ 2015/0092 Date: October 23, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated October 7, 2015 has informed about the changes made in the Al-Qaida Sanctions list. The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/1267.htm.
Circular No.: NSDL/POLICY/ 2015/0091 Date: October 23, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated October 6, 2015 has informed about the changes made in the Al-Qaida Sanctions list. The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/1267.htm.

Circular No.: NSDL/POLICY/ 2015/0084 Date: September 18, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated September 18, 2015 has informed about the changes made in the Al-Qaida Sanctions list. The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/1267.htm.
Circular No.: NSDL/POLICY/ 2015/0076 Date: August 27, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated August 24, 2015 has informed about the changes made in the Al-Qaida Sanctions list. The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/1267.htm.
Circular No.: NSDL/POLICY/ 2015/0065 Date: July 24, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated July 22, 2015 has informed about the changes made in the Al-Qaida Sanctions list. The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/1267.htm.
Circular No.: NSDL/POLICY/ 2015/0063 Date: July 21, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated July 20, 2015 has informed about the changes made in the Al-Qaida Sanctions list. The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/1267.htm.
Circular No.: NSDL/POLICY/ 2015/0059 Date: July 10, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. Further, SEBI vide its emails dated July 8, 2015 have informed about the changes made in the Al-Qaida Sanctions list for the month of May and June 2015 (Press Release dated 18th May 2015, 22nd May 2015, 15th June 2015 and 26th June 2015 issued by United Nations Security Council Committee). The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/1267.htm.

Circular No.: NSDL/POLICY/ 2015/0051 Date: May 15, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated May 14, 2015 has informed about the changes made in the Al-Qaida Sanctions list. The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/1267.htm.
Circular No.: NSDL/POLICY/ 2015/0043 Date: April 21, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated April 15, 2015 has informed about the changes made in the Al-Qaida Sanctions list. The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/1267.htm.
Circular No.: NSDL/POLICY/ 2015/0042 Date: April 15, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated April 13, 2015 has informed about the changes made in the Al-Qaida Sanctions list. The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/1267.htm.
Circular No.: NSDL/POLICY/ 2015/0041 Date: April 15, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida and Taliban.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated April 7, 2015 has informed about the changes made in the Al-Qaida and Taliban Sanctions list. The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/1267.htm and http://www.un.org/sc/committees/1988/1988.htm.
Circular No.: NSDL/POLICY/ 2015/0038 Date: April 7, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated April 6, 2015 has informed about the changes made in the Al-Qaida Sanctions list. The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/AQList.htm.
Circular No.: NSDL/POLICY/ 2015/0020 Date: February 9, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated February 3, 2015 has informed about the changes made in the Al-Qaida Sanctions list. The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/AQList.htm.

Circular No.: NSDL/POLICY/ 2015/0003 Date: January 2, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated January 1, 2015 has informed about the changes made in the Al-Qaida Sanctions list. The updated list is available on the UN website - http://www.un.org/sc/committees/1267/AQList.htm.
Circular No.: NSDL/POLICY/ 2015/0001 Date: January 1, 2015	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated December 16, 2014 has informed about the changes made in the Al-Qaida Sanctions list. The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.
Circular No.: NSDL/POLICY/ 2014/0124 Date: December 2, 2014	***Subject: SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida and Taliban.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated November 27, 2014 has informed about the changes made in the Al-Qaida Sanctions list. The updated list is available on the UN website - http://www.un.org/sc/committees/1267/AQList.htm Participants are advised to take note of the above and ensure compliance.
Circular No.: NSDL/POLICY/ 2014/0116 Date: October 30, 2014	***SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida and Taliban.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI has informed about the changes made in the list. The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml Participants are advised to take note of the above and ensure compliance.
Circular No.: NSDL/POLICY/ 2014/0115 Date: October 29, 2014	***SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida and Taliban.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI has informed about the changes made in the list (as enclosed). The updated lists are available on the UN website - http://www.un.org/sc/committees/1988/list.shtml and http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml Participants are advised to take note of the above and ensure compliance.

Circular No. NSDL/POLICY/ 2009/0100 Date: September 19, 2014	***Sub : SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida and Taliban.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/ 0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/ CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI has informed about the changes made in the list (as enclosed). The updated lists are available on the UN website - http://www.un.org/sc/committees/1988/list.shtml and http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml Participants are advised to take note of the above and ensure compliance.
Circular No. NSDL/POLICY/ 2009/0091 Date: August 25, 2014	***Sub : SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida and Taliban.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/ 0101 dated October 29, 2009 (enclosing copy of SEBI Circular No.ISD/AML/ CIR-2/2009 dated October 23, 2009), wherein list of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI has informed about the changes made in the list (as enclosed). The updated lists are available on the UN website -http://www.un.org/sc/committees/1988/pdf/1988List.pdf and http://www.un.org/sc/committees/1267/pdf/AQList.pdf. Participants are advised to take note of the above and ensure compliance.
Circular No. NSDL/POLICY/ 2009/0081 Date: July 10, 2014	***Sub : SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida and Taliban.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No.ISD/AML/CIR-2/2009 dated October 23, 2009), wherein list of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI has informed about the changes made in the list (as enclosed). The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml and http://www.un.org/sc/committees/1988/list.shtml. Participants are advised to take note of the above and ensure compliance.
Circular No. NSDL/POLICY/ 2014/0077 Date: June 26, 2014	***Sub : SEBI's instructions relating to consolidated UN List of individuals and entities linked to Al-Qaida and Taliban.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/ 0101 dated October 29, 2009 (enclosing copy of SEBI Circular No.ISD/AML/ CIR-2/2009 dated October 23, 2009), wherein list of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI has informed about the changes made in the list (as enclosed). The updated lists are available on the UN website - http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml and http://www.un.org/sc/committees/1988/list.shtml. Participants are advised to take note of the above and ensure compliance.
Circular No. NSDL/POLICY/ 2009/0010 Date: February 3, 2009	***Sub : SEBI's instructions relating to consolidated UN List of individuals and entities subject to sanction measures under UNSC Resolutions 1267 and 1822 on Taliban / Al-Qaida*** Securities and Exchange Board of India (SEBI) vide its letter no. ISD/SR/AK/ AML/151335/2009 dated January 20, 2009 (copy enclosed) has informed the Stock Exchanges and the Depositories to bring the contents of the consolidated

	UN List to the notice of their Members and Participants respectively for information, necessary action and compliance. The full and updated version of the consolidated United Nations' List is accessible at the United Nations' Securitiy Council's Al-Qaida and Taliban Sanctions Committee's website at the following URL: http://www.un.org/sc/committees/1267/consolist.shtml Participants are advised to take note of the above and ensure compliance with SEBI's instructions.
Circular No. NSDL/POLICY/ 2009/0009 Date: February 3, 2009	***Sub: SEBI's instructions relating to UN Security Council Resolutions - EU Common Position and Regulations*** Securities and Exchange Board of India (SEBI) vide its letter no. ISD/SR/AK/AML/151748/2009 dated January 22, 2009 (copy enclosed) has informed the Stock Exchanges and the Depositories to bring the contents of the UN Security Council Resolutions / EU Common Position and Regulations to the notice of their Members and Participants respectively for information, necessary action and compliance. The UN resolutions and EU measures are available on the following websites:
	1. http://www.un.org/Docs/sc/unsc_resolutions06.htm [UNSCR 1737 of 2006]
	2. http://www.un.org/Docs/sc/unsc_resolutions07.htm [UNSCR 1747 of 2007]
	3. http://www.un.org/Docs/sc/unsc_resolutions08.htm [UNSCR 1803 of 2008]
	4. http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:213:0058:0070:EN:PDF [EU Council Common position 2008/652/CFSP of August 07, 2008]
	5. http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:300:0001:0028:EN:PDF [Regulation 2008/1110/EC of November 10, 2008]
	6. http://www.fatf-gafi.org/dataoecd/47/41/41529339.pdf [FATF Guidance Note on implementation of financial measures contained in UNSCR 1803]
	Participants are advised to take note of the above and ensure compliance with SEBI's instructions.
Circular No. NSDL/POLICY/ 2007/0015 Date: March 13, 2007	**CONFIDENTIAL** ***Sub : Confidential-SEBI Order-Three persons debarred from opening demat accounts upto January 30, 2012*** **This circular is sent to the Compliance Officer in hard copy form.**

b. PAN	
Circular No: NSDL/POLICY/ 2012/0046 Date: April 17, 2012	***Sub: PAN requirement for foreign nationals as directors of FIIs*** Attention of Participants is invited to SEBI Circular No. MIRSD/SE/Cir-21/2011 dated October 5, 2011 [*Ref.: Circular No. NSDL/POLICY/2011/0081 dated October 10, 2011*] regarding uniform Know Your Client (KYC) Requirements for the Securities Markets. In this context, Securities and Exchange Board of India (SEBI) has vide its email dated April 17, 2012 clarified that *"the foreign nationals who are holding position as directors of FII are not mandated to have a PAN Card. Therefore, KRA will have to leave the column of PAN for foreign nationals holding directorship in FII as blank."* Participants are advised to take the note of the above.
Circular No. NSDL/POLICY/ 2010/0093 Date: August 11, 2010	***Sub: SEBI's Circular on PAN non compliant account to be frozen for Suspended for Debit and Credit*** Further to our Circular No. NSDL/POLICY/2010/0085 dated July 30, 2010 regarding SEBI's directive on mandatory requirement of PAN, utility is being provided to facilitate Participants to execute freeze instructions, i.e "Suspended for Debit and Credit", in respect of accounts that are non-compliant with PAN requirement. Participants are requested to note as follows : (i) Guidelines to facilitate execution of the freeze instruction are enclosed at Annexure A. (ii) Procedure for unfreezing such accounts upon PAN compliance is enclosed at Annexure B. For any information/clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4601 to 4610 or email at helpdesk@nsdl.co.in **Annexure A** **Guidelines to facilitate execution of the freeze instruction** Participants are requested to strictly follow the activities given in the below sequence: 1) Utility named „Bulk_Account_Freeze. is made available on the intranet site of NSDL i.e., https://sqlassist. 2) Download the folder named „Bulk_Account_Freeze. and place it in the „C. drive of your DPM server i.e., GISMO. 3) Inside the folder named 'Bulk_Account_Freeze' executables viz.,'Clients_to_be_Freezed.bat' and 'Final_Freeze.exe' can be viewed. 4) First double-click on 'Clients_to_be_Freezed.bat'. 5) A report named 'Client_List.txt' would be generated containing list of Client accounts viz. DP ID and Client ID available in the DPM System that are frozen due to non compliance with PAN requirements: (i) This file can be saved in desired folder. Name, date and time should be provided to the file as each time the 'Clients_to_be_Freezed.bat' is clicked, a fresh report would be generated with the same name, i.e. 'Client_List.txt' giving the latest list of Client accounts that are frozen due to non compliance with PAN requirements.

(ii) In the interim, Clients may submit PAN card to comply with PAN requirements. In this regard, the procedure mentioned at Annexure B must be followed.

6) 'Final_Freeze.exe' will facilitate to freeze the Client accounts for „Suspended for Debit and Credit. as per the latest output generated in the report Client_List. It is therefore **mandatory to first click on 'Clients_to_be_Freezed.bat' before proceeding to initiate freeze instructions through the executable 'Final_Freeze.Exe'.** Further, Participants can decide on any of the dates i.e., either August 13, 2010 or August 14, 2010 for freezing such Client accounts for 'Suspended for Debit and Credit'.

7) Follow the steps given in the installation manual for creating shortcut for 'Final_Freeze.exe' on the desktop of DPM server, i.e. GISMO application.

8) Upon clicking on the shortcut 'Final_Freeze.exe' a response file (.out) will be generated. This response file will be required to be imported through 'VR Import' option available under 'Backoffice->Imports' in GISMO application.

9) An additional freeze instruction i.e., 'Suspended for Debit and Credit. would be created with an execution date of **August 16, 2010** for such accounts.

10) The details of the freeze initiated by Participants would be as follows :

(i) Freeze level : **"Suspended for Debit and Credit"**.

(ii) Freeze reason : **"Request By Statutory Authority"**.

(iii) Freeze description : **"PAN Pending SEBI Cir"**.

(iv) User remark field : **"FREEZE IMPORT"**.

(v) Execution date of the freeze : **"August 16, 2010".**

11) Such PAN non compliant accounts will have at least two levels of freeze i.e., (i) the existing freeze i.e., 'Suspended for Debit' and (ii) 'Suspended for Debit and Credit'. After freeze instructions are executed using the 'Final_Freeze.exe' and if Clients comply with PAN requirements,

(i) <u>on or before August 14, 2010</u>, future dated freeze instructions must be cancelled.

(ii) <u>from August 16, 2010 onwards</u>, unfreeze instructions in the manner mentioned at Annexure B must be initiated.

Additional Guidelines

1) Stop the Receive Service of the DPM Server at the time of executing freeze instructions.

2) After executing 'Final_Freeze.exe', the response file generated will carry the batch ID in sequence to the last batch ID uploaded with respect to Instructions / Client Creation / Client Modifications etc, in the DPM System. Example; If the last batch ID uploaded in the DPM system is 1001, the batch ID generated after executing the 'Final_Freeze.exe' would be 1002. In view of this, it must be ensured that the batches that are already generated from their back office system are uploaded in the DPM System before initiating the 'Final_Freeze.exe' for execution of freeze instructions. Further, the batch ID utilized by the 'Final_Freeze.exe' in their back office must be updated otherwise any subsequent batch file(s) with same batch ID generated out of the back office will be rejected by the DPM System transaction import utility on account of "Duplicate Batch ID".

	3) It must be ensured that Beginning of the Day (BOD) of August 16, 2010 is received early and further monitor the status of the freeze instructions. Any failure in processing pay-in related instructions remains the responsibility of the Participants. 4) If Client accounts are already frozen for 'Suspended for Debit and Credit' through DPM System (*for any other reason*) or ***SPEED-e*** facility, the executable will still facilitate for initiating freeze instructions for such accounts. 5) The executable and utility will not function from August 16, 2010. Hence, the abovementioned instructions must be followed by August 14, 2010. **6) <u>Participants will be violating the guidelines mentioned by SEBI in its Circular No. CIR/MRD/DP/22/2010 dated July 29, 2010 in case they do not initiate freeze instructions for "Suspended for Debit & Credit" by August 14, 2010 for those Client accounts that are not compliant with PAN requirements.</u>** **Annexure B** **Procedure for unfreezing Client accounts upon PAN compliance** (i) Verify the PAN details as per the procedure laid down in NSDL Circular No. NSDL/POLICY/2006/0007 dated March 3, 2006. (ii) Update the PAN field and enable the PAN flag provided in the DPM System. Ensure that the status of the updation is 'Closed, Settled'. (iii) Initiate unfreeze instruction for 'Suspended for Debit and Credit' (*applicable for unfreeze instructions executed from August 16, 2010*) and ensure that the status of the unfreeze instruction is 'Closed, Settled'. (iv) Initiate unfreeze instruction for 'Suspended for Debit' (*executed on January 1, 2007 or on any other date*) and ensure that the status of the unfreeze instruction is 'Closed, Settled'. (v) Ensure that the status of both the above unfreeze instructions are **'Closed, Settled'** prior to executing any other instruction in the DPM System.
Circular No. NSDL/POLICY/ 2010/0085 Date: July 30, 2010	***Sub: SEBI's directive for Mandatory requirement of PAN.*** All Participants are hereby informed that SEBI has issued Circular No. CIR/ MRD/DP/22/2010 dated July 29, 2010 (copy enclosed) regarding mandatory requirement of Permanent Account Number (PAN). The aforesaid SEBI circular specifies that in order to ensure better compliance with the Know Your Client (KYC) norms, it has been decided that with effect from August 16, 2010 depository accounts which are PAN non-compliant shall also be 'suspended for credit' other than the credits arising out of automatic corporate actions. It is clarified that other credits including credits from IPO/FPO/Rights issue, off-market transactions or any secondary market transactions shall not be allowed into such accounts. Participants are advised to ensure compliance with the requirement and communicate the same to all the concerned Beneficial Owners.
Circular No. NSDL/POLICY/ 2009/0108 Date: November 16, 2009	***Sub: Modification in reason- Request for modifying incorrect PAN details in SQLASSIST*** Attention of Participants is invited to Circular No. NSDL/POLICY/2009/0003 dated January 9, 2009 regarding facility to incorporate reasons for modifying incorrect PAN details in SQLASSIST Intranet site (https:\\sqlassist). Based on the feedback received from Participants, description with respect to reason code no. 2 has been modified as follows:

	Reason code	Description
	2	PAN of Individual entered in HUF/ Partnership Firm/ Unregistered Trust/ Association of Persons depository account & vice versa.
	Participants are requested to mention the appropriate reason while making requests in SQLASSSIST. For further information/clarification, Participants are requested to contact Mr. Sandip Patel on Tel No. (022) 2499 4413 (email: sandipp@nsdl.co.in) / Ms. Kirti Samant on Tel. No. (022) 2499 4424 (email: kirtis@nsdl.co.in).	
Circular No. NSDL/POLICY/ 2009/0046 Date: June 12, 2009	***Sub: Requests for modifying incorrect PAN details - revision of penalty fee*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2007/ 0045 dated August 2, 2007 regarding penalty for PAN modification. In view of amendments to the penalty structures pursuant to adoption of uniform penalty structure by both depositories, with effect from May 1, 2009, the penalty for modifying incorrect PAN details in the DPM System where PAN flag is enabled is revised from Rs.500 to Rs.50. This penalty will be levied on Participants for modification of PAN for each holder unless the reasons for modification are beyond the control of the Participant. Participants may refer NSDL Circular Nos. NSDL/POLICY/2007/0052 and NSDL/ POLICY/2009/0003 dated September 13, 2007 and January 9, 2009 respectively regarding procedure to be followed for making requests in SQLASSIST Intranet site (https://sqlassist) for modifying incorrect PAN details where the PAN flag is enabled with reason thereof. For further information, Participants are requested to contact Mr. Sandip Patel on Tel No. (022) 2499 4413 (email: sandipp@nsdl.co.in) / Mr. Vinith Nair on Tel. No. (022) 2499 4414 (email: vinithn@nsdl.co.in).	
Circular No. NSDL/POLICY/ 2009/0003 Date: January 9, 2009	***Sub: Requests for modifying incorrect PAN details - Incorporation of reasons / reason code in SQLASSIST*** As all Participants are aware, the procedure to be followed by Participants for making requests in SQLASSIST Intranet site (https:\\sqlassist) for modifying incorrect PAN details where the PAN flag is enabled was informed vide Circular No. NSDL/POLICY/2007/0052 dated September 13, 2007. A facility to incorporate reasons for modification has now been provided. This facility is for both, front end data entry as well as batch mode (the file format of the batch file is available on SQLASSIST). The various reasons and corresponding codes are given below:	
	Reason code	**Description**
	1	Allotment of new PAN by Income Tax Department (ITD)
	2	PAN of Individual entered in HUF demat account & vice versa
	3	Typographical mistake
	4	PAN of first holder wrongly entered in second holder, third holder or vice versa
	5	PAN of Karta wrongly entered in HUF demat account
	6	Proactive measures to cleanup incorrect PAN details
	7	PAN of Guardian wrongly entered in Minor account

	Participants are advised to mention the appropriate reason while making requests. Other procedural aspects with respect to making of requests for PAN modification as mentioned in Circular No. NSDL/POLICY/2007/0052 dated September 13, 2007 remain unchanged. For further information, Participants are requested to contact Mr. Sandip Patel on Tel No. (022) 2499 4413 (email: sandipp@nsdl.co.in) / Mr. Vinith Nair on Tel. No. (022) 2499 4414 (email: vinithn@nsdl.co.in).
Circular No. NSDL/POLICY/ 2008/0082 Date: November 18, 2008	***Sub: Revised deadline for closure of PAN non-compliant beneficiary accounts with no security balances.*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2008/0066 dated September 29, 2008 regarding closure of beneficiary accounts that are frozen due to non compliance with PAN requirements and having no security balances by November 15, 2008. In light of the representation received from Participants, the deadline for closure of such aforesaid accounts has been extended till **November 29, 2008.** Participants are strictly advised to commence the closure of such accounts immediately and ensure to complete the activity by November 29, 2008. For further information, Participants are requested to contact Mr.Rahul Gupta [Tel No. (022) 24994372 / email: rahulg@nsdl.co.in] / Mr. Sandip Patel [Tel No. (022) 24994413 / email: sandipp@nsdl.co.in] / Mr. Vinith Nair [Tel. No. (022) 24994414 (email: vinithn@nsdl.co.in).
Circular No. NSDL/POLICY/ 2008/0066 Date: September 29, 2008	***Sub: Deadline for closure of PAN non-compliant BO accounts with no security balances.*** Attention of Participants is invited to our Circular No. NSDL/POLICY/2006/0007 dated March 3, 2006 regarding SEBI directive on PAN as a mandatory requirement for demat account opening. Further, Participants were advised vide our Circular No. NSDL/POLICY/2006/0043 dated September 27, 2006 to 'Suspend for Debit' all such accounts where the PAN requirement is not completed by December 31, 2006. In this context, Participants are hereby advised to give 30 days notice for compliance of the PAN requirement to the clients whose accounts are frozen due to PAN non-compliance and having no security balances stating that in case of non-compliance of the same at the end of the notice period, these accounts will be closed. Participants may communicate this to the clients alongwith the Transaction Statements for the quarter ending on September 30, 2008. **All such PAN non-compliant accounts which do not have any security balances (except accounts with pending demat requests or frozen due to court / enforcement / regulatory authority orders) should be closed latest by November 15, 2008.** For further information, Participants are requested to contact Mr.Rahul Gupta on Tel No. (022) 24994372 (email: Rahulg@nsdl.co.in) / Mr. Vinith Nair on Tel. No. (022) 24994414 (email: vinithn@nsdl.co.in).

Circular No. NSDL/POLICY/ 2008/0049 Date: July 8, 2008	***Sub: SEBI clarification on PAN as a mandatory requirement for demat account opening*** Further to NSDL Circular no. NSDL/POLICY/2008/0048 dated June 30, 2008 regarding SEBI clarification on PAN, SEBI has now vide its Press Release PR No. 131/2008 dated July 4, 2008 issued a clarification which is enclosed for information and necessary action.

Annexure

PRESS RELEASE

PR No.131/2008

Mandatory requirement of Permanent Account Number (PAN)

SEBI vide circular dated June 30, 2008 has clarified that Permanent Account Number (PAN) may not be insisted in the case of Central Government, State Government, and the officials appointed by the Courts e.g. Official Liquidator, Court Receiver etc. (under the category of Government) for transacting in the securities market.

It is observed that certain media reports have wrongly reported the aforesaid provision of the said SEBI circular. It is hereby clarified that the exemption from mandatory PAN requirement applies to transactions undertaken on behalf of the Central and State Government, but not to the transactions of the employees of Central and State Government in their personal capacity.

Mumbai

July 04, 2008

Circular No. NSDL/POLICY/ 2008/0048 Date: June 30, 2008	***Sub: SEBI clarification on PAN as a mandatory requirement for demat account opening*** Attention of Participants is invited to Circular no. NSDL/POLICY/2006/0007 dated March 3, 2006, and SEBI Circular no. MRD/DoP/Cir-05/2007 dated April 27, 2007 regarding SEBI directive on PAN. In this regard, SEBI has vide its Circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued certain clarifications on PAN which are enclosed for information and necessary action.

Annexure

Chief General Manager
Market Regulation Department-Division of Policy
E-mail: mdrao@sebi.gov.in

MRD/DoP/Cir-20/2008
June 30, 2008

1. The Executive Directors/Managing Directors of All Stock Exchanges
2. MD & CEO, NSDL
3. MD & CEO, CDSL
4. All SEBI Registered Intermediaries

Dear Sirs,

Sub: Mandatory requirement of Permanent Account Number (PAN)

1. Please refer to SEBI circular No.MRD/DoP/Cir-05/2007 dated April 27, 2007 making PAN mandatory for all transactions in the securities market.
2. Subsequent to the issuance of the aforesaid circular, SEBI has received representations from

certain categories of investors requesting for exemption from mandatory requirement of PAN for transacting in the securities market.

3. Upon consideration of the said representations, and in view of Rule 114 C (1) (c) of Income Tax Rules, it is clarified that PAN may not be insisted in the case of Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market.

4. However, the aforementioned clarification would be subject to the intermediaries verifying the veracity of the claim of the specified organizations, by collecting sufficient documentary evidence in support of their claim for such an exemption.

5. The Stock Exchanges and the Depositories are advised to :

   5.1. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately.

   5.2. bring the provisions of this circular to the notice of the member brokers/clearing members of the Exchange and depository participants of the Depositories and also to disseminate the same on the website.

   5.3. communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report.

6. SEBI Circular No.MRD/DoP/Cir-05/2007 dated April 27, 2007 stands amended to the extent as clarified under Para 3 of this Circular.

7. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, and Section 19 of the Depositories Act, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

S V MURALI DHAR RAO

Circular No. NSDL/POLICY/ 2007/0052 Date: September 13, 2007	In continuation to NSDL circular NSDL/POLICY/2007/0045 dated August 2, 2007 wherein Depository Participants' (DPs) were informed that DPs will be restricted from modifying the PAN of a holder in a client account in DPMAS once the PAN flag has been enabled. Further, it was informed that a DP may approach NSDL for modifying the incorrect PAN captured in the DPMAS where PAN flag has been enabled. DPs are hereby informed that from September 15 2007, DPs will be restricted from modifying the PAN of a holder in a client account in DPMAS once the PAN flag has been enabled. If a modification request is sent for such account holders with modification in PAN or PAN flag (i.e. "Y" to "N"), the modification request would be rejected by NSDL with rejection reason as "PAN Modification Not Allowed" and "PAN Flag Modification Not Allowed" respectively. However, NSDL would provide a facility for DPs to register a request for modification of PAN for such holders in client account. In this regard, DP would be required to send a request containing the list of account holders to NSDL for enabling PAN modification for such holders in client account. (It may be noted that PAN flag once enabled would not be allowed for disabling after September 15, 2007). NSDL would flag the account holders for such client accounts in Depository Module (DM) such that the PAN modification request sent by DP for these account holders would be accepted by NSDL. Once the PAN modification request is accepted by NSDL, any further modification of PAN of the holder for the account would be disabled in DPMAS. A new request will have to be initiated by DP for any subsequent PAN modifications in this client account.

	DPs will be enabled to carry out PAN modification for such request using DPMAS for seven calendar days from the day PAN modification request is registered with NSDL. DP may note that this request would be marked as "expired" if the actual PAN modification request is not received within seven calendar days and a new request needs to be initiated. DP can register this PAN modification request to NSDL through SQLASSIST Intranet site (https:\\sqlassist), set up for accessing DP billing information. DP will be provided with an online screen as well as batch upload facility to register request for PAN modification for client account having PAN Flag set to 'Y'. The file format for the batch file along with the sample file is available on SQLASSIST Intranet site. Further, DP would be required to follow maker-checker concept for setting up this PAN modification request on SQLASSIST Intranet site. The existing log-in id created for accessing billing information i.e., DPID will be used for maker user. In addition to this, new user id i.e. DPID_C will be created for a checker user (with DP id as default password) to set up this request. Checker users will be forced to change the password on first login. The procedure to be followed by the DP, for modifying the incorrect PAN of a holder in a client account captured in the DPMAS where PAN flag has been enabled is as follows: 1. SQLASSIST site will now feature SSL Certificate. In this connection DPs will be initially required to import the root certificate in the browser as attached with the circular. 2. DP will log on to SQLASSIST Intranet site (https:\\sqlassist) that is currently used to access billing information. After login three options will be displayed, a) 'DP BILLING' for downloading billing information. b) 'PAN UPDATE' for uploading/registering PAN modification request. c) 'PAN REPORT' to verify the status of the uploaded/registered PAN modification request. 3. DP can register request for PAN modification using online screen for 5 client ids or alternatively can upload a batch of client ids. 4. DP would be required to follow maker-checker concept for both online and batch upload, whereby DP's maker user with user id (DPId) would register the request and the checker user, using another user id ((DPId_C), would authorize the same. 5. The request would be marked as "Captured" after maker user registers the request. Checker user would be provided a view for all the pending authorization requests. The Checker user would be provided two options viz., to either authorize or reject the request registered by maker user. The status of request would be marked as "Uploaded to NSDL" after it is authorized by checker user and "Rejected by Checker" if user rejects it. 6. File upload option would be available to maker user only. Checker user has to individually authorize these requests uploaded through batch file. 7. A separate view, viz., "PAN Report", is provided to both maker and checker users for checking the status of request registered/ uploaded on SQLASSIST Intranet site.

8. NSDL would process all the requests received at the end of every business day (EOD) to enable DP for PAN modification in such client accounts through DPMAS on the next business day.

9. SQLASSIST system will not offer any Client-id validations. NSDL would update the response of the request as "Accepted" / "Rejected by NSDL" on SQLASSIST Intranet site on the next business day.

10. DP can check this response through "PAN Report" screen provided on SQLASSIST Intranet site.

11. DP can submit the PAN modification request through DPM system for the requests, which are in "Accepted by NSDL" on SQLASSIST Intranet site. Such request must be made within seven days of setting up the request.

12. The successful acceptance of the request executed on the DM would be then uploaded on SQLASSIST Intranet site at the end of the day where the status of the corresponding account holder for a client account would be marked as "Closed/Settled".

13. In case a request is in status "Rejected by NSDL", rejection reasons would be provided for corresponding requests on SQLASSIST Intranet site. DP can check the reason for the same in "PAN Report" view screen and submit the correct requests again.

Important Points to note:

1. PAN flag cannot be disabled once it is enabled in DPMAS. The aforesaid provision would be given to modify PAN only. PAN modification request sent with PAN flag disabled would be rejected by NSDL.

2. In case PAN or PAN flag modification request is rejected by NSDL, then associated modification request in other client details (if any), would also stand rejected by NSDL. In such case DP would be required to setup a new modification request for modifying other client details separately.

3. DP can not submit PAN modification requests for same Client Id and holder indicator if a request for same client id and holder indicator is already pending in "Accepted" status on SQLASSIST Intranet site.

4. DP checker user will be enabled for authorization of PAN modification request for 30 days from the day PAN modification request set up by maker user (i.e. Request is in "Captured" status). DP may note that this request would be marked as "expired" if the PAN modification request is not authorized by checker user within 30 days and a new request needs to be initiated.

Further, as informed in NSDL circular NSDL/POLICY/2007/0045 dated August 2, 2007, a penalty of Rs. 500 will be levied on DPs for modification of PAN for each holder unless the reasons for modification are beyond the control of the DP. In this regard, DPs are advised to communicate to NSDL the reasons for modification, if any, for a particular month, before 10th of the next month.

Circular No. NSDL/POLICY/ 2007/0048 Date : August 14, 2007	***Sub : Facility for verifying PAN details of demat account holder(s)*** Attention of Depository Participants (DPs) is invited to NSDL Circular No. NSDL/POLICY/2006/0007 dated March 3, 2006 wherein DPs were advised to obtain PAN card of the demat account holder(s) and compare the name appearing on the PAN card with the name appearing on the website of the Income Tax Department (ITD) i.e. http://incometaxindiaefiling.gov.in/challan/enterpanforchallan.jsp All DPs are hereby informed that ITD has now authorized NSDL to provide an internet based service to the eligible entities (which include DPs) for verification of PAN details. The PAN details made available through this facility are as per the ITD database. In view of this, in addition to the abovementioned ITD website, DPs can also verify the PAN details of the demat account holder(s) by subscribing to the internet based service of NSDL. The internet based service of NSDL for verifying PAN details offers three modes of verification: (1) Screen based verification (2) File based verification (3) Software (API) based Verification ***(1) Screen based Verification:*** The Users, after login to the Tax Information Network (TIN) website (http://www.tin-nsdl.com / login / Pan Verification) of NSDL, can key-in upto a maximum of five PANs in the screen. The PANs may be entered in the boxes provided in the screen and then submitted. The response giving details of PAN will be displayed in the response screen. ***(2) File based Verification:*** The Users, after login to TIN website (http://www.tin-nsdl.com / login / Pan Verification) of NSDL, can upload a file containing maximum of 200 PANs (file structure as specified by NSDL). Within 24 hours, a response file containing details of the PANs will be made available to the User. In case, file format is incorrect, the rejection will be made available within 24 hours. The Users can download the response at anytime as per their convenience upto 15 days, by login at the given website link. ***(3) Software [Application Programming Interface (API)] based PAN verification:*** The facility is an interface that allows the User to make an online verification of PAN by accessing the verification-site through a software application. User would be provided with the URL for this purpose. ***Response to the User:*** (i) In case of valid PAN, name of the PAN holder, last date of PAN update as per ITD database and the status as "existing and valid" will be displayed. If the PAN is a fake PAN as per ITD database, the status will be shown as "Fake PAN".

	(ii) In case the PAN is not found in database, the response will be "not in ITD database". In such cases, if the User is able to provide a proof of this PAN (copy of PAN card or PAN allotment letter) to NSDL, it will be forwarded to ITD for investigation. For further information on charges and procedure for registration, DPs can visit the TIN website of NSDL at http://www.tin-nsdl.com and click on 'Online PAN verification launched' or contact Mr.Ashish Verma (email id ashishv@nsdl.co.in) / Ms.Aditi Joshi (email id aditij@nsdl.co.in) on Tel. No. (022) 2499 4216 / 4226. DPs are also advised to ensure compliance with the various guidelines/circulars issued by SEBI and NSDL from time to time with respect to PAN.
Circular No. NSDL/POLICY/ 2007/0045 Date: August 2, 2007	***Sub : Restriction in modification of PAN of a holder once PAN flag is enabled in DPMAS and penalty thereof for modification*** Attention of all Depository Participants (DPs) is invited to NSDL Circular Nos. NSDL/POLICY/2006/0007 dated March 3, 2006 and NSDL/POLICY/2006/0012 dated March 25, 2006 wherein DPs were informed about the SEBI directive on making PAN compulsory and activation of PAN Flag on DPM Application Software (DPMAS). All DPs are hereby informed that with effect from September 1, 2007, DPs will be restricted from modifying the PAN of a holder in a Client account in DPMAS, once the PAN flag has been enabled. However, from that date, a DP may approach NSDL for modifying the incorrect PAN captured in the DPMAS where PAN flag has been enabled. A penalty of Rs. 500 will be levied on DPs for modification of PAN for each holder unless the reasons for modification are beyond the control of the DP. This penalty will be included in the monthly bills. DPs are advised to submit the request for modification as per the following format:

Sr. No.	DP ID	Client ID	Account Holder Indicator (e.g., For First Holder-1 /Second Holder - 2/Third Holder - 3)
1			
2			

It may be added that with effect from September 1, 2007, PAN flag for a holder once enabled (ticked) will not be allowed to be disabled.

Circular No. NSDL/POLICY/ 2007/0026 Date: May 10, 2007	***Sub : SEBI Circular on Permanent Account Number (PAN) - PAN to be sole identification number for all transactions in the securities market*** Attention of Depository Participants is invited to SEBI Circular No. MDR/DoP/ Cir-05/2007 dated April 27, 2007 regarding Permanent Account Number to be sole identification number for all transactions in the securities market. A copy of the SEBI circular is enclosed for information and necessary action. Your attention is drawn particularly to Para 3 of the circular for implementation. Please ensure that your internal auditors comment on the implementation of this circular in their internal audit report starting from quarter ending June 2007, to be submitted by September 30, 2007.

Annexure

GENERAL MANAGER
Market Regulation Department-Division of Policy
E-mail: mdrao@sebi.gov.in
Tel: 022-2644 9370

MRD/DoP/Cir- 05/2007
April 27, 2007

1. The Executive Directors/Managing Directors/ Administrators of All Stock Exchanges
2. Chairman & MD, NSDL
3. MD & CEO, CDSL
4. All SEBI registered intermediaries

Dear Sir / Madam,

Sub: Permanent Account Number (PAN) to be the sole identification number for all transactions in the securities market

1. The Hon'ble Finance Minister, in his announcement in the Union Budget for the year 2007-08, has proposed, inter-alia, to make PAN the sole identification number for all participants in the securities market with an alpha-numeric prefix or suffix to distinguish a particular kind of account.

2. In the light of the aforesaid announcement and in order to strengthen the Know Your Client (KYC) norms and identify every participant in the securities market with their respective PAN thereby ensuring sound audit trail of all the transactions, it has been decided that PAN would be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction.

3. The intermediaries are advised in this regard as under:-

   3.1 to put in the necessary systems in place so that all the individual databases of their clients and clients' transactions are linked to the PAN details of the client with which detailed analysis can be made.

   3.2 to build the necessary infrastructure for enabling accessibility and query based on PAN thereby enabling retrieval of all the details of the clients that is available including the transactions done by them.

   3.3 to collect copies of PAN cards issued to their existing as well as new clients by the Income Tax Department and maintain the same in their record after verifying with the original.

   3.4 to cross-check the aforesaid details collected from their clients with the details on the website of the Income Tax Department i.e. http://incometaxindiaefiling.gov.in/challan/enterpanforchallan.jsp.

4. The Stock Exchanges and Depositories are advised to :-

   4.1 put in place the necessary infrastructure so as to facilitate query based on PAN for retrieving details of all the clients/clients' transactions done in their respective systems.

   4.2 make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately.

   4.3 bring the provisions of this circular to the notice of the member brokers/clearing members of the Exchange and depository participants of the Depositories and also to disseminate the same on the website.

   4.4 communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report.

5. The above shall come into force with effect from July 02, 2007.

6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, and Section 19 of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

S V Murali Dhar Rao

Circular No. NSDL/POLICY/ 2007/0008
Date: February 2, 2007

Sub : Clarification-Operation of depository accounts in frozen status due to non- compliance with SEBI directive on PAN requirement

Depository Participants (DPs) have been seeking clarifications with respect to activities that can be performed in the DPM application Software (DPMAS) in regard to depository accounts (Beneficial Owner) which are frozen (Suspended for Debit) due to non- compliance with SEBI directive on PAN requirement. In this regard, NSDL has prepared a list of activities that a DP can perform in the DPMAS with respect to such accounts, which is given below:

Sr. No	Activities to be performed in the DPMAS with respect of depository accounts which are frozen due to non compliance with SEBI directive on PAN	Y indicates : can be performed N indicates : cannot be performed
(1)	**Dematerialisation**	
(i)	Demat initiation	Y
(ii)	Demat Confirmation / Rejection by Registrar & Transfer Agent (R&T Agent)	Y
(iii)	Demat cancellation	N
(2)	**Rematerialisation / Repurchase**	
(i)	Remat initiation	N
(ii)	Remat Confirmation / Rejection by R & T Agent (for instruction initiated before freezing the account)	Y
(iii)	Remat cancellation	N
(3)	**Client Modifications**	
(i)	Change of address, bank details, standing instruction etc.	Y
(4)	**Account Transfer and Inter-Depository Transfer (IDT) (delivery instruction as well receiving credits)**	
(i)	Debit to Beneficial owner (BO) account	N
(ii)	Credit to BO account arising out of market /off market / IDT	Y
(5)	**Account Transfer and Inter-Depository Transfer (IDT) (Receipt Instruction, if standing instruction is not enabled)**	

(i)	Initiate Receipt instruction	Y	
(ii)	Initiate cancellation of Receipt instruction	Y	
(6)	**Pledge**	**Pledgor's account is frozen**	**Pledgee's account is active / frozen**
(i)	Initiation	N	-
(ii)	Confirmation	-	Y
(iii)	Cancellation (for instruction initiated prior to account being frozen and pledgee having not confirmed the same)	Y	-
(iv)	Rejection	-	Y
(v)	Closure (Normal / Unilateral)	Y	Y
(vi)	Invocation	-	Y

Further, DPs are requested to take note of the below activities that can be executed by the Issuers / R & T Agent with respect to depository accounts that are frozen due to non-compliance with PAN requirements.

Sr. No	Activities executed by the R & T Agent pertaining to Corporate Action (CA) and Auto Corporate Action (ACA) with few examples	Y indicates : can be performed N indicates : cannot be performed
1	**CA – Credits**	Y
	Eg. preferential issue, ESOP, rights issue, IPO credits, scheme of amalgamation, etc.	
2	**CA – Debits**	N
	Eg. buyback, debit for conversion of partly paid shares to fully paid-up shares, redemption arising out of call/put, debit for incorporation of lock-in, debit for conversion of warrants into equity shares, forfeiture of shares, etc.	
3.	**Bonus ACA**	Y
4.	**ACA**	Y
	Eg. sub-division, capital reduction, scheme of amalgamation, consolidation, etc.	
5.	**Redemption ACA**	N*
	Eg. redemption of debentures, commercial paper, certificate of deposits, bonds, etc.	

*When the status of the account is changed from "Suspended for debit" to "Active", the redemption will be initiated during BOD of the next business day on change of status thereof.

Circular No. NSDL/POLICY/ 2006/0068 Date: December 29, 2006	***Sub : Clarification-SEBI directive on PAN-Regarding freezing and unfreezing of Client accounts*** Attention of Depository Participants (DPs) is invited to NSDL Circular No. NSDL/ POLICY/2006/0062 dated December 20, 2006 wherein system, operational and general guidelines with respect to freezing of Client accounts were informed to DPs. In this regard, clarification sought by DPs (given in italics below) and NSDL's response is given hereunder : **Issues to be addressed before December 31, 2006 :** ***1) What will happen to the Client accounts that are already in frozen (Suspended for Debit) status on account of instruction received from Client in physical or through SPEED-e, on the direction of Statutory Authority etc ?*** If the Client accounts are already frozen through DPM Application Software (DPMAS) or SPEED-e as per the case cited, the two utilities viz. Bulk Account Freeze and File Converter will still allow the DP to initiate the freeze instructions for such accounts, however, such instructions will fail in the BOD of January 1, 2007. In this regard, DPs are requested to refer point no. (II) (5) of Circular No. NSDL/POLICY/2006/0062 dated December 20, 2006 which is reproduced for the ready reference of DPs: "Client accounts that are already frozen (**"Suspended for Debit")** through DPMAS or SPEED-e) as on December 31, 2006, DPs should ensure that such frozen accounts are in compliance with Circular No. NSDL/ POLICY/2006/0007 dated March 3, 2006. If such Client accounts gets unfreezed and do not comply with PAN requirements, DPs are advised to freeze the accounts until the Client submits the PAN card and the DP duly verifies the same as mentioned in various NSDL circulars on PAN". ***2) Will the bulk cancellation utility facilitate the DP to cancel the future dated freeze instructions executed through the two utilities?*** It is hereby clarified that the bulk cancellation utility provided by NSDL Helpdesk will facilitate to cancel only those freeze instructions initiated through the two freeze utilities till the End Of the Day of **December 29 and 30, 2006**. From January 1, 2007 onwards, DPs will have to initiate unfreeze instruction for accounts that are in frozen status, provided such accounts comply with PAN requirements. ***3) Whether PAN requirement is applicable to Clearing Member accounts?*** It is hereby clarified that DPs should initiate freeze instructions only in respect of Beneficial Owner accounts that do not comply with SEBI directive on PAN requirements. **Issues to be addressed after December 31, 2006:** ***1) Procedure to be followed in respect of closure of Client accounts that are frozen due to non-compliance of PAN requirements:***

	On receipt of Closure requests from Clients, it is hereby clarified that in case of Client accounts with : (i) **Zero balances :** DPs can unfreeze and close the Client accounts. (ii) **Securities Position :** DPs can only unfreeze the Client accounts provided the Client(s) has provided the photocopy of the PAN card and DP has verified the PAN details as per the procedure laid down in Circular No. NSDL/POLICY/2006/0007 dated March 3, 2006. ***2) Will DPMAS allow to make changes to demographic details such as change of address, change in bank details etc. after the account is frozen (from January 1, 2007)?*** It is hereby clarified that DPMAS will allow the DP to make changes to demographic details for Client accounts that are in frozen status. ***3) Procedure to be followed by DP when the Client(s) complies with PAN requirement?*** It is further clarified that upon the Client submitting the PAN card, DPs should follow the procedure in the below given sequence: (i) Verify the PAN details as per the laid down procedure in Circular No. NSDL/POLICY/2006/0007 dated March 3, 2006, (ii) Update the PAN field and enable the PAN flag provided in the DPMAS. Ensure that the status of the updation is **'Closed,Settled'**. (iii) Remove the suspension by initiating unfreeze instruction and ensure that the status of the unfreeze instruction is **'Closed,Settled'** prior to executing any other instruction in the DPMAS.
Circular No. NSDL/POLICY/ 2006/0043 Date: September 27, 2006	***Sub : SEBI circular on Permanent Account Number (PAN) - Extention of deadline*** Attention of Participants is invited to Circular No. NSDL/POLICY/2006/0007 dated March 3, 2006, regarding SEBI directive on Permanent Account Number (PAN). In this regard, SEBI has vide its Circular No. MRD/DoP/Dep/SE/Cir-13/06 dated September 26, 2006 decided to extend the deadline for capturing PAN details to December 31, 2006. Further, SEBI has decided to withdraw the grace period of 30 days as stated in para 4.1 of SEBI Circular No. MRD/DoP/Dep/Cir-09/06 dated July 20, 2006. A copy of the SEBI Circular is enclosed for information and necessary action.

Annexure

GENERAL MANAGER
MARKET REGULATION DEPARTMENT

MRD/DoP/Dep/SE/Cir-13/06
September 26, 2006

1. All Stock Exchanges
2. NSDL
3. CDSL
4. All Custodians

Dear Sirs,

Sub: Mandatory requirement of Permanent Account Number (PAN) - Issues and clarifications

1. This is further to SEBI Circular No. MRD/DoP/SE/Cir-8/2006 dated July 13, 2006 making, inter-alia, PAN mandatory for trading in the cash market with effect from October 1, 2006 and SEBI Circular No. MRD/DoP/Dep/Cir-09/06 dated July 20, 2006 offering clarifications pertaining to Mandatory requirement of PAN for operating Beneficiary Owner Account (BO) in the depository system.

2. Subsequent to the issue of above-referred SEBI Circulars, market participants have made further representations and suggestions and sought clarifications on the various issues from SEBI.

3. The further representations made and clarifications sought covered mainly the following aspects:

   3.1 Exemption from the requirement of verification with the original PAN Card in respect of the institutional clients. Some of the brokers have expressed difficulty in verifying the PAN of institutional clients with the original PAN card as they are dealing through the custodians and not directly with their clients.

   3.2 Some of the Investors have represented to SEBI seeking exemption for the joint account holders from the mandatory requirement of PAN.

   3.3 Requests have also been received from various market participants for extending the present deadline of September 30, 2006 due to the following reasons:

   - Some of the BOs have PAN but not the PAN Card.
   - Many others have PAN Allotment Letter and have applied for duplicate PAN Card as earlier PAN card was reportedly not issued by the Income Tax Department.
   - Many investors have applied for PAN but have not received the same.
   - In respect of many investors, PAN has been captured, but verification is in process.

   3.4 Further, brokers have requested that clarifications issued by SEBI vide SEBI Circular No.MRD/DoP/Dep/Cir-09/06 dated July 20, 2006 may be made applicable to trading in the cash market also.

4. Upon careful consideration of the representations and discussions with the market participants, the clarifications are as under :

   4.1. In view of the difficulties expressed by the stock brokers in verifying the PAN of the institutional clients with the original PAN card, the custodians are advised to verify the PAN details of the institutional clients with the original PAN card and provide copy of such verified PAN details to the brokers duly certified. This would be applicable in respect of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956.

   4.2. In the light of the practical difficulties expressed by various market participants as detailed above in adhering to the present deadline of September 30, 2006, the present deadline has been extended to December 31, 2006, as a one time measure.

   4.3. The clarification contained in para 4.1 of the SEBI Circular No. MRD/DoP/Dep/Cir-09/06 dated July 20, 2006 providing a grace period of 30 days to the entities registered with SEBI u/s 12 of the SEBI Act, 1992 stands withdrawn.

   4.4. The clarifications as contained in Paras 4.2 to 4.9 of the SEBI Circular No. MRD/DoP/Dep/Cir-09/06 dated July 20, 2006 are also applicable to trading in the cash market. A copy of the said circular is enclosed as Annexure I.

5. The Depositories are advised to:-

5.1. Bring the provisions of this circular to the notice of the DPs of the Depositories and also to disseminate the same on the website;

5.2. Include the aforesaid clarifications, as applicable, in the advertisement campaigns released by them from time to time for better understanding of the investors;

5.3. Make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary;

5.4. Communicate to SEBI the status of the implementation of the provisions of this circular in the Monthly Development Report.

6. The Stock Exchanges are advised to :

6.1. Make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately.

6.2. Bring the provisions of this circular to the notice of the member brokers/clearing members of the Exchange and also to disseminate the same on the website.

6.3. Communicate to SEBI, the status of the implementation of the provisions of this circular in Section II, item no. 13 of the Monthly Development Report.

7. This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Yours faithfully,

V.S. SUNDARESAN

Annexure I

GENERAL MANAGER
MARKET REGULATION DEPARTMENT

MRD/DoP/Dep/Cir-09/06
July 20, 2006

The Chairman & Managing Director
National Securities Depository Ltd.
Trade World,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013

The Managing Director & CEO
Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 023

Dear Sirs,

Sub: Mandatory requirement of Permanent Account Number (PAN) - Issues and clarifications

1. This has reference to NSDL Circular No. NSDL/POLICY/2006/0007 dated March 03, 2006 and CDSL Communiqué No. CDSL/OPS/ DP/657 as well as CDSL/OPS/DP/666 dated February 07, 2006 and March 08, 2006, respectively, on the captioned subject.

2. During the course of implementation of the aforesaid requirement, certain operational issues have arisen and accordingly, the market participants have made representations and suggestions and sought clarifications on the various operational issues from SEBI.

3. The representations made and clarifications sought covered the following aspects:

- Exemption to certain categories of entities registered with SEBI and verification of documents for proof of address.
- Exemption to Non-Resident Indians (NRIs)/Persons of Indian Origin (PIOs).
- Exemption to persons having PAN but not the PAN card.
- Exemption to UN entities and multilateral agencies which are exempted from paying taxes/ filing tax returns in India.
- Exemption to investors residing in the State of Sikkim.
- Verification of PAN card details in respect of accounts opened for HUF, AoP, Partnership Firm, Minor, etc.
- Verification of PAN card details wherever slight mismatch appears as well as where there is a difference in maiden name and current name of the investors.

4. Upon careful consideration of the representations and discussions with the market participants, the clarifications are as under :

4.1. All entities registered with SEBI under Section 12 of the SEBI Act, 1992 and having some difficulty in producing PAN card for verification at the time of opening the Beneficiary Owner (BO) account may be permitted to open a BO account without producing the PAN card. However, such entities would be required to submit the PAN card to the Depository Participants (DPs) within a period of 30 days from the date of opening of the BO account for verification, failing which the DPs shall freeze such accounts as "Suspended for Debit" till such time the PAN card is produced for verification.

4.2. As regards proof of address of FIIs/sub-accounts, a copy of the Power of Attorney (POA) given by the FIIs/FII sub-accounts to the Custodians (which are duly notarized and/or apostiled or consularised) that gives the registered address of the FIIs/sub-accounts can be accepted as proof of address.

4.3. The NRIs/PIOs would be required to comply with the mandatory requirement of producing PAN Card at the time of opening a BO account. However, such NRIs/PIOs who are not able to obtain PAN for one reason or the other but are holding securities in physical form and desire to sell the same, may be permitted to open a "limited purpose BO account" without PAN. The operation of such BO accounts shall be subject to the following conditions :

- These accounts will be "suspended for credit", which means, only credits arising out of corporate benefits and demat of physical certificates will be permitted.
- These accounts cannot be used for getting credit from IPOs, off-market transactions or any secondary market transactions, etc.
- These accounts can remain operational only for a limited period of 6 months from the date of opening of the account. Meanwhile, the account holders may be permitted to convert the account into a normal BO account subject to complying with the PAN requirements. If the Account holder fails to produce the PAN card within the stipulated period of 6 months, the DPs shall freeze such BO accounts.
- The account holders shall be permitted to sell the securities lying in these accounts only through a registered broker on the stock exchange.

4.4. U.N. entities/multilateral agencies which are exempt from paying taxes/filing tax returns in India are exempted from the mandatory requirement of PAN. The exemption, however, would be subject to the DPs collecting documentary evidence in support of such claim of the investors.

4.5. Any investor who has PAN but not having the PAN card may be permitted to open BO Accounts subject to producing the PAN allotment letter. However, such investors would be required to produce the PAN Card on or before September 30, 2006 failing which the DPs shall freeze such accounts as "Suspended for Debit" till PAN card is produced for verification.

4.6. In case of HUF, Association of Persons (AoP), Partnership Firm, Unregistered Trust, etc. -- though the BO account would be in the name of natural persons, PAN of the respective HUF, AoP, Partnership Firm, Unregistered Trust, etc shall be obtained.

4.7. As regards Registered Trust, Corporate Bodies and minors, PAN of the respective entities shall be obtained when accounts are opened in their respective names.

4.8. In case where there is difference in the maiden name and current name of the investor (predominantly in the case of married women), DPs can collect the PAN card proof as submitted by the account holder. However, this would be subject to the DPs verifying the veracity of the claim of such investors by collecting sufficient documentary evidence in support of the identity of the investors as provided in the SEBI Circular No. MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004.

4.9. In the light of the observations of the Hon'ble High Court of Sikkim in its Order dated March 31, 2006 as forwarded by the Sikkim Chamber of Commerce vide their letter No.See/52/06-07 dated May 11, 2006, the investors residing in the State of Sikkim are exempted from the mandatory requirement of PAN. However, this would be subject to the DPs verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address as provided in the SEBI Circular No.MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004.

5. The Depositories are advised to:-

5.1. Bring the provisions of this circular to the notice of the DPs of the Depositories and also to disseminate the same on the website;

5.2. Include the aforesaid clarifications in the advertisement campaigns released by them from time to time for better understanding of the investors;

5.3. Put up all such communications which may be useful for investors at large on their websites;

5.4. Ensure that proof of address (POA) is collected for all the account holders as is being done in the case of Proof of Identity (POI).

5.5. Make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary;

5.6. Communicate to SEBI the status of the implementation of the provisions of this circular in the Monthly Development Report for the month of August, 2006.

6. This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Circular No. NSDL/POLICY/ 2006/0040 Date : September 18, 2006	***Sub : Clarification - Processing of Account opening documents and verification of PAN details*** Attention of Participants is invited to Circular no. NSDL/POLICY/2006/0007 dated March 3, 2006 regarding SEBI directive on PAN. In this regard, clarification sought by Participants (given in italics below) and NSDL's response is given hereunder :

	(i) Whether a non-NCFM (NSE's certification in financial markets - NSDL-Depository Operations Module) qualified staff of the Participant can verify the PAN details as well as the account opening documents of the Clients ? It is clarified that an employee (staff) of the Participant irrespective of NCFM qualification can verify the account opening documents as well as follow the various procedures mentioned in the above circular with respect to verification of PAN details of the Clients. However, Participants shall continue to comply with the NCFM requirement as per Circular No. NSDL/PI/2003/1047 dated June 25, 2003. *(ii) Whether a Participant needs to obtain a separate written request from the existing Clients for updation of PAN details in the DPM Application Software (DPMAS) ?* It is clarified that **no** such separate written request (letter) is required to be obtained from the existing Clients for updation of PAN details in the DPMAS. Participants should have the necessary documents and follow the procedure as mentioned in our Circular No. NSDL/POLICY/2006/0007 dated March 3, 2006. *(iii) If the photocopy of PAN of the Client(s) obtained as proof of identity (POI), verified with the original and already captured in the DPMAS at the time of opening the account prior to NSDL Circular No. NSDL/POLICY/2006/0007 dated March 3, 2006, whether Participants are once again required to obtain the PAN details from the Client(s)?* If Participants have already obtained the PAN details as POI from their Client(s), verified the same with the originals and captured in the DPMAS, it is clarified that Participants need **not** obtain the PAN details from the Client(s) once again provided the PAN details so captured have been duly verified with the website of Income Tax Department and that the staff of the Participant has affixed a stamp as 'PAN verified', on the photocopy of the PAN card(s), as mentioned in our Circular No. NSDL/POLICY/2006/0007 dated March 3, 2006.
Circular No. NSDL/POLICY/2006/0031 Date: August 9, 2006	***Sub : Operating guidelines on SEBI circular providing clarifications on PAN*** Attention of Participants is invited to circular no. NSDL/POLICY/2006/0007 dated March 3, 2006 regarding SEBI directive on PAN and Circular No. NSDL/POLICY/2006/0030 dated July 24, 2006 intimating the Participants about SEBI clarifications on PAN vide SEBI Circular no. MRD/DoP/Dep/Cir-09/06 dated July 20, 2006. Further to the clarification issued by SEBI (given in italics below), Participants are advised to take note of the following additional operating guidelines / clarifications with respect to capturing of PAN details: **(I)** **4.1** *All entities registered with SEBI under Section 12 of the SEBI Act, 1992 and having some difficulty in producing PAN card for verification at the time of opening the Beneficiary Owner (BO) account may be permitted to open a BO account without producing the PAN card. However, such entities would be required to submit the PAN card to the Depository Participants (DPs) within a period of 30 days from the date of opening of the BO account for verification, failing which the DPs shall freeze such accounts as "Suspended for Debit" till such time the PAN card is produced for verification.*

NSDL's operating guidelines:

(a) If a SEBI registered entity expresses its inability to produce the PAN card at the time of opening the BO account, Participants are required to obtain a photocopy of SEBI Registration Certificate and verify the same with the original, open the account, capture the description **"INTERMEDRY"** under the PAN field and enable the PAN flag.

(b) If the entity does not submit the PAN card within 30 days from the date of opening the account, Participants are advised to disable the PAN flag **and suspend the account for debit.**

(c) If the entity submits the PAN card, Participants should :

(i) Verify the PAN details as per the laid down procedure and enable the PAN Flag in the DPM Application Software (DPMAS); and

(ii) Remove the suspension.

(II) **4.2** *As regards proof of address of FIIs/sub-accounts, a copy of the Power of Attorney (POA) given by the FIIs/FII sub-accounts to the Custodians (which are duly notarized and/or apostiled or consularised) that gives the registered address of the FIIs/sub-accounts can be accepted as proof of address.*

No further guidelines in this regard.

(III) **4.3** *The NRIs/PIOs would be required to comply with the mandatory requirement of producing PAN Card at the time of opening a BO account. However, such NRIs/PIOs who are not able to obtain PAN for one reason or the other but are holding securities in physical form and desire to sell the same, may be permitted to open a "limited purpose BO account" without PAN. The operation of such BO accounts shall be subject to the following conditions :*

- *These accounts will be "suspended for credit", which means, only credits arising out of corporate benefits and demat of physical certificates will be permitted.*
- *These accounts cannot be used for getting credit from IPOs, off-market transactions or any secondary market transactions, etc.*
- *These accounts can remain operational only for a limited period of 6 months from the date of opening of the account. Meanwhile, the account holders may be permitted to convert the account into a normal BO account subject to complying with the PAN requirements. If the Account holder fails to produce the PAN card within the stipulated period of 6 months, the DPs shall freeze such BO accounts.*
- *The account holders shall be permitted to sell the securities lying in these accounts only through a registered broker on the stock exchange.*

NSDL's operating guidelines:

(a) If NRIs/PIOs express their inability to produce the PAN card at the time of opening of a BO account, Participants may open the account, capture the description **"NRICATEGRY"** under PAN field and enable the PAN flag. Also, standing instructions should not be enabled for such accounts.

(b) If the entity does not submit the PAN card within the stipulated time of six months from the date of activation of accounts, Participants are advised to disable the PAN Flag and **suspend the account for debit**.

(c) If the entity submits the PAN card, Participants should :

(i) Verify the PAN details as per the laid down procedure and enable the PAN Flag in the DPMAS;

(ii) Enable the standing instructions, as per the request of the entity; and

(iii) Remove the suspension.

(IV) **4.4** *U.N. entities/multilateral agencies which are exempt from paying taxes/filing tax returns in India are exempted from the mandatory requirement of PAN. The exemption, however, would be subject to the DPs collecting documentary evidence in support of such claim of the investors.*

NSDL's operating guidelines:

After the Participants are satisfied that such entities are exempt from paying taxes/filing tax returns in India, Participants are advised to capture the description **"EXEMPTCATG"** under the PAN field and enable the PAN flag in DPMAS.

(V) **4.5** *Any investor who has PAN but not having the PAN card may be permitted to open BO Accounts subject to producing the PAN allotment letter. However, such investors would be required to produce the PAN Card on or before September 30, 2006 failing which the DPs shall freeze such accounts as "Suspended for Debit" till PAN card is produced for verification.*

NSDL's operating guidelines:

(a) Participants may open the BO account based on the PAN allotment letter issued by the Income Tax Department (ITD) and after due verification with the ITD website as per the procedure mentioned in NSDL circular no. NSDL/POLICY/2006/0007 dated March 3, 2006, capture the description **"ALOTMNTLTR"** under PAN field and enable the PAN flag. Further, Participants should call for any additional documents and / or clarification to ascertain and satisfy itself about the identity of the entity, as clarified in the SEBI circular.

(b) If the entity does not submit the PAN card before September 30, 2006, Participants should disable the PAN flag and **suspend the account for debit**.

(c) If the entity submits the PAN card, Participants should :

(i) Verify the PAN details as per the laid down procedure and enable the PAN Flag in the DPMAS; and

(ii) Remove the suspension.

	(VI) **4.6** *In case of HUF, Association of Persons (AoP), Partnership Firm, Unregistered Trust, etc. -- though the BO account would be in the name of natural persons, PAN of the respective HUF, AoP, Partnership Firm, Unregistered Trust, etc shall be obtained.* No further guidelines in this regard. **(VII)** **4.7** *As regards Registered Trust, Corporate Bodies and minors, PAN of the respective entities shall be obtained when accounts are opened in their respective names.* No further guidelines in this regard. **(VIII)** **4.8** *In case where there is difference in the maiden name and current name of the investor (predominantly in the case of married women), DPs can collect the PAN card proof as submitted by the account holder. However, this would be subject to the DPs verifying the veracity of the claim of such investors by collecting sufficient documentary evidence in support of the identity of the investors as provided in the SEBI Circular No. MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004.* NSDL's operating guidelines: (a) This guidance given by SEBI may also be used whenever there is a minor difference in the name mentioned in the PAN Card and the name in which the account is opened / sought to be opened. (b) Photograph of person appearing on the PAN card can be compared with the account holder and/or the photograph submitted by the account holder alongwith the application form. Father's name if available on the application form can be compared with the father's name appearing on the PAN card of the account holder. (c) Participants should call for any additional documents and / or clarification to ascertain and satisfy itself about the identity of the entity, as clarified in the SEBI circular. An illustrative list of minor difference in the names is enclosed. **(IX)** **4.9** *In the light of the observations of the Hon'ble High Court of Sikkim in its Order dated March 31, 2006 as forwarded by the Sikkim Chamber of Commerce vide their letter No.See/52/06-07 dated May 11, 2006, the investors residing in the State of Sikkim are exempted from the mandatory requirement of PAN. However, this would be subject to the DPs verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address as provided in the SEBI Circular No.MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004.* NSDL's operating guidelines: (a) Participants should ascertain that the entity resides in the state of Sikkim and if satisfied, capture the description **"SIKKIMCATG"** under the PAN field and enable the PAN flag.

	(b) If an entity makes a request for capturing the correspondence address as default address or submits a request for change of address and the address in both these situations is not of Sikkim, in such a case, the entity must comply with the PAN requirements and till such time should disable the PAN flag and **suspend the account for debit** . (c) If the entity submits the PAN card, Participants should : (i) Verify the PAN details as per the laid down procedure and enable the PAN Flag in the DPMAS; and (ii) Remove the suspension.

Annexure

An illustrative list of minor differences as mentioned in Point no. 4.8 of SEBI Circular. Participants should follow NSDL operating guidelines mentioned after 4.8 of Circular No. NSDL/POLICY/2006/0031 dated August 9, 2006.

Sushil Kumar Shah	Sushil K Shah
	Sushil Shah
	Sushil Kumar
	Sushil
	Sushilbhai K Shah/Sushilbhai Kumar Shah / Sushilbhai / Sushilbhai Shah
Pinki Parmar Desai (Maiden Name)	Pinki Rasiklal Shah (Married Name)
	Tulsi Shah (name change pursuant to marriage)
Sunshine India Private Limited	Sunshine India Pvt Ltd / Sunshine India P Ltd
	Sunshine (I) P Ltd
Tulip Mauritius Limited Growing Software Companies India Fund	Sunshine Private Limited Tulip Mauritius Limited G S C I FUND
	Tulip Mauritius Growing Software Companies India Fund
	T M L G S C I Fund
	Tulip Mauritius Limited Grow Soft (Truncated)

1) Short form for Technology Fund / Equity Fund mentioned as Tech Fd / Eq Fd.

2) Spelling mistakes in the name viz., Shushil Kumar Shah for Sushil Kumar Shah, Fledging Nominee for Fledgeling Nominees.

3) PAN card does not mention the scheme name but mentions the name of the Mutual Fund.

4) PAN card mentions only the FII name and not the name of sub-account.

Account opened for a specific purpose i.e., “ABC Escrow a/c” while the name on PAN card is “ABC Ltd”.

Circular No. NSDL/POLICY/ 2006/0030 Date: July 24, 2006	***Sub : SEBI circular providing clarification on Permanent Account Number (PAN)*** Attention of Participants is invited to circular no. NSDL/POLICY/2006/0007 dated March 3, 2006, regarding SEBI directive on PAN. In this regard, SEBI has vide its circular no. MRD/DoP/Dep/Cir-09/06 dated July 20, 2006 issued certain clarifications on PAN which are enclosed for guidance to the Participants.

Annexure

GENERAL MANAGER
MARKET REGULATION DEPARTMENT

MRD/DoP/Dep/Cir-09/06
July 20, 2006

The Chairman & Managing Director
National Securities Depository Ltd.
Trade World,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013

The Managing Director & CEO
Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 023

Dear Sirs,

Sub: Mandatory requirement of Permanent Account Number (PAN) – Issues and clarifications

1. This has reference to NSDL Circular No. NSDL/POLICY/2006/0007 dated March 03, 2006 and CDSL Communiqué No. CDSL/OPS/ DP/657 as well as CDSL/OPS/DP/666 dated February 07, 2006 and March 08, 2006, respectively, on the captioned subject.
2. During the course of implementation of the aforesaid requirement, certain operational issues have arisen and accordingly, the market participants have made representations and suggestions and sought clarifications on the various operational issues from SEBI.
3. The representations made and clarifications sought covered the following aspects:
   - ✧ Exemption to certain categories of entities registered with SEBI and verification of documents for proof of address.
   - ✧ Exemption to Non-Resident Indians (NRIs)/Persons of Indian Origin (PIOs).
   - ✧ Exemption to persons having PAN but not the PAN card.
   - ✧ Exemption to UN entities and multilateral agencies which are exempted from paying taxes/ filing tax returns in India.
   - ✧ Exemption to investors residing in the State of Sikkim.
   - ✧ Verification of PAN card details in respect of accounts opened for HUF, AoP, Partnership Firm, Minor, etc.
   - ✧ Verification of PAN card details wherever slight mismatch appears as well as where there is a difference in maiden name and current name of the investors.

4. Upon careful consideration of the representations and discussions with the market participants, the clarifications are as under :

4.1. All entities registered with SEBI under Section 12 of the SEBI Act, 1992 and having some difficulty in producing PAN card for verification at the time of opening the Beneficiary Owner (BO) account may be permitted to open a BO account without producing the PAN card. However, such entities would be required to submit the PAN card to the Depository Participants (DPs) within a period of 30 days from the date of opening of the BO account for verification, failing which the DPs shall freeze such accounts as "Suspended for Debit" till such time the PAN card is produced for verification.

4.2. As regards proof of address of FIIs/sub-accounts, a copy of the Power of Attorney (POA) given by the FIIs/FII sub-accounts to the Custodians (which are duly notarized and/or apostiled or consularised) that gives the registered address of the FIIs/sub-accounts can be accepted as proof of address.

4.3. The NRIs/PIOs would be required to comply with the mandatory requirement of producing PAN Card at the time of opening a BO account. However, such NRIs/PIOs who are not able to obtain PAN for one reason or the other but are holding securities in physical form and desire to sell the same, may be permitted to open a "limited purpose BO account" without PAN. The operation of such BO accounts shall be subject to the following conditions :

- These accounts will be "suspended for credit", which means, only credits arising out of corporate benefits and demat of physical certificates will be permitted.
- These accounts cannot be used for getting credit from IPOs, off-market transactions or any secondary market transactions, etc.
- These accounts can remain operational only for a limited period of 6 months from the date of opening of the account. Meanwhile, the account holders may be permitted to convert the account into a normal BO account subject to complying with the PAN requirements. If the Account holder fails to produce the PAN card within the stipulated period of 6 months, the DPs shall freeze such BO accounts.
- The account holders shall be permitted to sell the securities lying in these accounts only through a registered broker on the stock exchange.

4.4. U.N. entities/multilateral agencies which are exempt from paying taxes/filing tax returns in India are exempted from the mandatory requirement of PAN. The exemption, however, would be subject to the DPs collecting documentary evidence in support of such claim of the investors.

4.5. Any investor who has PAN but not having the PAN card may be permitted to open BO Accounts subject to producing the PAN allotment letter. However, such investors would be required to produce the PAN Card on or before September 30, 2006 failing which the DPs shall freeze such accounts as "Suspended for Debit" till PAN card is produced for verification.

4.6. In case of HUF, Association of Persons (AoP), Partnership Firm, Unregistered Trust, etc. -- though the BO account would be in the name of natural persons, PAN of the respective HUF, AoP, Partnership Firm, Unregistered Trust, etc shall be obtained.

4.7. As regards Registered Trust, Corporate Bodies and minors, PAN of the respective entities shall be obtained when accounts are opened in their respective names.

4.8. In case where there is difference in the maiden name and current name of the investor (predominantly in the case of married women), DPs can collect the PAN card proof as

submitted by the account holder. However, this would be subject to the DPs verifying the veracity of the claim of such investors by collecting sufficient documentary evidence in support of the identity of the investors as provided in the SEBI Circular No. MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004.

4.9. In the light of the observations of the Hon'ble High Court of Sikkim in its Order dated March 31, 2006 as forwarded by the Sikkim Chamber of Commerce vide their letter No.See/52/06-07 dated May 11, 2006, the investors residing in the State of Sikkim are exempted from the mandatory requirement of PAN. However, this would be subject to the DPs verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address as provided in the SEBI Circular No.MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004.

5. The Depositories are advised to:-

5.1. Bring the provisions of this circular to the notice of the DPs of the Depositories and also to disseminate the same on the website;

5.2. Include the aforesaid clarifications in the advertisement campaigns released by them from time to time for better understanding of the investors;

5.3. Put up all such communications which may be useful for investors at large on their websites;

5.4. Ensure that proof of address (POA) is collected for all the account holders as is being done in the case of Proof of Identity (POI).

5.5. Make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary;

5.6. Communicate to SEBI the status of the implementation of the provisions of this circular in the Monthly Development Report for the month of August, 2006.

6. This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Yours faithfully

V. S. SUNDARESAN

Circular No. NSDL/POLICY/ 2006/0028 Date : July 18, 2006	***Sub: Clarification - Capturing PAN in case of HUF and minor accounts*** Attention of Participants is invited to circular no. NSDL/POLICY/2006/0007 dated March 3, 2006, regarding SEBI directive on PAN. Participants have been seeking clarification from NSDL regarding capturing of PAN details with respect to HUF and Minor accounts. In this regard, Participants are advised that for HUF accounts, PAN details of the HUF and for Minor accounts, PAN details of the Minor should be captured. Participants should obtain a photocopy of the PAN card of the HUF / Minor, as the case may be, verify the same with the original PAN card and follow the procedure mentioned in the above mentioned Circular.

Circular No. NSDL/POLICY/ 2006/0015 Date: May 22, 2006	***Sub : Discrepancy in the PAN details captured by the Participants*** NSDL vide its circular nos. NSDL/POLICY/2006/0007 dated March 3, 2006 and NSDL/POLICY/2006/0012 dated March 25, 2006, informed the Participants regarding SEBI directive on PAN as a mandatory requirement for demat accounts and the procedure for activating PAN flag on DPM Application Software (DPMAS). NSDL analysed the PAN details that were captured by the Participants during the month of April 2006. The following are the major discrepancies that have been observed: 1. **Invalid** data i.e. "aaaaaaaaaa" or "123451233a" entered in the field provided for PAN in the DPMAS and PAN flag activated for such accounts. 2. Correct PAN details were captured in the DPMAS, but PAN flag was **not** activated for such accounts. 3. PAN details captured in DPMAS do not match/exist in the **Income Tax Database** i.e. website of Income Tax Department but PAN flag activated. NSDL provided the list of such cases to the Participants with an advice to correct the same. Participants have responded to NSDL stating that such discrepancies have occurred due to inadvertent capturing of PAN details, typographical errors, PAN details captured from the application form that was different from the PAN Card submitted by the Client which was verified with the website. In view of the foregoing, all Participants are hereby advised to be careful while capturing PAN details and ensure that the guidelines provided in the aforesaid circulars in terms of capturing correct PAN details after due verification and enabling the PAN flag are duly complied with. In case it is observed that discrepancies exist in the PAN details captured on or after May 1, 2006, NSDL would levy a penalty of Rs.100 per account.
Circular No. NSDL/POLICY/ 2006/0012 Date: March 25, 2006	***Sub : Activation of PAN flag on DPM system*** Attention of Participants is invited to our circular no. NSDL/POLICY/2006/0007 dated March 3, 2006 wherein Participants were informed about the SEBI directive on making Permanent Account Number (PAN) compulsory for all categories of demat account-holders. Participants are further advised as follows: 1 DPM Application Software (DPMAS) has been modified by making PAN as a **'mandatory field'.** This change is proposed to be released to Participants from March 29-31, 2006. The schedule will be sent to the Participants by NSDL Help Desk. Participants may note that after this release, the accounts that are opened in DPMAS will require the PAN to be mandatorily captured. 2. Participants are advised to strictly follow the guidelines issued by NSDL vide aforesaid circular and ensure that the PAN details are captured in the DPMAS only after they are duly verified with the Income Tax Department website. 3. PAN flag for each of the holder has been introduced in the DPMAS. Participants are advised to ensure that after capturing the PAN details, the PAN flag(s) is/are also enabled. 4. Participants are advised that in respect of the existing accounts, after due verification as mentioned above, the PAN flag in DPMAS should be enabled. 5. Participants can avail the facility of bulk verify & release provided their back-office system is equipped with maker/checker facility. The changes in the file formats in respect of the back-office batch interface with the DPMAS is enclosed.

c. Power of Attorney	
Account operation - Power of attorney	
Circular No.: NSDL/POLICY/ 2016/0033 Date: March 28, 2016	***Sub: Execution of Power of Attorney (POA) by the Client in favour of Depository Participant.*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2010/0045 dated April 30, 2010 enclosing SEBI Circular No. CIR/MRD/DMS/13/2010 dated April 23, 2010 and NSDL Circular No. NSDL/POLICY/2010/0100 dated September 1, 2010 enclosing SEBI Circular No. CIR/MRD/DMS/28/2010 dated August 31, 2010 regarding execution of Power of Attorney (POA) by the client in favour of Stock Broker / Stock Broker and Depository Participant. In this context, Participants are requested to take note of the following: 1. PoA must not be obtained in a capacity as a Participant. PoA can be taken in any other capacity such as a stock broker or a custodian or a PMS provider or any other capacity. 2. In case any Participant has obtained such a PoA in its capacity as a Participant, (a) then it must be discontinued in respect of new accounts which are opened. (b) In respect of existing accounts, the Participant must notify to all such Clients from whom they have taken such a PoA that it will no longer act on the PoA in its capacity as a Participant.
Circular No. NSDL/POLICY/ 2010/0100 Date: September 1, 2010	***Sub: SEBI Circular for execution of power of attorney (POA) by client in favour of Stock Broker / Stock Broker and Depository Participant - Clarifications*** Attention of Participants is invited to NSDL Circular no. NSDL/POLICY/2010/0045 dated April 30, 2010 regarding SEBI Circular no.CIR/MRD/DMS/13/2010 dated April 23, 2010 for execution of POA by the client in favour of Stock Broker / Stock Broker and Depository Participant. SEBI has now issued some clarifications vide Circular no. CIR/MRD/DMS/28/2010 dated August 31, 2010 for execution of POA by the client in favour of Stock Broker / Stock Broker and Depository Participant - Clarifications. Copy of the same is enclosed at Annexure for information and necessary compliance.

Securities and Exchange Board of India

CIRCULAR

CIR/MRD/DMS/28/2010 August 31, 2010

To

The Managing Directors of Stock Exchanges and Depositories

Dear Sir (s),

Sub: Execution of Power of Attorney (PoA) by the Client in favour of the Stock Broker/ Stock Broker and Depository Participant - Clarifications

1. SEBI vide circular no. CIR/MRD/DMS/13/2010 dated April 23, 2010 issued guidelines regarding execution of Power of Attorney (PoA) by the client in favor of Stock Broker / Stock Broker and Depository Participant.
2. SEBI has received representation from Market Participants seeking guidance and clarifications on process to be followed for implementation of the provisions of the circular.
3. Based on the examination of the issues highlighted in the representations and so as to facilitate the implementation of the provisions of the aforesaid Circular, attached clarifications are issued for immediate implementation.

4. All other clauses/ provisions of the aforesaid PoA circular, except those mentioned in the annexure, shall remain unchanged.

Yours faithfully,

MANOJ KUMAR
General Manager
+91-22-26449260
manojk@sebi.gov.in

Encl: Clarification to Guidelines for execution of Power of Attorney by Clients favouring Stock Brokers / Stock Broker and Depository Participants (2 Pages)

Clarification to Guidelines for execution of Power of Attorney by Clients favouring Stock Brokers / Stock Broker and Depository Participants

Sl No	Clauses/ Provisions of the PoA Circular	Clarifications
1	Standardizing the norms for PoA must not be construed as making the PoA a condition precedent or mandatory for availing broking or depository participant services. PoA is merely an option available to the client for instructing his broker or depository participant to facilitate the delivery of shares and pay-in/pay-out of funds etc. No stock broker or depository participant shall deny services to the client if the client refuses to execute a PoA in their favour.	Only internet based trading exempted.
2	The Stock Brokers shall take necessary steps to implement this circular latest by May 31, 2010 for the new clients and ensure to take necessary steps latest by September 01, 2010 to revoke those authorizations given by the existing clients to the stock brokers/ stock broker and depository participants through PoA that are inconsistent with the present guidelines.	Stock Broker/ DP may revoke those authorizations that are inconsistent with the present guidelines by communicating the inconsistent clauses to the existing clients. In the event, the deleted clauses are not accepted by the client, Stock Broker/ DP may be required to either obtain fresh PoA or close the account. In case of any addition to the existing PoA, Stock Broker / DP shall be required to obtain a new PoA from clients.
3	PoA executed in favour of a Stock Broker by the client should be limited to the following: "(i) Transfer of securities held in the beneficial owner account(s) of the client(s) towards stock exchange related margin / delivery obligations arising out of trades executed by the Client(s) on the stock exchange through the same Stock Broker."	Margin / Delivery obligations shall also include settlement obligations, if any.
4	PoA executed in favour of a Stock Broker by the client should be limited to the following: "(iii) To apply for various products like Mutual Funds, Public Issues (shares as well as debentures), rights, offer of shares, tendering shares in open offers etc. pursuant to the instructions of the Client(s). However, a proper audit trail should be maintained by the Stock Broker to prove that the necessary application/act was made /done pursuant to receipt of instruction from Client."	Redemptions are also included in PoA pursuant to client's instructions.

Sl No	Clauses/ Provisions of the PoA Circular	Clarifications
5	PoA executed in favour of a Stock Broker and Depository Participant by the client should provide the list of clients' & brokers' Bank accounts & demat accounts where funds and securities can be moved. Such bank & demat accounts should be accounts of related party only.	The list of clients' & brokers' Bank accounts & demat accounts may be updated / amended by proper communication without executing a new PoA every time. Copies of such communications may be preserved as annexure to the PoA.
6	PoA executed in favour of a Stock Broker and Depository Participant by the client should be revocable at any time, without notice.	PoA executed in favour of a Stock Broker / Stock Broker and Depository Participant by the client should be revocable at any time. However, such revocation shall not be applicable for any outstanding settlement obligation arising out of the trades carried out prior to receiving request for revocation of PoA. Further, the PoA revocation requests should be dated and time stamped by the brokers for ensuring proper audit trail.
7	The POA shall not facilitate the stock broker to do the following: "12. Transfer of securities for off market trades"	The PoA shall not facilitate off-market trades between parties other than the related parties as mentioned in the PoA.

Circular No. NSDL/POLICY/ 2010/0092 Date: August 9, 2010	***Sub: Capturing POA details in POA module*** As all Participants are aware, Power of Attorney (POA) flag was introduced in the DPM System Version Release 3.9 *(refer Circular No. NSDL/PI/2005/0682 dated April 12, 2005)* to facilitate Participants to indicate whether an account is operated through a POA. Subsequently, POA module was introduced in the DPM System Version Release 7.0 *(refer Circular No. NSDL/POLICY/2007/0054 dated September 22, 2007)* to facilitate Participants to capture the details of POA holders alongwith their signatures including feature of mapping of Client accounts to their respective POA holders making the need for POA flag redundant. In view of this, the feature of POA flag will not be made available in the new DPM system. Participants who have not yet captured the POA details in the DPM System and not mapped the Client accounts that are operated through POA are requested to complete this activity by Saturday, August 28, 2010. Participants must ensure that the activity is carried out after the time critical instructions are processed, after the completion of pay-in and in consultation with NSDL Helpdesk. For any information/clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4601 to 4610 or email at helpdesk@nsdl.co.in
Circular No. NSDL/POLICY/ 2007/0054 Date: September 22, 2007	***Sub: Release of POA Module and its features*** All Depository Participants (DPs) are hereby informed that Power of Attorney (POA) module in the DPM Application Software (DPMAS) is scheduled for release in the first week of October 2007. **The procedure to capture POA holder/ Authorized Signatory signature and the changes in the back-office module and the file formats in respect of the back-office batch interface with the DPMAS are enclosed in Annexure-I.** In this regard, DPs are advised to be ready with their back-office compatible with POA Module. Compact Discs (CDs) containing the release of POA Module in the DPMAS and instructions regarding upgradation will be sent to DPs by courier separately.

It has been brought to the notice of NSDL that a number of DPs are offering e-broking services to its clients. This may necessitate execution of POA in favor of DP/broker to operate the client account. NSDL vide its Circular No. NSDL/PI/2003/0572 dated April 7, 2003 had advised the DPs to capture the signatures of the account holder(s) as well as POA holder, if a POA holder is operating an account, in the DPMAS.

At present, all signatures in client account are captured as a single image in the DPMAS. As per aforesaid circular, DPs are required to do the following:

1. In case POA holder is a individual entity, DP is required to scan the signature of all the account holder(s) and POA holder in client account where that Individual entity is a POA holder.
2. In case POA holder is a corporate entity, DP is required to scan the signatures of all authorized signatories and the account holder(s) in client account where that corporate entity is a POA holder.

Further, in case of change in authorised signatory or change in individual entity in whose favour POA is given, DP is required to rescan the signatures of all authorized signatories or individual entity and the account holder(s) in all the accounts where that corporate/individual entity is a POA holder. DPs have expressed practical difficulty in complying with the aforesaid circular, as it is a time consuming activity.

To facilitate DPs to capture POA's signature separately NSDL has decided to introduce the POA module to supplement the client maintenance module in the DPMAS for "Active/frozen" client accounts in DPMAS system.

Features of POA module:

a) Client's Signature would continue to remain as a single image i.e., the signature of all account holders would be scanned as a single image. However, POA holder's (Authorized signatories in case of POA holder being a corporate or individual entity in whose favour POA is given) signature will be scanned separately and will not be a part of client's signature.

b) Each POA holder and Authorized Signatory would be registered separately along with his or her signature for which a unique id i.e., POA Id and Authorized signatory Id respectively would be generated by DPMAS system.

c) The authorized signatories will be grouped to form a POA group (for POA holder being a corporate) for which also a unique identification number; POA Id, would be generated by DPMAS system.

d) Identification number given to POA or POA group would be referred to as POA Id i.e., if POA is an individual, POA Holder Id would be POA Id. If POA is a corporate entity POA group id would be POA Id

e) Every account holder who operates through a POA can be mapped to this POA holder or POA group if POA is given to an individual holder or corporate respectively.

f) There can be more than one POA ID associated to each account holder.

g) While registering POA Group, system will also provide for capturing minimum number of authorized signatories required to sign the instruction slip. However, this is an information field to aid manual verification. System will not have any in-built validation for this field.

	h) If an Individual signatory is no more authorized to be an authorized signatory as a POA holder, then the mapping between POA-id of a POA holder and the account in case of an individual, and POA-id and authorized signatory id in case of a corporate entity need to be removed. In case, a new signatory is to be inducted, then signature of the new signatory only will be required to be scanned. Then in case of a POA holder of an individual account, a new POA id of the new POA holder will be mapped to the account and in case of a corporate entity, new authorized signatory id needs to be mapped to POA-id. i) POA details can be mapped to individual and corporate beneficiary accounts only. This facility will not be available for Clearing Members and intermediary accounts. j) Screens are provided in DPMAS for registration/modification of Individual POA holder, Authorized Signatory, Corporate POA/POA Group and mapping of POA Id to account holder. Further, DPs are required to follow the guidelines issued vide circulars ref. no. NSDL/PI/2000/982 dated June 23, 2000, NSDL/PI/2000/1953 dated October 19, 2000 and NSDL/PI/2005/2329 dated November 25, 2005 in this regard. It may be informed that for the purpose of explaining features of POA module, NSDL will conduct training at Mumbai, New Delhi, Kolkata and Chennai in the month of October 2007. The details of the training will be communicated to the DPs separately. A DPM user manual will also be provided to the DPs along with the CD of the software release. In case of any queries regarding file formats you may write to helpdesk@nsdl.co.in.
d. Others	
Circular No. NSDL/POLICY/ 2011/0078 Date: September 23, 2011	***Sub: SEBI ORDER UNDER SECTIONS 11(1), 11(4) AND 11B OF THE SEBI ACT, 1992 IN THE MATTER OF MARKET MANIPULATION USING GDR ISSUES.*** SEBI has passed an ad interim ex-parte order no. WTM/ PS/ISD/02/2011 dated September 21, 2011 in the matter of Market manipulation using GDR Issues. In this context, we invite Participants attention to **point no. B** of the aforesaid SEBI order wherein it is stated that ***"order that none of the intermediaries registered with SEBI shall deal with Panasia and Mr. Arun Panchariya in any capacity with regard to or in connection with the dealing of securities as defined in the Indian market"***. Participants are hereby advised to comply with the above SEBI directions. The detailed SEBI order is available on SEBI website (http://www.sebi.gov.in).
Circular No. NSDL/POLICY/ 2011/0020 Date: March 5, 2011	***Sub: Procedure for transfer of locked-in securities or securities held under suspended ISIN in case of account closure and/ or transmission*** As Participants are aware, the securities which are locked-in by the Issuer or securities held under suspended ISIN in the depository system cannot be transferred from one account to another. Due to this restriction, transfer of securities from one account to another necessitated by account closure and/ or transmission also cannot be effected. In order to facilitate such transfers in co-ordination with the Issuer / R&T Agent, Participants are requested to adhere to the following procedure (*in addition to existing procedures for account closure and transmission*):

(A) In case of Account Closure:

(I) For Participants:

1) Participant must request the Client to submit a copy of the Client Master Report of the target account with another Participant where the securities are to be transferred.

2) Participant must verify that the target account and source account belong to the same Client. The names and order of names of the accountholders including the PANs in the source account and the target account must match.

3) After due verification, the Participant must forward a request (*format enclosed at Annexure A*) to the concerned Issuer/its R&T Agent alongwith copies of Client Master Report of the source account and the target account for execution of corporate action to effect the transfer of locked-in securities/ securities held under suspended ISIN.

(II) For Issuers/ R&T Agents:

1) The Issuer must submit a Corporate Action Information Form (*for transfer of locked-in securities or securities held under suspended ISIN due to account closure*) as per the format given at Annexure B alongwith copy of its latest Secretarial Audit Report to NSDL.

2) For execution of corporate action, the Issuer has to advise its R&T Agent/Registry Division.

(B) In case of transmission:

(I) For Participants:

1) Upon submission of all the required documents by the legal heir/legal representatives of the deceased Client, the Participant must verify the documents and execute the transmission in respect of all other securities (if any).

2) In respect of securities which are locked-in or held under suspended ISIN, after due verification, the Participant must forward a request (*format enclosed at Annexure C*) to the concerned Issuer/its R&T Agent for execution of corporate action to effect the transfer of locked-in securities/ securities held under suspended ISIN.

(II) For Issuers / R&T Agents:

1) The Issuer must submit a Corporate Action Information Form (*for transfer of locked-in securities or securities held under suspended ISIN due to transmission*) as per the format given at Annexure D alongwith copy of its latest Secretarial Audit Report to NSDL.

2) For execution of corporate action, the Issuer has to advise its R&T Agent/Registry Division.

Annexure A

Participant Letter
To be printed/typed on Participant's letterhead
(In case of closure of old account)

Ref. No. : _____ Date : _____

Name and address of the Issuer

We wish to inform you that we have received a request for transfer of locked-in securities / securities held under suspended ISIN from our client ***(Client name)*** having DP ID ***(_____)***; Client ID ***(_____)*** on account **of closure of the said account**. We have verified the documents submitted by client and confirm that the documents are in order and the signature(s) of the transferor(s) have been verified by us. We also confirm that the client has an account with the other Depository Participant in same name, order of names and that the account holder is the same entity/person. We are enclosing the copies of client master report from the DPM (DP) for both, the old account and the new account with the other Participant. Since the securities are locked-in/ the ISIN is suspended, we are unable to execute the instruction. Hence, we request you facilitate us to transfer the securities as instructed by the client. Details of instructions received by us are as follows:

To facilitate transfer of securities where:	☐	Securities are in lock-in
	☐	ISIN of Securities is in suspended status
	(tick any one)	

ISIN	
Security Description	
Lock-in Reason/ Reason for ISIN suspension	
Lock-in Release Date (if applicable)	

Details of old account (to be closed)

DP ID	
Client ID	
Quantity	

Details of new account

DP ID	
Client ID	
Quantity	

Signature :
Name :
Designation :

CC: National Securities Depository Limited
4th Floor, A Wing, Trade World
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel
Mumbai - 400 013.

Annexure B

To be printed on the letterhead of the issuer
(In case of closure of old account)
CORPORATE ACTION INFORMATION FORM
(For transfer of locked-in securities/securities under suspended ISIN due to change in demat account)

Ref. No. : _____ Date : _____

National Securities Depository Limited
4th Floor, A Wing, Trade World
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel
Mumbai – 400013.

We wish to execute a corporate action to facilitate transfer of securities in the depository system, which have been issued under lock-in by us/ the ISIN for securities of our company is suspended to prevent transfer. The details of the corporate action for transfer of locked-in securities / securities held under suspended ISIN due to change of demat account as provided by the Participant are as follows:

To facilitate transfer of securities where:	☐	the securities are lock-in
	☐	ISIN of Securities is in suspended status
	(tick any one)	

ISIN	
Security Description	
Lock-in Reason/ Reason for ISIN suspension	
Lock-in Release Date (if applicable)	

Details of old Account (Debit)

DP ID	
Client ID	
Client Name	
Quantity	

Details of new account (Credit)

DP ID	
Client ID	
Client Name	
Quantity	

Signature :

Name :

Designation :

CC: R&T Agent

Annexure C

Participant Letter
To be printed/typed on Participant's letterhead
(For transmission of locked-in securities/ securities held under suspended ISIN)

Ref. No. : _____ Date : _____

Name and address of the Issuer

We wish to inform you that we have received a request for transmission of locked-in securities / securities held under suspended ISIN from the legal heir(s) / legal representative(s) of our deceased client. We have verified the documents submitted by the legal heir(s) / legal representative(s) of the deceased and confirm that the documents are in order and the signature(s) of the transferee(s) have been verified by us. Since the securities are locked-in / the ISIN is suspended, we are unable to execute the instruction. Hence, we request you facilitate us to transmit the securities as instructed by the legal heir(s) / legal representative(s) of our deceased client. Details of instructions received by us are as follows:

To facilitate transfer of securities where:	☐	Securities are in lock-in
	☐	ISIN of Securities is in suspended status
	(tick any one)	

ISIN	
Security Description	
Lock-in Reason/ Reason for ISIN suspension	
Lock-in Release Date *(if applicable)*	

Details of old account *(to be closed)*

DP ID	
Client ID	
Client Name	
Quantity	

Details of new account [*of legal heir(s) / legal representative(s)*]

DP ID	
Client ID	
Client Name	
Quantity	

Signature :
Name :
Designation :

CC: National Securities Depository Limited
4th Floor, A Wing, Trade World
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel
Mumbai – 400013.

Annexure D

To be printed on the letterhead of the Issuer
(For transmission of lock-in/ suspended securities)

CORPORATE ACTION INFORMATION FORM
(For transmission of lock-in securities/ securities held under suspended ISIN)

Ref. No. : _____ Date : _____

National Securities Depository Limited
4th Floor, A Wing, Trade World
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel
Mumbai – 400013.

We wish to execute a corporate action to facilitate transmission of securities in the depository system, which has been issued under lock-in by us / the ISIN for securities of our company is suspended to prevent transfer. The details of the corporate action for transmission of locked-in securities / securities held under suspended ISIN as provided by the Participant are as follows:

To facilitate transfer of securities where:	☐	the securities are lock-in
	☐	ISIN of Securities is in suspended status
	(tick any one)	

ISIN	
Security Description	
Lock-in Reason/ Reason for ISIN suspension	
Lock-in Release Date *(if applicable)*	

Details of old account (*Debit*)

DP ID	
Client ID	
Client Name	
Quantity	

Details of new account (Credit) [*of legal heir(s) / legal representative(s)*]

DP ID	
Client ID	
Client Name	
Quantity	

Signature :
Name :
Designation :

CC: R&T Agent

Circular No. NSDL/POLICY/ 2010/0086 Date: July 30, 2010	***Sub: Reporting of OTC Transactions in Certificates of Deposit (CDs) and Commercial Papers (CPs).*** All Participants are hereby informed that SEBI has issued Circular No. CIR/IMD/DF/6/2010 dated July 30, 2010 (copy enclosed) regarding reporting of OTC transactions in CDs and CPs. The aforesaid SEBI circular specifies that it has been decided that all SEBI Regulated entities shall report their OTC transactions in CDs and CPs on the FIMMDA reporting platform within 15 minutes of the trade for online dissemination of market information with effect from August 16, 2010. FIMMDA will issue detailed operational guidelines in this regard. Participants are requested to take note of the same and ensure compliance.
Circular No. NSDL/POLICY/ 2009/0114 Date: December 3, 2009	***Sub: Facility to download the list of depository accounts for KYC confirmation on SQLASSIST*** As all Participants are aware, a list of depository accounts for the purpose of reporting confirmation of KYC norms is being sent to Participants on a fortnightly basis. It was further informed vide our circular no. NSDL/POLICY/2009/0034 dated May 7, 2009 that the KYC confirmation report in respect of such depository accounts is to be uploaded on SQLASSIST intranet site of NSDL (i.e. http://sqlassist) under the option 'KYC'. In this context, a facility is now being made available on SQLASSIST under the option "Download KYC" to download the list of depository accounts for which KYC confirmation is to be reported to NSDL. The files will be made available on the SQLASSIST within five days after the end of every fortnight (e.g., for the fortnight 1st to 15th day of the month, the files will be made available by 20th day of the month and for the fortnight 16th to the end of the month, the files will be made available by 5th of the subsequent month). The due date for report submission will be mentioned in the file itself. The first such file will be made available on SQLASSIST by December 5, 2009. Participants can also download the list of depository accounts for which KYC confirmation was sought from Participants for the previous five fortnights. A detailed note explaining the "Download KYC" feature is given at Annexure I. Further, 'search' facility under the option "Search-General Report" is also being made available on SQLASSIST to confirm whether the KYC confirmation report has been successfully uploaded by the Participant. The details pertaining to the "Search" screen are also mentioned in Annexure I. For any further information / clarification, Participants are requested to contact Ms. Kirti Samant on Tel No. (022) 2499 4424 (email: kirtis@nsdl.co.in). **Annexure I** 1. Login to the intranet site (http://sqlassist) and click on the link named **BILL-PAN, KYC INFO, PMLA Alerts & Waiver request**. 2. Enter the existing 'Maker' User ID & Password and click on the option

	(I) ***'KYC Upload /Download'*** under the field 'KYC'. The User will be connected to the KYC Data Maintenance Software of NSDL. Following options will be displayed to the User: (i) **Upload KYC** – for uploading the KYC confirmation report in specified format (informed vide the circular no. NSDL/ POLICY/2009/0034 dated May 7, 2009) (ii) **Download KYC** – for downloading list of depository accounts for which KYC report is to be uploaded. (a) The screen will display NSDL letter ref. no., NSDL letter date, Due date for report submission and a download link. (b) User will be able to download the list of depository accounts for six fortnights (i.e., current + last five fortnights). (II) **Search** – for verifying the records already uploaded by the Participant (i) DP ID : This field is non-editable and will contain the DP ID of the Participant by which the User is logged in. (ii) Client ID : This field will help the User to verify whether KYC status for a particular Client ID is submitted to NSDL. (iii) Start Date – End Date : Participants can search by selecting start and end date to check the records uploaded by them on SQLASSIST. (III) **Log Out** – This option will take the User out of the KYC Data Maintenance Software. (*Participants are advised to upload the same file which is downloaded to them from SQLASSIST by filling the columns viz. DP Reply Letter Ref no., KYC Status and Account Status. The remaining columns in the file should not be altered.)
Circular No. NSDL/POLICY/ 2008/0081 Date: November 10, 2008	***Sub: Discontinuation of the pilot project for dematerialisation of National Savings Certificate (NSC) and Kisan Vikas Patra (KVP) in dematerialised form.*** All Participants are hereby informed that the pilot project for dematerialisation of NSC and KVP in dematerialised form has been discontinued by Department of Posts (DoP). Therefore, no fresh NSC/KVP will be issued in demat form by DoP. Those investors who hold the NSC/KVP in a dematerialised form in their accounts, may continue to hold the same till its maturity or pre-mature encashment, as may be applicable. Participants are requested to take note of the above and inform their clients suitably. For further information/clarification, Participants are requested to contact Ms. Saoli Bagchi/ Ms. Aanushree Patil on tel. no. 022 - 2499 4250/4371. (email: nsckvp@nsdl.co.in).

Mapping of Unique Client Code (UCC) with demat accounts of the clients.

Circular No.:
NSDL/POLICY/2020/0132
October 01, 2020

Subject: Mapping of Unique Client Code (UCC) with demat accounts of the clients.

Attention of Participants is invited to Circular No. NSDL/POLICY/2020/0070 dated May 15, 2020 regarding Mapping of Unique Client Code (UCC) with demat accounts of the clients.

Based on the feedback received from Participants, the facility has been provided to Participants to download full and incremental data in respect of UCC mapping in demat accounts under link viz., DOWNLOAD UCC LINKED DATA on i-Assist portal. In the incremental download file format, 'Incremental Flag' has been provided with values viz., A- Addition and D- Deletion for identification of addition/deletion of UCC mapping in demat accounts. In case of any changes in fields of UCC mapping records (as received from Stock Exchange), two separate rows (one for deletion of earlier record and second for addition of revised record) shall be provided in incremental download file. Further, the response file will be also provided to Participants in respect of UCC Delinking / Linking Data uploaded by them on NSDL i-Assist portal.

In this regard, the file formats with respect to download (Full and Incremental files) of UCC mapping details in demat accounts, UCC delinking /linking in demat accounts alongwith Error and Response file are enclosed at Annexure.

The aforesaid changes will be made available for Participants effective from October 1, 2020.

DP UCC Full Download Data File

File Naming Convention: UCCDWNL_<DPID>_<DDMMYYYY>.csv

FIELD	Input Type	Data Type	Value
Record Type	M	Varchar(2)	01= header
DP ID	M	VARCHAR2(8)	NSDL DP ID
TOTAL NO. OF RECORDS	M	NUMBER(9)	
Business Date	M	Date (8)	**DDMMYYYY** - Current System Date

Description	Input Type	Datatype	Length	Value
Detail record	M	Varchar	2	02= Detail Record
Line Number	M	Integer	9	Incremental sequence number for detail records
Client ID	M	Varchar	8	Client ID of the demat account
PAN	M	Varchar	10	In case of PAN exemption cases, mention 'PAN_EXEMPT' or 'SIKKIMCATG'
Holder Indicator	M	Varchar	1	1st Holder = '1' or 2nd Holder = '2' or 3rd Holder = '3'
Exchange Code	M	Varchar	2	01-NSE, 02-BSE, 03-MSE, 04-NCDEX, 05-MCX

Segment Code	M	Varchar	2	Existing segment codes (1-6) 01-Capital Market Segment 02-Futures & options Segment 03-Currency Derivatives Segment 04-SLB 05-Commodity Derivatives Segment 06-Debt Segment
Trading Member Code	M	Varchar	8	TM Code of Stock Exchange
CM ID	M	Varchar	10	CC-CM ID of the TM
Unique Client Code	M	Varchar	11	Alpha-numeric code

Field separator for the file shall be "#"

DP UCC Incremental Download Data File

File Naming Convention: UCCDWNL_INC_<DPID>_<DDMMYYYY>.csv

FIELD	Input Type	Data Type	Value
Record Type	M	Varchar(2)	01= header
DP ID	M	VARCHAR2(8)	NSDL DP ID
TOTAL NO. OF RECORDS	M	NUMBER(9)	
Business Date	M	Date (8)	DDMMYYYY – Current System Date

Description	Input Type	Datatype	Length	Value
Detail record	M	Varchar	2	02= Detail Record
Line Number	M	Integer	9	Incremental sequence number for detail records
Client ID	M	Varchar	8	Client ID of the demat account
PAN	M	Varchar	10	In case of PAN exemption cases, mention 'PAN_EXEMPT' or 'SIKKIMCATG'
Holder Indicator	M	Varchar	1	1st Holder = '1' or 2nd Holder = '2' or 3rd Holder = '3'
Exchange Code	M	Varchar	2	01-NSE, 02-BSE, 03-MSE, 04-NCDEX, 05-MCX
Segment Code	M	Varchar	2	Existing segment codes (1-6) 01-Capital Market Segment 02-Futures & options Segment 03-Currency Derivatives Segment 04-SLB 05-Commodity Derivatives Segment 06-Debt Segment
Trading Member Code	M	Varchar	8	TM Code of Stock Exchange
CM ID	M	Varchar	10	CC-CM ID of the TM
Unique Client Code	M	Varchar	11	Alpha-numeric code
Incremental Flag	M	Varchar	1	'A': Additions 'D': Deletions

Field separator for the file shall be "#"

Note:

- For modification records, the old record shall be marked as 'D' and new record shall be marked as 'A' as Incremental Flag.

UCC Link / Delink Request file from DP

The file naming convention shall be: UCCMSTR_<DPID>_<Business Date >_<3 Digit Sequence No>.REQ, where 3-digit sequence number shall be running number starting from 001.

The request file from DP shall always be FULL Data file on a daily basis.

FIELD	INPUT TYPE	DATA TYPE	VALUE
Record type	M	Varchar (2)	01=HEADER
Batch ID	M	NUMBER	01
DP ID	M	VARCHAR2 (8)	NSDL DP ID
Total No. of Records	M	NUMBER	1
Business Date	M	DATE (8)	**DDMMYYYY** -Business date

Description	Input Type	Datatype	Length	Value
Detail record	M	Varchar	2	02= Detail Record
Line Number	M	Integer	9	Incremental sequence number for detail records
Client ID	M	Varchar	8	Client ID of the demat account
Holder Indicator	M	Varchar	1	1st Holder = '1' or 2nd Holder = '2' or 3rd Holder = '3'
PAN	O	Varchar	10	In case of PAN exemption cases, mention 'PAN_EXEMPT' or 'SIKKIMCATG'
Unique Client Code	M	Varchar	11	Alpha-numeric code
Segment Code	M	Varchar	2	01-Capital Market Segment 02-Futures & options Segment 03-Currency Derivatives Segment 04-SLB 05-Commodity Derivatives Segment 06-Debt Segment
Clearing Member ID	O	Varchar	16	CM Code of Stock Exchange
Trading Member Code	M	Varchar	8	TM Code of Stock Exchange
Exchange Code	M	Varchar	2	01-NSE, 02-BSE, 03-MSE, 04-NCDEX, 05-MCX
Transaction type	M	Varchar	2	01-Addition 02-Deletion

Field separator for the file shall be "#"

UCC Link / Delink Error file from DP

The file naming convention shall be: UCCMSTR_<DPID>_<Business Date >_<3 Digit Sequence No>.ERR, where 3-digit sequence number is same as that of REQ file.

The request file from DP shall always be FULL Data file on a daily basis.

FIELD	INPUT TYPE	DATA TYPE	VALUE
Record type	M	Varchar (2)	01=HEADER
Total No. of Records	M	NUMBER	
Business Date	M	DATE (8)	Same as Request File

Description	Input Type	Datatype	Length	Value
Detail record	M	Varchar	2	02= Detail Record
Line Number	M	Integer	9	Sequence number for detail record (from request file) that is being rejected
Client ID	M	Varchar	8	Client ID of the demat account
Holder Indicator	M	Varchar	1	1st Holder = '1' or 2nd Holder = '2' or 3rd Holder = '3'
PAN	O	Varchar	10	In case of PAN exemption cases, mention 'PAN_EXEMPT' or 'SIKKIMCATG'
Unique Client Code	M	Varchar	11	Alpha-numeric code
Segment Code	M	Varchar	2	01-Capital Market Segment 02-Futures & options Segment 03-Currency Derivatives Segment 04-SLB 05-Commodity Derivatives Segment 06-Debt Segment

Description	Input Type	Datatype	Length	Value
Clearing Member ID	O	Varchar	16	CM Code of Stock Exchange
Trading Member Code	M	Varchar	8	TM Code of Stock Exchange
Exchange Code	M	Varchar	2	01-NSE, 02-BSE, 03-MSE, 04-NCDEX, 05-MCX
Transaction type	M	Varchar	2	01-Addition 02-Deletion
Error Code	M	Varchar	2	01 = Mandatory Field missing or invalid format 02 = Invalid PAN

Field separator for the file shall be "#"

UCC Link / Delink Response file to DP

The file naming convention shall be: UCCMSTR_RESP_<DPID>_<Business Date >.RESP.

The response file to DP shall always be ONE Data file on a daily basis, subject to response/confirmation from stock exchange on each individual requests.

FIELD	INPUT TYPE	DATA TYPE	VALUE
Record type	M	Varchar (2)	01=HEADER
Total No. of Records	M	NUMBER	
Business Date	M	DATE (8)	Same as Request File

Description	Input Type	Datatype	Length	Value
Detail record	M	Varchar	2	02= Detail Record
Line Number	M	Integer	9	Sequence number for detail record (from request file) that is being rejected
Client ID	M	Varchar	8	Client ID of the demat account
Holder Indicator	M	Varchar	1	1st Holder = '1' or 2nd Holder = '2' or 3rd Holder = '3'
PAN	O	Varchar	10	In case of PAN exemption cases, mention 'PAN_EXEMPT' or 'SIKKIMCATG'
Unique Client Code	M	Varchar	11	Alpha-numeric code
Segment Code	M	Varchar	2	01-Capital Market Segment 02-Futures & options Segment 03-Currency Derivatives Segment 04-SLB 05-Commodity Derivatives Segment 06-Debt Segment
Clearing Member ID	O	Varchar	16	CM Code of Stock Exchange
Trading Member Code	M	Varchar	8	TM Code of Stock Exchange
Exchange Code	M	Varchar	2	01-NSE, 02-BSE, 03-MSE, 04-NCDEX, 05-MCX
Transaction type	M	Varchar	2	01-Addition 02-Deletion
Status	M	Varchar	2	0 - Awaiting response from Exchange 1 - Successfully processed 2 - Failed/Rejected
Rejection Code	M	Varchar	2	Applicable only for "Failed/Rejected" status 1 = Rejected by Stock Exchange 2 = Inactive UCC

Field separator for the file shall be "#"

Note:

- Requests that are pending response from Stock Exchange shall be sent in daily response file till the status is changed first time from "Pending" to either "Successfully processed" or "Rejected".

Circular No.:
NSDL/POLICY/ 2019/0078
November 18, 2019

Subject: SEBI Circular on **Mapping of Unique Client Code (UCC) with demat account of the clients.**

Attention of Participants is invited to SEBI Circular no. SEBI/HO/MIRSD/DOP/CIR/P/2019/136 dated November 15, 2019 regarding Mapping of Unique Client Code (UCC) with demat account of the clients. Copy of the same is enclosed.

Participants are requested to take note of the above. The system enhancements and operational procedure related to the above will be notified separately.

CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2019/136 **November 15, 2019**

To,

All Recognised Stock Exchanges All Depositories

Dear Sir / Madam,

Subject: Mapping of Unique Client Code (UCC) with demat account of the clients

1. Vide SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2018/153 dated December 17, 2018, Early Warning Mechanism was put in place to detect the diversion of client's securities by the stock broker at an early stage so as to take appropriate preventive measures. Early Warning circular, inter-alia, specified that Stock Exchanges / Clearing Corporations / Depositories, shall devise a mechanism to detect diversion of clients' securities and to share information among themselves in respect of:

   1.1 Diversion of pay-out of securities to non-client/other client accounts.

   1.2 Mis-matches between gross (client-wise) securities pay-in and pay-out files of a stock brokers generated by the Clearing Corporation which shall be compared with actual transfer of securities to/from the client's depository accounts by the Depository. The cases of any mismatch found out by the Depository shall be informed to the concerned Stock Exchange / Clearing Corporation.

2. In order to facilitate ease in reconciliation, it was considered necessary to map clients' Unique Client Code (UCC) with their demat accounts. A mechanism for mapping of UCC with demat accounts of the clients was discussed with Stock Exchanges and Depositories. Pursuant to the discussion with Stock Exchanges and Depositories, it has been decided that for mapping of UCC with the demat account of the clients, following mechanism shall be implemented:

   1.1 UCC allotted by the trading member (TM) to the client shall be mapped with the demat account of the client.

   1.2 A client may trade through multiple TMs in which case each such UCC shall be mapped with one or more demat account(s).

   1.3 Stock Exchanges shall share the UCC data with the Depositories which shall include the PAN, segment, TM/CM code and UCC allotted. Such UCC data shall be shared with the Depositories on a one-time basis by November 30, 2019, and subsequently incremental data in respect of new UCCs created, shall be shared on a daily basis.

   1.4 Depositories shall map the UCC data in the demat account based on the PAN provided in the UCC database.

   1.5 Clients may make a request to their depository participants to delink or add UCC details which shall be processed by the Depository through depository participants. Before any addition of UCC in the demat account, the Depositories shall validate the same with the Stock Exchanges / client.

   1.6 Stock Exchanges and Depositories shall have a mechanism in place to address clients' complaints with regard to UCC mapping with their demat accounts.

1.7 Stock Exchanges and Depositories shall have a mechanism in place to ensure that inactive, non-operational UCCs are not misused and also a mechanism to ensure that inactive, non-operational UCCs are weeded out in the process of mapping clients' UCC with their demat account.

2. Stock Exchanges and Depositories shall map the existing UCCs with the demat account of the clients latest by December 31, 2019.

3. Stock Exchanges and Depositories are directed to:

3.1 bring the provisions of this circular to the notice of their members and participants, as the case may be, and also disseminate the same on their websites;

3.2 communicate to SEBI, the status of the implementation of the provisions of this circular in their monthly development report.

4. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and Section 19 of the Depositories Act to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,
D Rajesh Kumar
General Manager
Market Intermediaries Regulation and Supervision Department

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NOTES

2. Dematerialisation

a. General

Section 6	(1) Any person who has entered into an agreement under section 5 shall surrender the certificate of security, for which he seeks to avail the services of a depository, to the issuer in such manner as may be specified by the regulations. (2) The issuer, on receipt of certificate of security under sub- section (1), shall cancel the certificate of security and substitute in its records the name of the depository as a registered owner in respect of that security and inform the depository accordingly. (3) A depository shall, on receipt of information under sub-section (2), enter the name of the person referred to sub-section (1) in its records, as the beneficial owner.
Regulation 54 (1)	Any beneficial owner, who has entered into an agreement with a participant, shall inform the participant of the details of the certificate of security which is to be dematerialised, and shall surrender such certificate to the participant: Provided that where a beneficial owner has appointed a custodian of securities, then he may surrender the certificates of security to the participant through his custodian of securities.
Regulation 54 (2)	The participant shall, on receipt of information under sub-regulation (1), Forward such details of the certificate of security to the depository and shall confirm to the depository that an agreement has been entered into between the participant and the beneficial owner.
Regulation 54 (3)	The participant shall maintain records indicating the names of beneficial owners of the securities surrendered, the number of securities and other details of the certificate of security received.
Bye Law 9.2.2	A Client may convert his physical holdings of securities into dematerialised form by making an application to the Participant in a Dematerialisation Request Form (hereinafter referred to as DRF) in the form prescribed under the Business Rules along with the relevant security certificates.
Bye Law 9.2.3	The Participant shall forward the DRF so received, along with the security certificates, to the Issuer or its Registrar & Transfer Agent after electronically registering such request with the Depository. Such DRF shall be forwarded by the Participant not later than seven days of accepting the same from its Client.
Clause 2 of DP-Client Agreement	The Client shall have the right to get the securities which have been admitted on the Depository dematerialised in the form and manner laid down under the Bye Laws and Business Rules. The Depository Participant further undertakes that it shall not create or permit to subsist any mortgage , charge or other encumbrance over all or any of such securities submitted for dematerialisation except on the instructions of the Client.
Rule 11.1.1	Every Client shall submit to the Participant the securities for dematerialisation along with the Dematerialisation Request Form (DRF). The specimen of the DRF is given in Annexure D.
Rule 11.1.6	submitted by its Client for dematerialisation with the records of Distinctive Numbers made available by the depository and ensure that the appropriate International Securities Identification Number [ISIN] is filled in DRF, as applicable.

Increase in timelines for processing of Dematerialisation Requests.	
Circular No.: NSDL/ POLICY/2019/0020 April 05, 2019	***Subject: Increase in timelines for processing of Dematerialisation Requests.*** Participants are hereby informed that based on representation made by NSDL, SEBI has vide its letter dated April 1, 2019 granted relaxation in timelines for processing of Dematerialisation Requests **to 15 days till June 30, 2019** from the current 7 days as specified in Regulation 74(4) of SEBI (Depositories and Participants) Regulations, 2018.
Amendments to Bye Laws and Business Rules	
Circular No.: NSDL/ POLICY/2018/0074 December 31, 2018	**Subject: Amendments to Business Rules of NSDL.** All Participants are hereby informed that the following amendments have been made in the Business Rules of NSDL: a) Amendment to Rules 11.1.4 and 11.1.5 of Business Rules of NSDL. b) Insertion of new Rule 11.1.19 in Business Rules of NSDL. c) Insertion of New FORM 42 - Signature Variation Form (to be submitted alongwith Demat Request Form). The amended Business Rules, and the newly inserted rule (in track change mode), alongwith Form 42 as mentioned above are enclosed herewith.

Form 42 SIGNATURE VARIATION FORM

(to be submitted alongwith Demat Request Form)

Date								

To,
Participant's Name, Address and DP ID (Pre-printed)

Client ID								
DRN No.	(to be filled-in by the DP)							

1. I/We wish to inform that my/our signature in the records of Issuer or RTA may vary from the signature as captured in my/our demat account (Details of which have been mentioned in Dematerialisation Request Form).
2. My/our signature/s might have changed/altered by passing of time and therefore I/we request you to forward this form to the Issuer/RTA alongwith the Demat Request Form to facilitate the Issuer/RTA to process the dematerialisation.

Signature details	
	Signature with Issuer/RTA
First / Sole Holder	
Second Holder	
Third Holder	

Amendment in Business Rules

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

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

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

11.1.19 SIGNATURE VARIATION FORM ALONGWITH DEMATERIALISATION REQUEST In case the signature of the client recorded with the Issuer varies with the signature of the client as recorded with the Participant, the client may submit to the Participant a Signature Variation Form as per Form 42 alongwith the Dematerialisation Request Form.	
Mandating transfer of securities in dematerialised form with a depository	
Circular No.: NSDL/ POLICY/2019/0019 April 01, 2019	***Subject: Transfer of securities held in physical mode - clarification.*** Attention of Participants is invited to NSDL Circular Nos. NSDL/POLICY/2018/0047 and NSDL/POLICY/2018/0068 dated August 28, 2018 and December 06, 2018 respectively regarding transfer of securities in physical mode. In this context, SEBI has received representations from shareholders for extension of the date of compliance. SEBI has vide its Press Release no. 12/2019 dated March 27, 2019, clarified the following: 1. SEBI decision does not prohibit the investor from holding the shares in physical form; investor has the option of holding shares in physical form even after April 01, 2019. 2. Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized. 3. The transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019. The abovementioned is not applicable for demat of shares, transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders) cases. Investors can continue to demat their physical shares, transmission and transposition in physical shares even after April 01, 2019.
Circular No.: NSDL/ POLICY/2018/0068 December 6, 2018	**Subject: Mandatory transfer of securities only in demat form - for listed companies.** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2018/0047 dated August 28, 2018 regarding amendment to SEBI (LODR) Regulations which requires that with effect from December 5, 2018, transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In this context, SEBI has vide its Press Release dated December 3, 2018 informed that based on representations received from shareholders, the deadline has been extended and the aforesaid requirement of transfer of securities only in demat form shall now come into force from April 1, 2019. Participants are requested to take note of the above and guide their clients suitably.

Circular No.: NSDL/ POLICY/2018/0047 Date: August 28, 2018	***Subject: Amendment to SEBI (LODR) Regulations mandating transfer of securities in dematerialised form with a depository.*** Attention of Participants is invited to SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 notification dated June 8, 2018 (Copy enclosed) which requires that with effect from December 5, 2018, transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Further, SEBI vide its Press Release no. 34/2018 dated August 10, 2018 has clarified the following: The amendment does not prohibit the investor from holding the shares in physical form, investor has the option of holding shares in physical form even after December 5, 2018. The amendment is not applicable for transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re arrangement / interchanging of the order of name of shareholders) cases. Any investor who is desirous of transferring shares (which are held in physical form) after December 5, 2018 can do so only after the shares are dematerialized. Participants are requested to take note of the above and guide their clients suitably. **THE GAZETTE OF INDIA** **EXTRAORDINARY PART - III - SECTION 4 PUBLISHED BY AUTHORITY NEW DELHI, JUNE 8, 2018** **SECURITIES AND EXCHANGE BOARD OF INDIA NOTIFICATION** **Mumbai, the 8th of June, 2018** **SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (FOURTH AMENDMENT) REGULATIONS, 2018** **No. SEBI/LAD-NRO/GN/2018/24.** — In exercise of the powers conferred by section 11, subsection (2) of section 11A and section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with section 31 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, namely,- 1. These regulations may be called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018. 2. These regulations shall come into force on the one hundred and eightieth day from the date of its publication in the Official Gazette. 3. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, - (i) in regulation 7, in sub-regulation (2), the words “both physical and electronic” shall be omitted. (ii) in regulation 40, in sub-regulation (1), - a. the symbol “.” shall be substituted with the symbol b. the following proviso shall be inserted, namely, -

"Provided that, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository."

(iii) in Schedule VII, in clause A, sub-clause (2) shall be omitted.

sd/-

AJAY TYAGI CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA

Footnote:

1. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were published in the Gazette of India on 2nd September 2015 vide No. SEBI/LAD-NRO/GN/2015-16/013.
2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, were subsequently amended on:
   a) December 22, 2015 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015 vide notification no. SEBI/LAD-NRO/GN/2015-16/27.
   b) May 25, 2016 by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 vide notification no. SEBI/LAD-NRO/GN/ 2016-17/001.
   c) July 08, 2016 by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 vide notification no. SEBI/ LAD-NRO/GN/2016-17/008.
   d) January 4, 2017 by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2016 vide notification no. SEBI/ LAD-NRO/GN/2016-17/025.
   e) February 15, 2017 by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2017 vide notification no. SEBI/LAD/NRO/GN/2016-17/029.
   f) March 6, 2017 by the Securities and Exchange Board of India (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017 vide Notification No. LAD-NRO/GN/2016- 17/037 read with March 29, 2017 by Securities and Exchange Board of India (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017 vide notification no. SEBI/LAD/NRO/GN/2016-17/38.
   g) May 30, 2018 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2018 vide notification no. SEBI/LAD-NRO/GN/2018/13.
   i) June 01, 2018 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018 vide notification no. SEBI/LAD-NRO/GN/2018/21.

Commencement of Dematerialisation of Treasury Bills in NSDL			
Circular No: NSDL/POLICY/ 2014/0028 Date: March 13, 2014	***Subject: Commencement of Dematerialisation of Treasury Bills in NSDL.***		
	As Participants are aware, NSDL is providing facility to beneficiary holders to hold dated Government Securities (G-Secs) in dematerialised form in NSDL system. All Participants are hereby informed that NSDL has now commenced the dematerialisation of Treasury Bills (T-Bills). Since T-Bills are also a form of G-Secs as per Government Securities Act, 2006, the operational procedure(s) in respect of T-Bills for transfer of securities from Subsidiary General Ledger (SGL) / Constituent Subsidiary General Ledger (CSGL) account to the depository account or vice versa, reimbursement of maturity proceeds to the investor(s) etc. will be similar to the procedure(s) currently followed for dated G-Secs.		
	Attention of Participants is invited to NSDL Circular nos. NSDL/POLICY/2013/0083 dated June 26, 2013 and NSDL/POLICY/2013/0092 dated July 17, 2013 regarding procedure to be followed for transfer of G-Secs from SGL/CSGL account to the depository account or withdrawal of G-Sec from depository. Participants must ensure that the procedure(s) laid down by NSDL in the aforesaid circulars are also followed in case of T-Bills.		
	For any clarifications / information in this regard, Participants are requested to contact the following officials:		
	Name of the official	**Telephone Number**	**Email address**
	Mr. Prathmesh Mungle	(022) 2499 4583	prathmeshm@nsdl.co.in
	Mr. Ritesh Mogavira	(022) 2499 4531	riteshm@nsdl.co.in
Government Securities			
Circular No: NSDL/POLICY/ 2013/0092 Date: March 13, 2014	***Sub: Transfer of Government Securities (Gsec) from Subsidiary General Ledger (SGL) Account to the depository account or withdrawal of Gsec from depository***		
	Attention of Participants is invited to Rule 11.5.6 and 11.6.7 of Business Rules of NSDL in terms of which Participants are required to inform the SGL entity name and SGL account number of the other eligible entity to NSDL in such form and manner as may be prescribed for the purpose of transfer of Gsec from other SGL account to NSDL demat account and vice-versa. Accordingly, all Participants are hereby informed that for transfer of Gsec from other SGL account to NSDL demat account and vice-versa, in addition to the making an electronic request in the DPM System, the Participants must provide the aforesaid details in the format enclosed at Annexure in .xls format by email to NSDL at ipay@nsdl.co.in. For more information / clarification, Participants are requested to contact the following officials:		
	Name of the official	**Telephone Number**	**Email address**
	Mr. Salil Kamat	(022) 2499 4228	salilk@nsdl.co.in
	Mr. Prathmesh Mungle	(022) 2499 4583	prathmeshm@nsdl.co.in
	Mr. Dharmendra Gupta	(022) 2499 4569	dharmendrag@nsdl.co.in

Name of Depository Participant: **Date:**

DP ID :

Sr. No.	Client ID	Name of the First Holder	Name of the Second Holder	Name of the Third Holder	ISIN	Face Value of securities to be transferred (in Rs.)	Whether Demat / Remat	DRN / RRN	Name of SGL Counter- party	SGL / CSGL A/c No. of Counter-party

Circular No: NSDL/POLICY/ 2013/0083
Date: June 26, 2013

Sub: Amendments to Bye Laws and Business Rules

All Participants are hereby informed that the following amendments in the Bye Laws & Business Rules of NSDL were made to simplify the process of dematerialisation of Government Securities from Subsidiary General Ledger (SGL) Account to dematerialised form and vice versa by doing away with the requirement of forwarding the physical documents received by Participants from the client to NSDL for transfer of holdings from an SGL entity to NSDL or vice versa:

Sr. No.	Bye Laws		Annexures
1	Amendments to	Bye Laws 9.12.3, 9.12.4 and 9.13.4	Amended/ new Bye Laws are enclosed at Annexure A alongwith the track change mode at Annexure B.
2	Addition of	Bye Laws 9.12.5 and 9.13.5	
3	Renumbering	Bye Laws 9.12.5 to 9.12.7 are renumbered as 9.12.6 to 9.12.8 and Bye Laws 9.13.5 to 9.13.7 are renumbered as 9.13.6 to 9.13.8	

Sr. No.	Rules		
1	Amendments to	Rules 11.5.3 and 11.6.6	Amended/ new Rules are enclosed at Annexure C alongwith the track change mode at Annexure D.
2	Addition of	Rules 11.5.6 and 11.6.7	
3	Renumbering	Rules 11.5.6 to 11.5.14 to be renumbered as 11.5.7 to 11.5.15 and Rules 11.6.7 & 11.6.8 to be renumbered as 11.6.8 & 11.6.9	
4	Amendments to	Annexures U, UA and UC of Business Rules	Amended Annexures are enclosed alongwith the same in track change mode.

9.12. DEMATERIALISATION OF GOVERNMENT SECURITIES

9.12.1. Credit of securities into the Depository shall be made on account of dematerialisation of physical securities or on account of transfer from Subsidiary General Ledger (SGL) accounts maintained by other eligible entities or on fresh issue of securities in dematerialised form.

9.12.2. A Client may convert his physical holding of securities into dematerialised form by making an application to the Participant in the Dematerialisation Request Form (DRF-GS) along with relevant security certificate and form of transfer prescribed by RBI as contained in the Business Rules.

9.12.3. A Client may transfer his holdings in dematerialised form held in an SGL account with other eligible entity by making an application to the Participant in the Dematerialisation Request Form (DRF-GS) as prescribed under the Business Rules.

9.12.4. In case the request is for dematerialisation of physical certificates, the Participant shall forward the DRF-GS and the documents so received, along with the security certificates, to the Depository after electronically registering such a request in the DPM. Such DRF-GS shall be forwarded by the Participant to the Depository not later than seven days of accepting the same from its Client.

9.12.5. In case the request is for transfer of holdings from an SGL account of the other eligible entity to depository, the Participant shall register such request in the DPM electronically and forward request in such form and manner to the depository as may be specified in the Business Rules.

9.12.6. The Depository shall cause the necessary credit entries to be made in the account of the Client concerned, after obtaining prior approval from RBI for conversion of physical securities into SGL balances or for transfer of balances from SGL account maintained by other eligible entities, as the case may be.

9.12.7. Where any dematerialisation request is rejected by RBI, the Depository shall electronically intimate the Participant regarding such rejection within a period of seven days.

9.12.8. On receipt of rejection of the dematerialisation request, the Depository shall return the DRF along with the relevant security certificates and documents submitted by the Client unless the reasons for such rejections are:-

a) the security certificates lodged by the Client are reported to be stolen;

b) the security certificates are reported to be forged or fake;

c) an order from a court or a competent statutory authority restraining the Depository from doing so;

d) any other reason which in the opinion of RBI, that it would not be proper to return the security certificates.

9.13. WITHDRAWAL OF GOVERNMENT SECURITIES FROM THE DEPOSITORY

9.13.1. A Client or a Participant holding its own securities in the Depository may withdraw the same and seek physical certificate or seek transfer to an SGL account of other eligible entity by making an application to that effect to the Depository in the Rematerialisation Request Form (hereinafter referred to as RRF-GS) as specified in the Business Rules.

9.13.2. On receipt of the RRF-GS, the Participant shall check whether sufficient free relevant security balance is available in the account of the Client. If there is sufficient balance, the Participant shall accept the said RRF-GS and block the balance of the Client to the extent of the requested quantity and electronically intimate the request to the Depository.

9.13.3. On receipt of the request referred to in Bye Law 9.13.2 above, the Depository shall block the balance of the Participant to the extent of rematerialisation quantity in Depository system.

9.13.4. In case the request is for physical certificates, the Participant shall forward the RRF-GS and documents so received to the Depository within seven days of accepting such request from the Client. The Depository shall forward the rematerialistion request to RBI in the form prescribed by RBI.

9.13.5. In case the request is for transfer to an SGL account with other eligible entity, the Participant shall register such request in the DPM electronically and forward request in such form and manner as may be specified in the Business Rules.

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

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

9.13.8. On receipt of such confirmation from RBI as mentioned in clause 9.13.6 and 9.13.7 above, the Depository shall remove the balances from the respective Participant's account and the Participant shall remove the balances from the respective Client's account.

Annexure C

11.5. DEMATERIALISATION OF GOVERNMENT SECURITIES

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

	11.5.2. No dematerialisation request as provided in Rule 11.5.1 above, shall be entertained by the Participant other than from a registered holder of securities. 11.5.3. Every Client desirous of transferring his holdings in dematerialised form held in an SGL account with other eligible entity, shall submit to the Participant the Dematerialisation Request Form (DRF-GS). 11.5.4. The Participant shall ensure that the DRF-GS submitted by its Client is duly filled and signed. 11.5.5. The Participant shall forward the DRF-GS to the Depository only after ascertaining that the face value of certificates annexed with the DRF-GS tallies with the face value of certificates mentioned on the DRF-GS. 11.5.6. The Participant shall execute and forward the request electronically for transfer of holdings held in other eligible SGL entity to an account held with the Participant in the DPM System and shall inform the SGL entity name and SGL account number of the other eligible entity to NSDL in such form and manner as may be prescribed. 11.5.7. The Participant shall also verify the details of the certificates submitted for dematerialisation with the details filled up in the corresponding DRF-GS. 11.5.8. The Participant shall ensure that the certificates submitted for dematerialisation are endorsed on the reverse, in the space provided, with the words "Tendered for Cancellation and Credit to SGL A/c. No.SG020196 of National Securities Depository Limited, Mumbai" in the manner laid down in Annexure UB. 11.5.9. The responsibility to ensure safety and security of the certificates submitted for dematerialisation will be on the Participant till the certificates are forwarded to the Depository. 11.5.10. The Participant shall not deface or mutilate the certificates either by punching holes or by any other means. 11.5.11. The Participant shall ensure that a separate DRF-GS is filled in by the Client for securities having distinct International Securities Identification Numbers [ISINs]. 11.5.12. The Participant shall ensure that the Client submits a separate DRF-GS for each of its accounts maintained with the Participant. 11.5.9. The securities requested for dematerialisation shall be credited to the accounts maintained with a Participant only when the pattern of holding in the account of the Client matches with the pattern of holding as per the security certificates. The explanation of such pattern of holding is given in Annexure F. Provided however that, in case of transfer of holdings from an SGL account with other eligible entity, credit may be allowed when the securities are in the name of the other eligible entity.

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

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

11.6. WITHDRAWAL OF GOVERNMENT SECURITIES FROM THE DEPOSITORY

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

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

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

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

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

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

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

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

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

Annexure U

Participant's Name, Address & DP Id (pre-printed)

DEMATERIALISATION REQUEST FORM FOR GOVERNMENT SECURITIES

Serial No. (Pre Printed) Date :

DRN :

I/We request you to dematerialise Government Securities into my/our account as per the details given below: Tick (•/) whichever is applicable

A	Submit Physical Government Securities to NSDL	
B	Value Free Transfer of Government Securities to NSDL SGL II	

Client Id								
Sole/First Holder								
Second Holder Name								
Face Value of Securities (in Rs.) to be Dematerialised /Transferred (In figures)								
(In words)								
Nomenclature of the Security								
Loan Code *								
ISIN *	I	N						
Name of Issuing PDO (In case of Physical Certificate)								

* To be filled by the DP / in consultation with the DP

Details of Securities :

Sr. No.	Certificate No.	Face Value

(In case the space is found to be insufficient, an annexure containing the certificate details in the same format may be attached.)

Declaration

Part A : Applicable when Physical Securities are submitted

I/We hereby declare that the above mentioned person(s) are the bonafide beneficial owners of the above mentioned securities. I/We also hereby declare that the securities submitted by me/us for dematerialisation are free from any lien or charge or encumbrance and represent bona fide Government Securities to the best of my/our knowledge and belief.

I/We am/are also submitting an attested **Form of Transfer** favouring "National Securities Depository Limited". This is being done to facilitate a credit in the SGL Constituent Account of NSDL and should not in anyway be construed as an intention of the person(s) mentioned below to sell the securities to NSDL.

Part B : Applicable for Value Free Transfer of Government Securities to NSDL SGL II

I/We hereby declare that the above mentioned person(s) are the bonafide beneficial owners of the above mentioned securities.

I/We am/are submitting **request letter for Inter SGL Transfer for dematerialisation.** This is being done to facilitate a credit in the SGL Constituent Account of NSDL and does not in anyway constitute a sale of the securities to NSDL.

Authorised Signature(s)

Holder(s)	Signature(s)
Sole/First Holder	
Second Holder	
Third Holder	

Participant Authorisation

The application form is verified with the certificates surrendered for dematerialisation / **request letter for Inter SGL Transfer** and we certify that the application form is in accordance with the details mentioned in the enclosed certificates / **request letter for Inter SGL Transfer** . It is also certified that the holders of the securities have beneficiary account with us in the same name(s).

Name of the Executive :

Signature : Participant's Stamp & Date

Acknowledgement

Participant's Name, Address & DP Id
(pre-printed)

Serial No. (pre-printed)

We hereby acknowledge the receipt of certificate(s) / **request letter for Inter SGL Transfer for dematerialisation** of _____ Face Value of _____ (description of securities) surrendered for dematerialisation by Mr/Ms/M/s _____ having Client Id _____.

Date : **Participant's Stamp & Signature**

Annexure UA

FORM OF TRANSFER

Transfer Index Regn. No.	

I / We *
(transferor/s)
do hereby assign and transfer my/our * interest or share in the Inscribed Stock certificate No.
of
Percent Government Loan of
amounting to Rs. being the amount /
a portion of the Stock for Rs. as
specified on the face of this instrument together with the accrued interest thereon to (transferee/s) his/

her/their * executors, administrators or assigns, and I/We * do freely accept the Stock certificate number to the extent it has been transferred to me/us.*

I / We *

[Transferee (s)]

hereby request that on my / our * being registered as the holder/s of the stock transferred to me / us

* the above Stock Certificate to the extent it has been transferred to me / us * may be renewed in my / our
* name(s) / converted in my/our * name(s).

@ I / We *

(transferor/s)

hereby request that on the above transferee (s) being registered as the holder/s of the Stock hereby transferred to him/them *, the aforesaid Stock Certificate to the extent it has not been transferred to him / them * may be renewed in my/our * name(s).

As Witness, our hand the day of two thousand and

Signed by the above named transferor in the presence of ** } Signature of transferor

Address

Signed by the above-named transferee in the presence of ** }

Signature of transferee

Address

* Delete whichever is not applicable

@ This paragraph is to be used only when a portion of the Certificate is transferred.

** Signature, occupation and address of witness. Witness should be different for transferor and transferee.

Transferred

S/c. Issued No/s. dated Manager, Reserve Bank of India,

Annexure UC

Participant's Name, Address & DP Id
(pre-printed)

REMATERIALISATION REQUEST FORM FOR GOVERNMENT SECURITIES

Serial No. (Pre Printed) Date : _

RRN : _

I/We request you to rematerialise Government Securities from my/our account as per the details given below:

Tick (•/) whichever is applicable

A	Convert to Physical Government Securities	
B	Transfer of Government Securities from NSDL SGL II	

Part A : I/We hereby declare that the below mentioned account may be debited to the extent of my/our rematerialisation request and equivalent certificates be issued for the same. I/We hereby declare that the below mentioned person(s) are the beneficial owners of the securities mentioned.

Part B: I/We hereby declare that the below mentioned account may be debited to the extent of my/our rematerialisation request and equivalent securities be credited to my SGL account maintained with another eligible entity. I/We hereby declare that the below mentioned person(s) are the beneficial owners of the securities mentioned.

I/We am/are submitting request letter for inter SGL transfer for rematerialisation with Transferee details duly filled in. This is being done to facilitate a debit in my SGL Constituent Account of NSDL.

Client Id												
Sole/First Holder												
Second Holder Name												
Third Holder Name												
Face Value of Securities (in Rs.) to be Dematerialised /Transferred (In figures)												
(In words)												
Nomenclature of the Security												
Loan Code *												
ISIN*	I	N										

* To be filled by the DP / in consultation with the DP

(For Part A only) Total
No. of certificates

No. of Certificates	Denomination	Amount (Rs.)
	GRAND TOTAL	

Authorised Signature(s)

Holder(s)	Signature(s)
Sole/First Holder	
Second Holder	
Third Holder	

Participant Authorisation

The application form is verified with the details of the beneficial owner's account and certify that the application form is in order. The account has sufficient balances to accept the rematerialisation as requested. It is also certified that the beneficial owners signatures are verified and found in order.

The other details of the beneficial owners as extracted from the records are enclosed.

Name of the Executive
Signature :

Participant's Stamp & Date

Acknowledgment

Participant's Name, Address & DP Id
(pre-printed)

Serial No. (pre-printed)

We hereby acknowledge the receipt of a rematerialisation request (Part A/ Part B) for

Face Value of (description of securities) from Mr/Ms/M/s

having Client Id.

Date :

Participant's Stamp & Signature

Distinctive Numbers (DNs) information download and Search facility on DNs	
Circular No.: NSDL/POLICY/ 2019/0052 August 13, 2019	**Subject: Database for Distinctive Number (DN) of Shares - Action against non-compliant companies.** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/87 dated August 1, 2019 regarding Database for Distinctive Number (DN) of Shares - Action against non-compliant companies. SEBI has now vide its aforementioned circular directed action against non-compliant companies in respect of SEBI circular no. CIR/MRD/DP/10/2015 dated June 05, 2015 regarding Database for Distinctive Number (DN) of Shares. Copy of the same is enclosed.
	CIRCULAR **SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/87** **August 01, 2019** **All Depositories** **All Recognised Stock Exchanges** **All Issuers & Registrar & Share Transfer Agents** **All Depository Participants** Dear Sir/Madam, **Sub: Database for Distinctive Number (DN) of Shares - Action against non-compliant companies** 1. Regulation 75 of the SEBI (Depositories and Participants) Regulations, 2018 mandates issuer or its agent to daily reconcile the records of dematerialized securities with all securities issued by them. 2. While emphasizing the responsibility of issuers to reconcile the records, as mentioned above, in order to enable Depositories to maintain a complete reconciled record of equity shares, including both physical and dematerialized shares, issued by the company, SEBI circular no. CIR/MRD/DP/10/2015 dated June 05, 2015, inter alia directed Issuers/RTAs to: a. Update Distinctive Number (DN) information in respect of all physical share capital and overall DN range for dematerialized share capital for all listed companies. b. Take all necessary steps to update the DN database. If there is mismatch in the DN information with the data provided / updated by the Stock Exchanges in the DN database, the Issuer/RTA shall take steps to match the records and update the same latest by December 31, 2015. The aforesaid circular dated June 05, 2015 also stipulated that failure by the Issuers/RTAs to ensure reconciliation of the records in terms of the said circular shall attract appropriate actions under the extant laws. 3. It is noted that, despite follow-ups by Depositories, certain companies are yet to comply with aforementioned circular no. CIR/MRD/DP/10/2015 dated June 05, 2015. Hence, in order to protect the interest of investors:-

a. Depositories are hereby directed that, with effect from August 01, 2019

i. They shall freeze all the securities held by the promoters and directors of the listed companies that are not in compliance with the provisions of SEBI circular no. CIR/MRD/DP/10/2015 dated June 05, 2015 [i.e. Beneficiary Owner a/c level freezing].

ii. They shall not effect any transfer, by way of sale, pledge, etc., of any of the securities, held by the promoters and directors of such non-compliant companies.

iii. They shall freeze all related corporate benefits on the Beneficiary Owner a/c frozen as above.

iv. They shall retain the freeze on the securities held by promoters and directors of non-compliant companies till such time the company complies with the directions provided in SEBI circular dated June 05, 2015.

Depositories are advised to keep in abeyance the action mentioned above in specific cases where moratorium on enforcement proceedings has been provided for under any Act, Court/ Tribunal Orders, etc.

b. The names of companies that are not in compliance with aforementioned circular shall be prominently disseminated on the website of the exchanges / depositories, indicating that the concerned companies have not complied with SEBI circular no. CIR/MRD/DP/10/2015 dated June 05, 2015.

c. Prior to revocation of suspension of trading of shares of any company, exchanges should ensure compliance by the company with SEBI circular no. CIR/MRD/DP/10/2015 dated June 05, 2015 and ensure availability of updated details of company's promoters (especially their PAN) and directors

(especially their PAN and DIN), apart from ensuring compliance with other applicable regulatory norms.

4. The concerned Stock Exchanges and Depositories shall coordinate with each other and take necessary steps to implement this circular.

5. SEBI may also take any other appropriate action(s) against the concerned listed companies and its promoters/directors for non-compliance with SEBI circular no. CIR/MRD/DP/10/2015dated June 05, 2015.

6. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market. This circular is available on SEBI website at www.sebi.gov.in.

Yours faithfully,

Sanjay Purao

General Manager Ph: +91 22 2644 9343 Email: sanjayp@sebi.gov.in

Circular No: NSDL/POLICY/ 2012/0122 Date: November 1, 2012	***Sub: Distinctive Numbers (DNs) information download and Search facility on DNs.*** Attention of Participants is invited to *NSDL Circular no. NSDL/POLICY/2012/ 0120 dated October 29, 2012* regarding Database for Distinctive Numbers (DNs) of equity shares of listed Companies and permitting dematerialisation of equity shares in temporary ISIN which are in Suspended status. The features are given in the enclosed Annexure. For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in. **Annexure'** **A. Access to download DNs information file from I-Assist:** Participants can access and download the DNs information file (as per given file format) at NSDL's intranet site (i.e., https://i-assist). The procedure for downloading the file is given below: Access the intranet site of NSDL i.e., https://i-assist/ which is available from any DPM LAN machines. Go to Download menu and click on the 'DN Information' option. The zip file containing DNs information shall be downloaded. Save the file to a desired location. **B. Search facility on Distinctive Numbers:** (i) DN Inquiry Screen has been included under Demat/Remat module of eDPM System to check the validity of DN details ('Demat / Remat' module ? DN Inquiry Screen) as exhibited below: The aforesaid screen will be visible only to those functional Users of Participants who have "Demat" function rights.

(ii) Provide any one of the mandatory fields viz., ISIN or ISIN Description to search the DN details as exhibited below:

(iii) DN details corresponding to search criteria will be displayed as exhibited below:

Circular No: NSDL/POLICY/ 2012/0121
Date: October 31, 2012

Sub: Amendments to Business Rules

All Participants are hereby notified that Rule 11.1.6 of Business Rules of NSDL has been inserted and existing Rules 11.1.6 to 11.1.17 have been renumbered as Rules 11.1.7 to 11.1.18.

Inserted Business Rule is given below:

Rule 11.1.6:

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

For and on behalf of
National Securities Depository Limited

Samar Banwat
Senior Vice President

Circular No: NSDL/POLICY/ 2012/0120 Date: October 29, 2012	***Sub: Database for Distinctive Numbers of equity shares of listed Companies and permitting dematerialisation of equity shares in temporary ISIN which are in Suspended status.*** Attention of Participants is invited to *NSDL Circular no. NSDL/POLICY/2012/0102 dated September 26, 2012* regarding Database for Distinctive Numbers (DNs) of equity shares for dematerialisation of listed companies wherein Participants will be required to check the validity of the DNs before accepting the dematerialisation request. In this regard, Participants are hereby informed that following features are scheduled to be released by October 31, 2012. 1. Dematerialisation module in eDPM system is being enhanced to initiate dematerialisation request of equity shares (Sec type 1) in temporary ISIN (starting with IN8) which are in Suspended status. 2. A facility to download DNs information as per enclosed file formats from I-Assist. 3. Search facility on DNs of equity shares of the listed companies enabling Participants to check the validity of DNs details provided by the client in the Dematerialisation Request Form. The details of the features are given in the enclosed Annexure. For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in. **Inserted Business Rule is given below:** **'Annexure'** A. **Initiate dematerialisation request of equity shares in temporary ISIN (starting with IN8) which are in Suspended status:** As per SEBI directive, dematerialisation module in eDPM system is being enhanced to facilitate Participants to initiate the dematerialisation request in temporary ISIN which are in suspended status in respect of the shares/securities of the listed companies for which final listing/trading approval from the stock exchange(s) is awaited. B. **DN information download from I-Assist:** Participants can download the consolidated information pertaining to DN through intranet site of NSDL i.e., https://i-assist and use the same for checking the DN. File format is enclosed for integration with the back office interface. Detailed procedure to download DN information from I-Assist will be provided shortly. C. **Search facility on Distinctive Numbers:** Will be provided shortly. **DNR Download file format for DP**

FILE FORMAT

Record Type	Record Identifier	Record length	Remarks
Header	'01'	48	One (First) record per file
Detail	'02'	233	Second record onwards, multiple per file.

HEADER RECORD

Description	Data Type	Size	Status	Remarks
Record Type	Integer	2	M	Header Record (01)
Full/Incremental Flag	Character	1	M	F- Full, I - Incremental
Incremental Reference Date/Time	Date	14	O	Applicable only in case of Incremental. It is a system date from onwards incremental information extracted (YYYYMMDDHHMMSS)
File Preparation Date	Date	8	M	System Date (YYYYMMDD)
File Preparation Time	Time	6	M	System Time (HHMMSS)
Total number of Detail Records	Integer	7	M	
Filler	Character	10	O	

DETAIL RECORD

Description	Data Type	Size	Status	Remarks
Record Type	Integer	2	M	Detail Record (02)
Line Number	Integer	7	M	
ISIN (Pre existing)	Character	12	M	
ISIN Description	Character	140	M	
DNR From	Integer	18	M	
DNR To	Integer	18	M	
Stock Exchange Code	Character	2	M	NSE-23, BSE-01
Status of Final Trading Approval	Character	1	M	"P - Final trading approval received. "T - Final trading approval awaited. "
ISIN for raising DEMAT request	Character	12	M	For which demat request should be generated
Transaction Flag	Character	1	M	A - Add, U - Update, D - Delete
Filler	Character	20		

File naming convention to be followed - DNR_<<DDMMYYYYHHMISS>>.txt Data will be in a plain text file with # (hash) as the separator between each column.

Circular No: NSDL/POLICY/2012/0102
Date: September 26, 2012

Sub: Database for Distinctive numbers of equity shares for dematerialization of listed companies.

All Participants are hereby informed that SEBI has issued directive for creation of Database for Distinctive Numbers of equity shares for dematerilaisation of listed companies vide its letter no. MRD/DP/OW/DA/20290/2012 dated September 7, 2012. The details regarding scope, content, process flow, phase-wise operationalisation etc of the database are given at Annexure A (*copy enclosed*) to the aforesaid SEBI letter.

Annexure A

1. **Scope:**

Depositories shall create and maintain a database to capture Distinctive Numbers (DN) of equity shares issued by listed companies on all stock exchanges. The database shall be created in a phased manner as follows:

a. *First Phase*- Capturing DNs of equity shares issued by companies listed on NSE and BSE which have not received final trading approval.

b. *Second phase:* Capturing DNs of all equity shares issued by companies listed on NSE and BSE.

c. *Third phase:* Expanding the database to capture DNs of companies listed on other stock exchanges.

2. **Content of Database:**

a. The fields of database shall include the following information:

i.	*Distinctive Numbers (From)*	*vii.*	*Date of final trading approval*
ii.	*Distinctive Numbers (To)*	*viii.*	*Physical/demat*
iii.	*Number of Equity shares or other securities*	*ix.*	*Date of allotment*
iv.	*Name of stock exchange*	*x.*	*ISIN*
v.	*Date of In principle listing approval*	*xi.*	*Nature of ISIN [Temporary (Frozen) or Permanent (Active)]*
vi.	*Date of final listing approval*		

b. Access *Rights :* Access rights shall be provided to the following:

- Stock exchanges with modification rights for fields (i)-(vii).
- Registered Depository Participants(DP) for querying on DNs for processing demat requests.
- RTA/lssuers for data updation for fields (i) to (ix)
- Depositories with modification rights for fields (x) and (xi)

c. The depositories shall ensure that database maintained by them is updated and synchronised.

3. **Population of Database:**

DN data:

a. *First Phase:* NSE and BSE shall provide DN of equity shares issued by companies which are pending final trading approval along with their corresponding dates of in-principle approvals. Information mentioned at fields (i)-(vi) above shall be collated by NSE and BSE and shared with the Depositories.

b. *Second Phase:* RTAs/ Issuers in respect of companies listed at NSE and BSE shall provide information on DNs of equity shares. Information mentioned at fields (i)-(vi), (viii) and (ix) shall be updated by the RTA/ Issuer. For this purpose, interface will be provided by the Depository to the RTA/ Issuer.

c. *Third Phase:* Information by other listed companies may be updated in the data base.

Trading Approval Data:

a. *First Phase :* After the final trading approval is granted, the stock exchanges shall update database with final trading approval date at field (vii) above and share this information with Depositories.

b. *Second Phase:*

- The RTA/ Issuer may not update fields (v) to (vii) for shares which have already been listed and granted trading approval prior to the cut-off date. However, it may be indicated by RTA/ Issuer that trading approval has been granted. The same shall be verified by the stock exchanges.
- The RTA / Issuer would update fields (v) to (vii) for equity shares which are granted final trading approval after the cut off date.
- Stock exchanges would continue to update final trading approval date whenever granted.

4. **Process Flow:**

First Phase

a. When a request for dematerialisation of physical shares is received the DP, the DP shall enter the DNs in the Depository system to check the validity of the DNs before accepting the demat request.

b. If such DNs are appearing in database, the DP would send the request to RTA/ Issuer for demat under a temp ISIN. After demat, the shares would be frozen till final trading approval is granted in accordance with SEBI Circular dated August 2, 2012 and any modifications thereof.

c. If DNs do not appear in the database, DP shall process the demat request.

Second Phase

a. When a request for dematerialisation of physical shares is received the DP, the DP shall enter the DNs on the Depository system to check the validity of the DNs before accepting the demat request.

b. If for the DNs submitted, final trading approval is not available (i.e. final trading approval date is not updated in the database) the DP would send the request to RTA/Issuer for demat under a temp ISIN. After demat, the shares would be frozen till final trading approval is granted in accordance with SEBI Circular dated August 2,2012 and any modifications thereof.

c. If for the DNs, final trading approval is available, the DP shall process the demat request.

5. **Cut-off Date:** Cut-off date for updating the database for Second Phase shall be taken as March 31, 2012.

6. **Operationalisation:**

First Phase

a. Stock Exchanges shall provide data to the Depositories by September 30,2012.

b. Depositories shall build the database for early operationalisation of First Phase, latest by October 31, 2012. This shall include making available interface to DPs for checking DNs.

Second Phase

a. RTAs/ issuers shall be provided interface to update DN data by the Depositories. This updation may be completed by December 31, 2012

b. Depositories shall follow up with RTAs to ensure data updation.

Conversion of mutual fund units represented by Statement of Account (SoA) into dematerialised form	
Circular No: NSDL/POLICY/ 2010/0024 Date: March 9, 2010	***Sub: Conversion of mutual fund units represented by Statement of Account (SoA) into dematerialised form*** As all Participants are aware, the facility of holding units in dematerialised form was informed vide Circular No. NSDL/POLICY/2009/0116 dated December 5, 2009. In this context, SEBI has approved the proposal for conversion of mutual fund units represented by Statement of Account (SoA) into dematerialised form. Accordingly, the procedure for conversion of mutual fund units represented by SoA into dematerialised form was informed to all Issuers/R&T Agents vide Circular No. NSDL/CIR/II/06/2010 dated March 9, 2010. A copy of this circular is enclosed for information of Participants. Participants are requested to guide their clients suitably. **Circular** Circular No.: NSDL/CIR/II/06/2010 Date: March 9, 2010 All Issuers/R&T Agents are hereby informed that SEBI has approved the proposal for conversion of Mutual Fund (MF) units represented by Statement of Account (SoA) into dematerialised form. In this context, the procedure for conversion of MF units represented by SoA into dematerialised form is given in the enclosed Annexure. Issuers/R&T Agents handling MF units are requested to be guided by the aforesaid procedure and may advise their clients who approach them with queries relating to procedure for conversion of MF units represented by SoA into dematerialised form. All R&T Agents are requested to take note of the above and inform their clients (Issuers / AMCs) accordingly. **Annexure** **Conversion of existing Mutual Fund units represented by Statement of Account into dematerialised form - through Asset Management Company (AMC)/Registrar and Transfer Agent (RTA)** **1) Submission of conversion request by the investor** a) An investor desiring to convert its existing Mutual Fund (MF) units represented by Statement of Account (SoA) into dematerialised form shall submit to the AMC/RTA, a request for conversion [proforma of Conversion Request Form (CRF) enclosed at (Exhibit-I)], alongwith a copy of Client Master Report (CMR) or Transaction Statement (only the page of Transaction Statement reflecting the name and pattern of holding) issued by its Depository Participant (DP) to such service centres of AMC/RTA as may be decided by the concerned AMC/RTA. The investor may efface (strike-off) the transaction/ holding details so as to make them illegible. **2) Upon receipt of conversion request from the investor** a) AMC/RTA (Service Centre) shall ensure that the units which the investor intends to convert belong to the list of units available for dematerialisation and the correct ISIN is mentioned on the CRF.

b) AMC/RTA (Service Centre) shall verify details viz., DP ID, Client ID, Name(s) of the investor(s) and holding pattern (mentioned on CRF) with the CMR/Transaction Statement of the beneficial owner account submitted by the investor. The conversion request shall be accepted by the AMC/RTA (Service Centre) only in case the aforesaid details match.

c) If the CRF is in order, the AMC/RTA (Service Centre) will issue an acknowledgement duly signed and stamped to the investor(s).

3) Before crediting the units through the depository

a) AMC/RTA shall ensure that the details in CRF viz., Name(s) of the investor(s), holding pattern of account holder(s) and signature of the investor(s) match with the details available in its records. In case of any mismatch, AMC/RTA shall reject the request for conversion of units and inform the investor suitably, providing reason(s) for such rejection.

b) AMC/RTA shall validate the unit holder name(s) and PAN(s) (if available) from its records with the data obtained from the depository. In case of any mismatch, AMC/RTA shall reject the request for conversion of units and inform the investor suitably, providing reason for such rejection.

4) After successful validation and verification of data/request

a) AMC/RTA shall record the conversion of units, represented by statement of account, as requested by the investor(s) in its records.

b) AMC/RTA shall credit the units by corporate action process in the depository to the beneficial owner account of the unit holder(s).

c) The credit of the converted units will be reflected in the Transaction Statement provided by the Depository Participant to its client.

d) In case of rejection of corporate action file uploaded by AMC/RTA to the depository system, the reason(s) of rejection of the corporate action shall be provided by the depository. AMC/RTA shall take necessary steps to rectify the same.

EXHIBIT - I

[PROFORMA]

CONVERSION REQUEST FORM FOR EXISTING MUTUAL FUND UNITS (REPRESENTED BY STATEMENT OF ACCOUNT) INTO DEMATERIALISED FORM - THROUGH AMC/RTA

Date (dd-mm-yy)			

To

AMC/RTA (Name)
(Address)

Sir/Madam

I / We hereby confirm that I hold the mutual fund units as per the statement of account (enclosed) issued by you. I/We request you to convert the existing

units held by me/us as specified in details of units below into dematerialised form for crediting these units to my/our beneficial owner account having following details:

DP ID	I	N						
Client ID								
Sole/First Holder Name								
Second Holder Name								
Third Holder Name								

Details of Units to be converted:

Folio No.	Scheme Name	ISIN	Number of Units	Remarks (if any)

Authorised Signatories

Holder(s)	Names	Signatures
Sole/First Holder		
Second Holder		
Third Holder		

Instructions:

1. Please strike off as N.A. whatever is not applicable
2. Submit a copy of Client Master Report/Transaction Statement provided by the Depository Participant

==========

Acknowledgement

We hereby acknowledge the receipt of request for conversion of Mutual Fund units represented by Statement of Account into dematerialised form by Mr/Ms/M/s _____ having DP ID _____ Client ID _____ details of which are given below.

Folio No.	Scheme Name	Number of Units

Date: **AMC/RTA Stamp & Signature**

Circular No: NSDL/POLICY/ 2010/0022 Date: March 4, 2010	***Sub: Commencement of spot trading in the compulsory demat segment and features of National Spot Exchange Limited*** As Participants are aware, National Spot Exchange Limited (NSEL) (CC ID IN001125) was made operational in the NSDL system in the capacity of a Clearing House for settlement of trades pertaining to Warehouse Receipts for commodities *(Refer Circular Nos. NSDL/POLICY/2008/0080 and NSDL/POLICY/2009/0007 dated November 6, 2008 and January 20, 2009 respectively)*. In this regard, NSEL has intimated to NSDL about the features and commencement of spot trading in compulsory dematerialized segment on NSEL, the details of which are enclosed for the information of Participants at Annexure A. For operational procedures, Participants may be guided by Circular No. NSDL/POLICY/2009/0007 dated January 20, 2009. **Annexure** **Commencement of Spot Trading in Compulsory Demat Segment in National Spot Exchange ltd (NSEL)** National Spot Exchange Limited (NSEL) having its registered office at 102-A Land Mark, Suren Road, Chakala, Andheri (East), Mumbai 400093, is a demutualised pan-India electronic multi commodity spot exchange promoted by Financial Technologies (India) Limited (FTIL) and National Agriculture co-operative Marketing Federation of India (NAFED). The Exchange has commenced its operation on October 15, 2008 and has handled physical deliveries worth Rs. 2403 crores in the calendar year 2009. During one year of successful operation, we have been able to create efficient spot delivery platform, helping the farmers and traders to sell commodities directly to the processors/ Exporters, which has resulted into reducing cost of intermediation, improving farmers' price realization and also improving marketing efficiency. At present, the commodity derivatives exchanges are providing very efficient instruments for trading, hedging and jobbing in commodities, but investment instruments are currently not available in commodities. In the year 2010, our main focus is to develop an investment based market in commodities for retail investors. For the first time in India, NSEL is in the process of introducing demat delivery based investment instruments in commodities, which will be made available in smaller denominations, such as 1 gram of Gold, 100 Gram of Silver or 1 Kg of Copper, etc in dematerialized units. Investors can participate in such instruments and take delivery on T + 2 basis in demat form. Whenever they want to sell the same, they can do so on our platform on any trading day or they can convert the demat units in to physical form in specific denominations at specified locations. The salient features of these instruments are: ➢ The trading units will be made available in smaller denominations, such as 1 gram of Gold, 100 Gram of Silver or 1 Kg of Copper, etc. There are different ICINs will be available for different base metals. A person can buy minimum 1 gram of Gold and 100 gram of Silver in the Exchange trading Platform. Presently National Spot Exchange intends to allow trading in demat Gold and Silver with denomination of 1 gram and 100

	gram respectively. The purity grade of Gold shall be 995 and Silver is 999. ➢ The Existing members can trade in this contract through the NSEL trading platform (NEST). The trading shall be carried out from Monday to Friday. However the members and their clients must have to open the Pool and beneficiary accounts through the NSEL empanelled DPs in NSDL. ➢ All outstanding delivery positions at the end of the trading session of a particular day shall be settled only through dematerialized units. Settlement of deliveries shall be made through the CM pool accounts as it is settled in the securities market on T+2 days basis from Monday to Friday. Thereafter the clearing members will transfer the ICIN units to their respective clients. ➢ In order to simplify the process of collection of storage charges, the charges shall be levied by NSEL to the ICIN holders on monthly basis. Such charges will be computed based on the holding In the respective accounts and on the last Saturday of every month. The person holding demat commodities on that day will be required to pay holding charges for the entire month, ➢ Irrespective of the no. of days for which he holds the ICINs. The charges per unit per month will be communicated by NSEL to the empanelled DPs separately. The ICIN holders are required to pay the storage charges to the respective DPs within 21 days from the last Saturday of every month and the DPs shall deposit the same to NSEL on monthly basis. ➢ The conversion of demat units into physical commodities shall be permitted in specified lot size and at specified locations, where NSEL has entered into vaulting arrangement. Therefore, an investor can opt for rematerialization, only if he has such number of units to his credit, as required for rematerilization. For launching such instruments, NSEL has already signed agreement with National Securities Depository Limited (NSDL) and all set to commence trading of commodities in compulsory demat segments on or around March 08th 2010. For any clarification on trading, Settlements and DP empanelment the following officials of NSEL can be contacted. Mr. Santosh Mansingh / Mr. H.B. Mohanty NATIONAL SPOT EXCHANGE LIMITED. 102-A Land Mark, Suren Road, CHAKALA Andheri (East) Mumbai-400093 Telephone : 91-22-67619900 fax: 91-22-67619931 Cell no :+919930267641/+919930267639
Circular No: NSDL/POLICY/ 2009/0116 Date: December 5, 2009	***Sub: Facility for holding mutual fund units in dematerialised form*** All Participants are hereby informed that as per the scheme envisaged by SEBI vide Circular No. SEBI/IMD/CIR No.11/183204/2009 dated November 13, 2009 (copy enclosed) for transacting in mutual funds through stock exchange platform, NSDL has enabled holding these mutual fund units in dematerialised form.

In order to encourage investors to avail this facility, it has been decided not to charge any fee to Participants till March 31, 2010 in respect of mutual fund units [security type code '20' Mutual Fund Units (TRASE)] routed through the stock exchange platform. The list of the mutual funds which have joined NSDL so for is given below:

Sr. No.	Name of Fund
1	Birla Sun Life Mutual Fund
2	Fidelity Mutual Fund
3	HDFC Mutual Fund
4	ICICI Prudential Mutual Fund
5	Reliance Mutual Fund
6	Religare Mutual Fund
7	SBI Mutual Fund
8	TATA Mutual Fund
9	UTI Mutual Fund

Features:

1. The existing depository accounts can be used for holding these mutual funds units in dematerialised form.

2. **Subscription:**

   On subscription for mutual fund units by investor through stock exchange, Asset Management Company (AMC)/ Registrar & Transfer Agent (RTA) will credit the depository account of the Client directly through credit corporate action.

3. **Redemption:**

   (a) For redemption purpose, in addition to the investor placing an order through stock exchange the client will have to give an instruction through a delivery instruction slip (DIS) to its Participant to transfer the units to a designated Pool account of the Clearing Corporation (CC) of the stock exchange. The designated Pool accounts are given below:

Sr. No.	Stock Exchange Name	CC Name	CM BP ID Type	Market Number	Settlement Date	Execution deadline	Pay-in
1	National Stock Exchange	National Securities Clearing Corporation Ltd.	IN565576	12 (Mutual Fund)	As applicable		4.30 PM on Trade day (Order Day)
2	Bombay Stock Exchange Limited	Indian Clearing Corporation Ltd.	IN619960	02 (Mutual Fund)			

	(b) Participants are required to execute the DIS in the DPM system promptly. The CCs either have a standing instruction to receive credits or will execute a corresponding receipt instruction to receive units in its account. For those instructions which are matched in the depository system, the units will be debited from the account of the client and credited to the account of CC. (c) The redemption proceeds will be sent by AMC/ RTA through appropriate payment mode such as direct credit, NEFT or cheque as decided by AMC from time to time, as per the bank account details of the Client available in the depository system. **4. Transaction Statements:** Participants must continue sending the Transaction Statement to their Clients as per the existing frequency which will include mutual fund units also.

DEPUTY GENERAL MANAGER

INVESTMENT MANAGEMENT DEPARTMENT

SEBI /IMD / CIR No.11/183204/ 2009

November 13, 2009

All Mutual Funds/ Asset Management Companies (AMCs)/
Association of Mutual Funds in India (AMFI)
Recognised Stock Exchanges/ Depositories /Registrar to an Issue and Share Transfer Agents

Sir / Madam,

Sub: Facilitating transactions in Mutual Fund schemes through the Stock Exchange infrastructure

1. The need for enhancing the reach of mutual fund schemes to more towns and cities has been aired through various forums/ channels. To address this issue, various models have been debated and discussed.
2. The infrastructure that already exists for the secondary market transactions through the Stock exchanges with its reach to over 1500 towns and cities, through over 200,000 Stock Exchange terminals can be used for facilitating transactions in mutual fund schemes. The Stock Exchange mechanism would also extend the present convenience available to secondary market investors to mutual fund investors.
3. Units of mutual fund schemes may be permitted to be transacted through registered stock brokers of recognized stock exchanges and such stock brokers will be eligible to be considered as official points of acceptance as per SEBI Circular No. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006.
4. The respective stock exchange would provide detailed operating guidelines to facilitate the same.
5. In this regard, you are advised that :

5.1. Empanelment and monitoring of Code of Conduct for brokers acting as mutual fund intermediaries-

5.1.1. The stock brokers intending to extend the transaction in mutual funds through stock exchange mechanism shall be required to comply with the requirements specified in SEBI circular MFD/CIR/10/310/01 dated September 25, 2001 regarding passing the AMFI certification examination. All such stock brokers would then be considered as empanelled distributors with mutual fund/AMC.

5.1.2. These stock brokers shall also comply with the requirements in SEBI circulars dated MFD/CIR/06/210/2002 dated June 26, 2002, MFD/CIR/20/23230/02 dated November 28, 2002 and SEBI / IMD / CIR No. 8 /174648 / 2009 dated August 27, 2009, applicable to intermediaries engaged in selling and marketing of mutual fund units.

5.1.3. It is clarified that, stock exchanges shall monitor the compliance of the code of conduct specified in the SEBI circular MFD/CIR/20/23230/02 dated November 28, 2002 regarding empanelment of intermediaries by mutual funds.

5.2. **Time stamping**

Time stamping as evidenced by confirmation slip given by stock exchange mechanism to be considered sufficient compliance with clause 5, 6 and 8 of SEBI Circular SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006.

5.3. Statement of Account

Where investor desires to hold units in dematerialised form, demat statement given by depository participant would be deemed to be adequate compliance with requirements prescribed under regulation 36 of SEBI (Mutual Fund) Regulations, 1996, and SEBI Circulars MFD/CIR/9/120/2000 dated November 24, 2000 and IMD/CIR/12/80083/2006 dated November 20, 2006 regarding despatch of statements of account.

5.4. Investor grievance mechanism

Stock exchanges shall provide for investor grievance handling mechanism to the extent they relate to disputes between brokers and their client.

5.5. Dematerialization of existing units held by investors

In case investors desire to convert their existing physical units (represented by statement of account) into dematerialized form, mutual funds / AMCs shall take such steps in coordination with Registrar and Transfer Agents, Depositories and Depository participants (DPs) to facilitate the same.

5.6. **Know your client (KYC).**

Where investor desires to hold units in dematerialised form, the KYC performed by DP in terms of SEBI Circular MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004 and this would be considered compliance with applicable requirements specified in this regard in terms of SEBI Circular ISD/AML/CIR-1/2008 dated December 19, 2008 by mutual funds /AMCs.

6. Stock exchanges and mutual funds/AMCs, based on the experience gained may further improve the mechanism in the interest of investors. Necessary clarifications, if any, would be issued at appropriate time by SEBI in this regard.

7. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully

RUCHI CHOJER

Facility for Cancellation of Pending Demat requests

Circular No: NSDL/POLICY/ 2009/0086
Date: September 19, 2009

Sub: Facility for cancellation of pending demat requests

As all Participants are aware, certain Issuer companies are not confirming the requests for dematerialisation for a long time. Due to this, in cases where the clients have pending demat requests, Participants are not in a position to process the requests received from their clients for closure of accounts. In view of the aforesaid, a facility for cancellation of pending demat request is introduced. The procedure in this regard is given below:

1. Client must submit a letter in the format given at Annexure A requesting to cancel the pending demat request in respect of those demat requests which are pending for more than 60 days.
2. Participant must submit a letter requesting NSDL to facilitate cancellation of pending demat requests in the format given at Annexure B.

ANNEXURE A

Date

To,
Participant Name and address
Dear Sir/Madam,

Sub.: Cancellation of Pending Demat Request (s)

I/We had submitted securities for dematerialization as per details given below:

DP Id : _____

Client Id : _____

Sole/First Holder Name : _____

Second Holder Name : _____

Third Holder Name : _____

Demat Request No. (DRN)	Demat Generation Date	ISIN	Security Name	Quantity

The aforementioned demat request(s) is/are pending for disposal for a long time. Thus, I/we request you to cancel the aforesaid demat requests. Further, I/We wish to inform that the share (security) certificates pertaining to these demat requests are available with me/us and in case they are not available with me/us, the matter will be taken up by me/us directly with the concerned Issuer/ its R&T Agent.

Yours faithfully,

1) _____, 2) _____, 3) _____

Signature(s) of the account holder(s)

ANNEXURE B

(to be submitted on letter-head of the Participant)

To,

The Participant Interface Department
National Securities Depository Limited
Trade World, Kamala Mills Compound
Senapati Bapat Marg
Lower Parel
Mumbai - 400013.

Sub: Cancellation of Pending Demat Request(s)

Dear Sir,

This is to inform you that we have received requests from our clients to cancel pending demat requests in the format specified at Annexure A to Circular No. NSDL/POLICY/2009/0086 dated September 19, 2009, details of which are given below:

Sr. No.	DP ID	Demat Request Number

We confirm that;

i) the request(s) for cancellation of pending demat(s) is/are received from the concerned account holder(s) by verifying their signatures with our records.

ii) the above demat request(s) is/are pending for more than 60 days from the date of generation of demat request(s) in the DPM system.

We request you to facilitate cancellation of the aforesaid pending demat requests. Further, a soft copy containing the aforesaid details are also sent separately in an excel sheet at Participant-Interface@nsdl.co.in.

Date: For <**Name of the Participant**>

Place: (Signature of Authorised Signatory)
Name & Designation

Demat request - POA holders

Circular No:
NSDL/PI/98/001
Date: January 1,1998

All Participants are hereby advised that while forwarding dematerialisation / rematerialisation request forms to the Issuer/ R&T Agents, in the cases where requests are received from the Power of Attorney (POA) holders of clients, the following should be ensured :

i. If the POA is not registered with the Issuer/R&T Agents, a copy of the POA should be enclosed along with the DRFs/RRFs.

ii. If the POA is registered with the Issuer/R&T Agents, the POA registration number should be mentioned on the DRFs/RRFs.

Demat request - Handling request in bulk	
Circular No. NSDL/PI/98/013 Date : January 6,1998	All Participants are hereby requested to ensure the following while sending bulk dematerialisation requests to the Issuer/R&T Agents: i. the certificates should be arranged in the same sequence as mentioned on the DRF. ii. the certificate details may also be provided in a soft copy form (i.e., on a floppy, DAT, etc.) in addition to a hard copy.
Demat request - Name matching	
Circular No. NSDL/PI/99/28 Date: January 11,1999	All Participants are hereby informed that it was decided in the meeting held by SEBI on December 17, 1998, that the Issuers/R&T Agents should process the dematerialisation requests received from client(s) with name(s) not matching exactly with the name(s) appearing on the certificates merely on account of initials not being spelt out fully or put after or prior to the surname, provided the signature(s) of the client(s) on the DRF tallies with the specimen signature(s) available with them. For example, the holder of securities may have opened the depository account in the name of Sushil Ramesh Shah but his name on the certificate may appear as S. R. Shah or Sushil R. Shah, etc. While doing so, the Issuer/R&T Agent should ensure compliance of all the laws, Rules and Regulations prescribed under the Depositories Act, SEBI Regulations, NSDL Bye Laws, Business Rules and Operational Guidelines. This was informed to all Issuers/R&T Agents vide our circular no. NSDL/SG/001/99 dated January 8, 1999. In view of the above, Participants may advise their clients (individuals) that such cases as explained above will be considered for dematerialisation.
Demat request - Internal control on despatch	
Circular No. NSDL/PI/99/116 Date: February 25, 1999	It has been brought to our notice by some Issuers/R&T Agents that occasionally they have been receiving dematerialisation request forms and the physical certificates pertaining to the securities not handled by them. In view of this, Participants are advised to ensure that proper internal controls are in place for despatch of the dematerialisation request forms and the physical certificates to the correct addresses. Participants are advised to refer to the circulars issued by NSDL regarding the addresses where the dematerialisation request forms are to be sent. Loss of such certificates in transit and consequent losses to investors will expose Participants to claims by investors.
Demat Processing - Additional information alongwith Demat Request Form	
Circular No.: NSDL/POLICY/2018/0049 Date: September 14, 2018	***Subject: Submission of additional information alongwith Demat Request Form*** Attention of Participants is invited to Circular No. NSDL/POLICY/2018/0045 dated August 16, 2018 (copy enclosed) regarding submission of additional information alongwith Demat Request Form. Participants are hereby informed that the requirement of enclosing a client master report or a covering letter alongwith the Demat Request Form will be made applicable with effect from **Monday, September 24, 2018.** Further, Participants are requested to take note that the covering letter generated from the DPM system for forwarding the demat request has been enhanced and will be released in the DPM system by September 21, 2018.

Circular No.: NSDL/ POLICY/2018/0045 Date: August 16, 2018	***Subject: Submission of additional information alongwith Demat Request Form.*** All Participants are hereby informed that Registrar and Transfer Agents have requested that at the time of receiving the physical requests for dematerialisation of securities, Participants must forward additional details of the client such as address and contact details of the client, status of the account, type and subtype of the account, PAN of all the holders and the bank account details captured in the demat account so as to assist the Issuers/Registrar and Transfer Agents to carry out due diligence while processing the dematerialisation requests. Accordingly, Participants are requested to take note of the following: 1. Participants must enclose following alongwith the Dematerialisation Request Forms: a. A duly certified Client Master Report printed either from the DPM system or from Participant's back-office system; OR b. A covering letter generated from the DPM system or from Participant's back-office system which incorporates the aforesaid details while forwarding the demat requests. 2. The covering letter generated from the DPM system for forwarding the demat request is being enhanced to incorporate the aforesaid details. Participants are requested to take note that the aforesaid changes will be required to be implemented by the Participants with effect from a date to be notified separately.
Circular No: NSDL/POLICY/ 2012/0121 Date: October 31, 2012	***Sub: Amendments to Business Rules*** All Participants are hereby notified that Rule 11.1.6 of Business Rules of NSDL has been inserted and existing Rules 11.1.6 to 11.1.17 have been renumbered as Rules 11.1.7 to 11.1.18. **Inserted Business Rule is given below:** **Rule 11.1.6:** The Participant shall check the Distinctive Numbers of certificates of securities submitted by its Client for dematerialisation with the records of Distinctive Numbers made available by the depository and ensure that the appropriate International Securities Identification Number [ISIN] is filled in DRF, as applicable.
Circular No. NSDL/PI/2004/0649 Date : April 12,2004	Attention of Participants is invited to Rules 11.1.7 and 11.1.9 of the Business Rules of NSDL pertaining to the manner in which security certificates should be cancelled before onward submission to the Issuer or its Registrar and Transfer Agent for dematerialisation. In addition to the procedures mentioned in the aforesaid Rules, the Participants must ensure that the security certificates submitted for dematerialisation to the Issuer or its Registrar and Transfer Agent bear the DP name, DP Id and Client Id.

Demat processing - SEBI directive to R&T Agent	
Circular No.: NSDL/ POLICY/2019/0007 January 30, 2019	*Subject: Increase in timelines for processing of Dematerialisation Requests.* Participants are hereby informed that based on representation made, SEBI has granted a relaxation in timelines for processing of Dematerialisation Requests by the Issuer or its Registrar & Transfer Agent, to 30 days till June 30, 2019 from the current 15 days as specified in Regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018.

SECURITIES AND EXCHANGE BOARD OF INDIA
PRIMARY MARKET DEPARTMENT
Mittal Court, 'A' Wing, Ground Floor
Nariman Point, MUMBAI - 400 021.
RRTI Circular No.1(99-2000)
PMD/SU/11560 /99
May 20, 1999

To:

All Category I Registrars to an issue and share transfer agents

All Category II Share transfer agents.

Dear Sir,

Sub : Delay in processing dematerialisation requests.

It has come to our notice that some of the share transfer agents are taking an unduly long time for dematerialisation of shares and are also rejecting the dematerialisation requests on flimsy grounds without providing necessary reasons and legal documentation. Such practices are detrimental to the interest of the investors and slow down the process of dematerialisation.

You are therefore requested to expedite the processing of dematerialisation request, in any case ensuring that the request is processed within 15 days from the date of the such request. You are also advised not to reject the request on flimsy grounds or without specifying reason for rejection or without proper documents supporting your reason for rejection. A violation of this directive would invite suitable action.

Circular No. NSDL/PI/99/390 Date : May 28, 1999	A copy of the circular no. PMD/SU/11560/99 dated May 20, 1999 issued by the Securities and Exchange Board of India to all Registrar & Transfer Agents regarding processing dematerialisation requests is enclosed for your information.
Demat processing - Time standard for rejected demat requests	
Circular No. NSDL/PI/99/826 Date: October 21,1999	SEBI has constituted a Standing Committee to resolve issues between Depository Participants, Registrars and the Depositories. The first meeting of the Standing Committee was held on September 10, 1999 and various issues relating to dematerialisation of securities were discussed. It was decided by the Committee that where demat request forms (DRFs) and the certificates do not reach the Registrar within 30 days from the date of electronic request, such requests should be rejected. It was also decided that where there are

	pending court cases in respect of shares for which demat requests have been received, such requests should be rejected within 30 days and the Registrars should ensure that the relevant documents are despatched to the Participants within 5 days of the rejection. It was further decided that where there are signature mismatches, the Registrars should, based on the attestation of the banker, process such demat requests. In case any demat request is rejected due to signature mismatch, the Registrar should ensure that all relevant documents are returned to the concerned Participant, within 5 days. This is for information of the Participants.
Demat request - due care	
Circular No. NSDL/PI/99/901 Date: November 18, 1999	All Participants are advised to ensure due care while processing the requests for dematerialisation received from the clients. Participants must mention the correct ISINs in the dematerialisation request forms (DRFs) and take special care in respect of those cases where multiple ISINs exist viz; non pari-passu shares, partly-paid shares, new sub-divided shares, etc. In such cases, Participants must also ensure to mention the correct ISIN while capturing/verifying & releasing the dematerialisation requests in the DPM system. It has been observed that dematerialisation requests are initiated under NPP ISIN even after such shares have become pari-passu with the old shares consequent to the book closure. It is therefore advised to exercise extra caution while processing dematerialisation requests under NPP ISIN. Those Participants who have multiple DPM set-ups should ensure that the correct DP-Ids are mentioned in the dematerialisation request forms.
Demat request - wrong release	
Circular No. NSDL/PI/2000/1006 Date : June 26,2000	All Participants are advised that if they have wrongly released any dematerialisation request in the DPM system and if it is not cancelled till the EOD of the release date, then they must immediately inform the respective Issuer / Registrar & Transfer Agent requesting for rejection of the dematerialisation request. Details of the request viz.; DP Id, DRN, ISIN, No. of shares requested and the reason for cancellation must be provided to the Issuer / Registrar & Transfer Agent for the purpose of rejection
Companies delaying demat request confirmation	
Circular No. NSDL/POLICY/ 2008/0053 Date: August 9, 2008	***Sub: List of companies having more than 50 demat requests pending beyond 21 days*** Attention of Participants is invited to our Circular No. NSDL/PI/2001/1694 dated November 6, 2001 advising Participants to inform their Clients suitably while accepting demat requests of companies with large number of demat requests pending beyond 21 days. Further, Participants were informed vide Circular No. NSDL/PI/2004/0391 dated March 1, 2004 that the list of 200 such companies is made available on its website http://www.nsdl.co.in. In this context, in place of the above list, NSDL has now started displaying the list of all companies having more than 50 demat requests pending beyond 21 days on the NSDL website http://www.nsdl.co.in on a weekly basis.

	Participants are therefore advised to maintain the aforesaid information at all their branches/franchisees/service centre and should accordingly inform the Clients about such companies while accepting any requests for dematerialisation of securities of such companies.
Circular No. NSDL/PI/2004/0993 Date : June 4, 2004	All Participants are hereby informed that NSDL has been receiving information from Registrar and Transfer Agents (RTAs) about certain companies whose dematerialisation requests are pending for confirmation for a long time, as these companies are not contactable / not responding or there are dues pending from the companies and consequently the RTAs have discontinued providing depository services to their client companies. A list of such companies is available on the NSDL website (http://www.nsdl.co.in/downloadables/list-comp2.html). Participants are advised to inform their Clients suitably while accepting demat requests of such companies and maintain the aforesaid information at all their branches/franchisees/service centres.
Circular No. NSDL/PI/2004/0391 Date: March 1,2004	Attention of Participants is invited to our Circular No. NSDL/PI/2001/1694 dated November 6, 2001 advising Participants to inform their Clients suitably, while accepting demat requests of companies with highest number of pending demat requests beyond 21 days. NSDL has regularly been updating the list of 200 such companies on its website http://www.nsdl.co.in. However, in the investor-depository meets conducted by NSDL, Clients have represented to us that such information is not available at a number of branches/franchisees/service centres of Participants from where they are offering services. Participants are advised to maintain the aforesaid information at all their branches/franchisees/service centres.
Circular No. NSDL/PI/2001/1694 Date: November 6, 2001	All Participants are hereby informed that NSDL has, on its website http://www.nsdl.co.in given the list of 100 companies with highest number of pending demat requests beyond 21 days. This list will be updated at regular intervals. Participants are advised to inform their Clients suitably, while accepting demat requests of such companies.
Request for rejection of pending demat & account closure	
Circular No. NSDL/PI/2003/0309 Date: February 22, 2003	Participants have been representing to NSDL that they are not in a position to process the requests received from their Clients to close their accounts due to request(s) for dematerialisation pending disposal for a long time by the concerned Issuer company and/or its Registrar & Transfer Agent (RTA). In order to help such Clients to close their accounts, Participants can advise their Clients as under: 1. Write a letter (format given below) to the Issuer (with a copy marked to its Participant and respective RTA), requesting for rejection of the pending dematerialisation request(s) and send fresh physical security certificate(s) to the Client directly. 2. Enclose a copy of the dematerialisation request generated from DPM system, duly signed & stamped by the Participant, alongwith the aforesaid letter to the Issuer. On receipt of copy of the letter from the Client, the Participant may also take up the matter with the concerned Issuer and/or its RTA for rejecting the

instruction expeditiously. After the pending dematerialisation request(s) is/are rejected by the Issuer and/or its RTA, the Participant can close the account of such Client.

Format

Date

To,
Company Name and address

Dear Sir/Madam,

Sub.: Rejection of Demat Request (s)

I/We had submitted securities of _____ (companyname) for dematerialisation under ISIN _____ through my Depository Participant _____ (name) (DP Id IN _____, Client Id _____). Details of my/our demat request(s) are as under:

Demat Request No. (DRN)	Demat Generation Date	Demat Request Form No.	Certificate No(s).	Distinctive Nos.	No. of Securities
			From	To	

The aforementioned demat request(s) is/are pending for disposal for a long time. As I/We wish to close the said account and hold the security(ies) in physical form, I/we request you to reject the said pending demat request(s) and send fresh security certificates directly to me/us under advise to my/our DP.

Yours faithfully,

1) _____, 2) _____, 3) _____

Name(s) & Signature(s) of the account holder(s)

CC:

1. DP Name & Address
2. Name & Address of Registrar & Transfer Agent - You are requested to reject the demat request(s) as stated above and send fresh security certificates directly to me/us underadvise to the DP.

b. Transfer-cum-demat

Bye Law 9.2.13	**Bye Law 9.2.13 has been deleted w.e.f. February 27, 2004. Prior to deletion, Bye Law 9.2.13 read as under :** "If a Client is desirous of dematerialising the shares sent for transfer, then it may do so as per the provisions of the Guidelines for dematerialisation of shares sent for transfer issued by the Securities and Exchange Board of India and in the manner laid out in the Business Rules. In such a case, for the purpose of Bye Laws 9.2.2 and 9.2.3 above, in lieu of security certificates the letter issued by the Issuer or its Registrar & Transfer Agent in accordance with the said guidelines shall be submitted by the Client to the Participant for forwarding it to the Issuer or its Registrar & Transfer Agent."

Transfer-cum-demat - Withdrawal of Scheme	
Circular No. NSDL/PI/2004/0261 Date: February 11, 2004	All Participants are hereby informed that Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/MRD/Cir-10/2004 dated February 10, 004 (copy enclosed) has withdrawn transfer-cum-demat scheme. Accordingly, the Bye Laws and Business Rules of NSDL are being modified, which will be notified shortly. In view of the above, NSDL vide its Circular No. NSDL/JS/003/2004 dated February 11, 2004 has advised all the Issuers and their Registrar & Transfer Agents (RTA) that henceforth, they should not issue option letters to shareholders, as prescribed under the SEBI guidelines for dematerialisation of shares sent for transfer. All Participants are hereby advised that option letters already issued by the Issuers or their RTAs should be accepted and the dematerialisation requests be processed as per the existing guidelines.

Annexure-SEBI Directive on transfer-cum-demat

SECURITIES AND EXCHANGE BOARD OF INDIA

DEPUTY GENERAL MANAGER

Market Regulation Department
E-mail: sundaresanvs@sebi.gov.in

Tel : 2216 4465 Fax: 2216 4394

SEBI/MRD/Cir - 10/2004

February 10, 2004

The Managing Director
National Securities Depository Ltd.
Trade World, 4th Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai - 400013

The Executive Director
Central Depository Services(India) Ltd.
Phiroze Jeejeebhoy Towers, 27-28th Floor, Dalal Street
Mumbai - 400 023

Dear Sir/s,

Sub: Transfer-cum-demat scheme

1. SEBI had introduced compulsory dematerialized trading in select shares for all investors with effect from January, 1999. Thereafter, an increasing number of shares were added to this list at regular intervals. During this phase, the companies/transfer agents were under tremendous pressure on account of the large number of physical shares being received by them for transfer and/or demat. Moreover, transfer and demat were two separate processes and the investors were required to submit the transferred shares to the share transfer agent, through their DPs, for dematerialization. This entire process involved anywhere from 1-3 months and the investors could not sell the shares during this period.
2. Accordingly, the transfer-cum-demat scheme was introduced by the depositories to counter the problems faced by the investors in the transition phase of moving from physical to demat trading mode, to decrease the time period involved in transfer and demat. However, as on date, a large number of stocks have already been dematerialized, almost 100% trading takes place in dematerialized form and hence, there is far less pressure on the companies/the share transfer agents.

3. In view of the above, it is felt that the facility of transfer-cum-demat is no longer relevant and can be withdrawn without causing any undue inconvenience and/or delays to the investors. It has accordingly been decided to withdraw the transfer-cum-demat scheme.

4. The depositories are accordingly advised to ;

   4.1. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately.

   4.2. bring the provisions of this circular to the notice of the DPs of the Depository and also to disseminate the same on the website.

   4.3. communicate to SEBI the status of the implementation.

5. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

V S SUNDARESAN

Operational Guidelines for Transfer and Dematerialization of relodged physicl shares

Circular No.: NSDL/POLICY/2020/0158 December 03, 2020	**Subject: SEBI Circular on Operational Guidelines for Transfer and Dematerialization of re-lodged physical shares.** Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020 (copy enclosed) regarding Operational Guidelines for Transfer and Dematerialization of re-lodged physical shares. Participants are requested to take note of the above and ensure compliance.

CIRCULAR

SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 December 02, 2020

To

All Listed Companies (through Stock Exchanges)
All Registrars to an Issue & Share Transfer Agents (RTA)
All Depositories
All Recognized Stock Exchanges All Depository Participants (DP)

Dear Sir/ Madam,

Sub: Operational guidelines for Transfer and Dematerialization of re-lodged physical shares

1. SEBI, vide circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 07, 2020, has fixed March 31, 2021 as the cut-off date for re-lodgment of transfer requests and has stipulated that such transferred shares shall be issued only in demat mode.

2. In this regard the operational guidelines for crediting the transferred shares into the respective demat account of the investor, with inputs from stakeholders, are as under;

   i. Guidelines to credit the transferred physical shares in demat mode:

      a. Subsequent to processing of the re-lodged transfer request, the RTA shall retain the physical shares and intimate the investor **(transferee)** about the execution of transfer through Letter of Confirmation. This letter shall be sent through Registered / Speed Post or through email with digitally signed letter and shall, *inter-alia,* contain details of endorsement, shares, folio of investor (required on Demat request form) as available on the physical shares.

      b. The investor shall submit the demat request, within 90 days of issue of Letter of Confirmation, to Depository participant **(DP)** along with the Letter of Confirmation. RTA shall also issue a reminder at the end of 60 days of issue of Letter of Confirmation, informing the investor to submit the demat request as above.

      c. Depository Participant will process the Demat Request on the basis of Letter of Confirmation, as this letter is a confirmation of holding of physical shares on behalf of the investor by RTA.

      d. The suggested format of the Letter of Confirmation is given at Annexure - A.

   ii. In case of the shares that are required to be locked-in as per the SEBI Circular SEBI/HO/MIRSD/DOS3/CIR/P/2018/139, dated November 06, 2018, the RTA while approving / confirming the demat request, shall also incorporate / intimate the Depository about the lock-in and its period. Such shares shall be in lock-in demat mode for 6 months from the date of registration of transfer.

   iii. In case of non-receipt of demat request from the investor within 90 days of the date of Letter of Confirmation, the shares will be credited to Suspense Escrow Demat Account of the Company.

3. Depositories shall;

   a) make necessary amendments to the relevant byelaws, rules and regulations for the implementation of the above directions, as may be applicable; and

   b) bring the provisions of this circular to the notice of their participants and also disseminate the same on their websites.

4. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

5. The Stock Exchanges are advised to bring the provisions of this circular to the notice of listed companies and also to disseminate the same on their websites.

Yours faithfully

Dee pak Trivedi
Chief General Manager
Tel. no: 022-26449753
Email id: dtrivedi@sebi.gov.in

Annexure A

(to SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236, Dated December 02, 2020)

RTA / ISSUER COMPANY ADDRESS Name: Date: Address: Dear Sir/Madam,

CONFIRMATION LETTER Sub: Transfer of Shares Name of the Company:

We refer to the request received from you for transfer of the subject shares in your name. We would like to inform you that the transfer of shares has been approved as detailed below:

Name of first holder & PAN Joint holder 1 & PAN Joint holder 2 & PAN	
Number of shares	
Folio Number	
Certificate numbers	
Distinctive numbers	
Lock-In	Yes or No., If yes, lock-in from dd.mm.yyyy till dd.mm.yyyy

As you may be aware, SEBI vide their Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 September 07, 2020 has mandated that the shares that are re-lodged for transfer shall henceforth be issued only in demat mode and hence the duly endorsed original certificates are retained at our end.

Accordingly, within 90 days of this letter, please request your Depository Participant **(DP)** to demat these shares using the Dematerialization Request Form **(DRF).** Please fill it up with the details mentioned in this letter, sign it and present this letter in original to your DP along with the DRF for enabling your DP to raise a Demat Request Number **(DRN).** In case you do not have a demat account, kindly open one with any DP. Please note that you can open Basic Service Demat Account at minimal / nil charges.

Please note that this letter is valid only for a period of 90 days from the date of its issue within which time you have to raise demat request with the DP as above. Any request for demat processing after this date will not be entertained and as per the operating guidelines issued by SEBI, the subject shares shall be transferred to a Suspense Escrow Demat Account of the company.

Further, please note that in terms of SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 06, 2018 the above transfer of shares is / are approved with a lock-in period of six months from the date of transfer and shall remain in lock-in till dd.mm.yyyy, even after dematerialization. **[STRIKE OFF IF NOT APPLICABLE].**

Thanking you, Yours faithfully,

For **ABCD Limited (RTA)**

Authorised Signatory

c. Transposition-cum-demat

Bye Law 9.2.13.	If the names of the clients appearing on the security certificates match with the names in which the account has been opened but are in a different order, such securities can be dematerialized by following the procedure laid down in the Business Rules.
Rule 11.1.5	The Participant shall forward the DRF to the Issuer or its Registrar & Transfer Agent only after ascertaining that the number of certificates annexed with the DRF tallies with the number of certificates mentioned on the DRF. Provided further that in case of transposition/transmission and dematerialisation cases, the Participant shall also forward Annexure OA/OB as the case may be, alongwith the DRF to the Issuer or its Registrar & Transfer Agent.
Rule 11.1.14	The securities which have been dematerialised shall be credited to the accounts maintained by a Participant only when the pattern of holdings in the account of the Client matches with the pattern of holdings as per the security certificates. Provided however that in case where the names appearing on the certificates match with the names in which the account has been opened but are in a different order, the Client can get the security certificates dematerialised by submitting the security certificates alongwith the Transposition Form as per Annexure OA and the Dematerialisation Request Form (DRF) to the Participant. The explanation of such pattern of holding is given in Annexure F.

d. Transmission-cum-demat

Bye Law 9.2.14.	If a client is desirous of getting the name(s) of the deceased joint holder(s) removed from the security certificate(s) and get them dematerialised, it may do so by following the procedure laid down in the Business Rules.
Rule 11.1.5	The Participant shall forward the DRF to the Issuer or its Registrar & Transfer Agent only after ascertaining that the number of certificates annexed with the DRF tallies with the number of certificates mentioned on the DRF. Provided further that in case of transposition/transmission and dematerialisation cases, the Participant shall also forward Annexure OA/OB as the case may be, alongwith the DRF to the Issuer or its Registrar & Transfer Agent.
Rule 11.1.18	TRANSMISSION (NAME DELETION) AND DEMATERIALISATION OF SECURITIES In case of death of one or more of the joint holders, the surviving joint holder(s) can get the name(s) of the deceased deleted from the security certificate(s) and get them dematerialised by submitting the security certificates alongwith the Transmission Form as per Annexure OB and the Dematerialisation Request Form (DRF) to the Participant.

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3. Instructions Processing

a. General	
Section 7 (1)	Every depository shall, on receipt of intimation from a participant, register the transfer of a security in the name of the transferee.
Regulation 42 (2)	A participant shall register the transfer of securities to or from a beneficial owner's account only on receipt of instructions from the beneficial owner and thereafter confirm the same to the beneficial owner in a manner as specified by the depository in its bye-laws.
Regulation 42 (3)	Every entry in the beneficial owner's account shall be supported by electronic instructions or any other mode of instruction received from the beneficial owner in accordance with the agreement with the beneficial owner.
Bye Law 6.3.3	The Participant shall not give a debit or credit to the account of a Client without a due authorisation from Client.
Bye Law 9.6.1	The Participant shall not execute any debit or credit in the account of the Client without authorisation from such Client.
Clause 7 of NSDL - DP Agreement	The Participant shall not commingle his own holdings held in NSDL with those held on behalf of the Clients. The Participant shall effect any transfer of holdings only if the same is supported by a valid instruction and an adequate audit trail of the same is maintained unless otherwise provided in the Bye Laws. The Participant shall be responsible for every action taken on the basis of any order, instruction, direction or mandate given by the account holder.
Clause 4 of DP-Client Agreement	The Depository Participant undertakes that a transfer to and from the accounts of the Client shall be made only on the basis of an order, instruction, direction or mandate duly authorized by the Client and that the Depository Participant shall maintain adequate audit trail of such authorization.
Rule 4.5.1	The forms laid down under these Business Rules shall be adhered to by the Participants at the time of operating the accounts of its Clients and giving effect to the transactions laid down under Chapter 9 of the Bye Laws and Chapter 11, 12 and 13 of this Business Rules. Provided however that to effect such transactions as may be specified by the Depository based on electronic instructions received from the Client, the Participant shall obtain the prior approval of the Depository. The Depository may grant such an approval to the Participant if;
	i) the Participant has adequate systems and security features in place to authenticate the Client and the Client to authenticate the Participant;
	ii) the Participant is able to conclusively prove the origin, destination, date and time of receipt or despatch of such electronic instructions received by it;

	iii) the Participant retains such electronic instructions in the format in which it was originally received or sent or in a format which can be demonstrated to represent accurately the information which was originally received or sent;
	iv) the instructions received remain accessible and usable for subsequent reference; and
	v) the Participant fulfills such other conditions as may be specified by the Depository.
	Provided further that the Participant may operate such accounts or effect such transactions by using any other form or manner of authorisation from the Client provided the same has been approved by the Executive Committee.
Rule 4.5.2	The Participant shall promptly inform the Clients in respect of those instructions which have not been executed.
Rule 6.1	The Participants shall execute transactions on behalf of its Clients only on authorisations from their Clients. The Participant shall effect a debit or credit to the accounts of its Clients only on receipt of proper authorization from the Clients in the forms laid out in Annexure L and M. Alternatively, a Client may give standing instructions to its Participant to credit its account. In case the Client does not have sufficient balance in its account, the debit to the account shall be effected to the extent of balance available.
Rule 12.2.2	The aforementioned forms submitted by the Clients and Clearing Members shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the Client and the Clearing Member before the requests on these forms are executed.
Circulars issued after Master Circular on DIS and relevant circulars	
Circular No.: NSDL/POLICY/ 2021/0023 March 03, 2021	***Subject: Format for inside front cover of the Delivery Instruction Slip (DIS) booklet.*** Attention of Participants is invited to NSDL Circular No.: NSDL/POLICY/2019/0041 dated July 15, 2019 regarding Change in off-market transfer reason codes. As stated in point no. 6 of the aforesaid circular, Participants were informed that the format of information of revised reason codes to be printed on the inside front cover of the Delivery Instruction Slip (DIS) booklet will be notified separately. In this context, based on representations received from market participants for providing additional reason codes to cover certain types of transactions, NSDL had subsequently issued following Circulars regarding uniform off market transfer reason codes across both depositories:- • NSDL/POLICY/2019/0047 dated July 31, 2019 • NSDL/POLICY/2019/0048 dated August 02, 2019 • NSDL/POLICY/2019/0049 dated August 02, 2019 • NSDL/POLICY/2019/0050 dated August 06, 2019 • NSDL/POLICY/2019/0053 dated August 14, 2019 • NSDL/POLICY/2019/0057 dated August 28, 2019

	• NSDL/POLICY/2019/0062 dated September 24, 2019 • NSDL/POLICY/2019/0077 dated November 15, 2019 • NSDL/POLICY/2019/0087 dated December 13, 2019 • NSDL/POLICY/2021/0003 dated January 25, 2021 After taking into consideration the aforesaid circulars, format of information of revised reason codes to be printed on the inside front cover of the Delivery Instruction Slip (DIS) booklet is updated and attached herewith as Annexure.
Circular No.: NSDL/POLICY/ 2021/0013 February 17, 2021	***Subject: Addition of Market Type Codes.*** All Participants are hereby informed that following Market Type Codes have been added in the CC Calendar in respect of NSE Clearing Limited pertaining to settlement of Tri-Party repo of "Debt Market" segment:

CC ID	Market Type Code	Market Type Description
IN001002	47	Tri-Party ready leg
IN001002	48	Tri-Party forward leg

Circular No.: NSDL/POLICY/ 2021/0010 February 10, 2021	*Subject: Acceptance of Delivery Instructions through Demat Gateway.* Attention of Participants is invited to NSDL Circular Nos. NSDL/POLICY/2021/0004 dated January 28, 2021 and NSDL/POLICY/2021/0007 dated February 04, 2021 regarding acceptance of Delivery Instructions through Demat Gateway. Participants are requested to take note of the following timelines to implement specific directions, as mentioned by SEBI to depositories vide its letter dated February 05, 2021:-

Sr. No.	Directions	Timeline
1	Implementation of dual authorization through OTP and PIN/Password	February 20, 2021
2	Implementation of single settlement number / settlement date	February 20, 2021
3	Implementation of revocation of pre-trade authorisation/mandate	March 15, 2021
4	Implementation of matching of delivery obligations with files of Clearing Corporations	March 15, 2021

Circular No.: NSDL/POLICY/ 2021/0007 February 04, 2021	***Subject: Acceptance of Delivery Instructions through Demat Gateway.*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2021/0004 dated January 28, 2021 regarding acceptance of Delivery Instructions through Demat Gateway. In this regard, Participants are requested to take note of the following clarifications as issued by SEBI to both depositories vide its email dated February 03, 2021 with respect to process of seeking mandate/ Pre-trade authorisation:- 1. It is mandatory for the client to specify the settlement number / settlement date at the time of providing the pre-trade authorisation/ mandate.

	2. Mandate provided for multiple ISINs shall not lapse if the debit is effected only for one particular ISIN, however such mandate shall be valid only for a particular settlement number/date as specified in the mandate. 3. Mandate received from client should only be for a single settlement number/date as provided by client. The same cannot be exercised before or after the given settlement date.
Circular No.: NSDL/POLICY/ 2021/0004 January 28, 2021	***Subject: Acceptance of Delivery Instruction through Demat Gateway*** As all Participants are aware about the Demat Gateway facility and the subsequent changes in file formats as informed vide NSDL Circular No. NSDL/ POLICY/2021/0001 dated January 7, 2021. In this context, attention of Participants is invited to SEBI letter dated January 20, 2021 addressed to both depositories wherein it has been inter-alia stated as under: 1. SEBI has examined the facility of accepting Delivery Instruction through Online Portal of Depository Participant (DP) / Stock Brokers (herein after referred to as "intermediaries"), which has been enabled by NSDL under the head Demat Gateway and its process of seeking mandate. a. **e-DIS facility:** The facility of e-DIS has to be true to its label and should: (i) Necessarily capture all details that are otherwise being captured in physical DIS, including settlement number and actual quantity to be transferred in case of on-market transfers. (ii) be an instruction toward actual transfer of securities to meet obligation for a single settlement number / date. b. **Mandate/Pre-trade authorisation:** The following shall be required to be ensured: (i) The mandate should be received from client authorising the concerned intermediary to transfer specific securities for meeting on-market settlement obligation only. (ii) Such mandate should necessarily pertain to a single settlement number / settlement date. (iii) Client shall be required to authorise each mandate valid for a single settlement number/settlement date, by way of OTP and PIN /password, both generated at Depositories end. (iv) Prior to executing actual transfer of securities based on details provided by intermediary, Depositories need to match and confirm the same with mandate provided by client as well as client-wise net delivery obligation arising from the trade executed on exchange, as provided by Clearing Corporation to Depositories for each settlement date.

(v) Securities transferred on basis of mandate provided by client should be credited only to client's trading member pool account.

(vi) Intermediary providing this facility have enabled its client to revoke / cancel the mandate provided by them.

Participant Services Circular

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

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

      (i) be in favour of the concerned SEBI registered intermediary only;

      (ii) not provide the authority to transfer the mandate in favor of any assignees of the concerned Intermediary;

      (iii) require the Intermediary to return the securities to client(s) that may have been received by them erroneously or those securities that it was not entitled to receive from the client(s).

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

      (i) Transfer of securities for off-market trades;

      (ii) To execute trades in the name of client without client's consent;

      (iii) To open an email ID on behalf of the client for receiving relevant commutations;

      (iv) Prohibit to issue DIS to beneficial owner;

      (v) Prohibit client from operating the account.

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

Participants must ensure that all the instructions submitted by the Clients / Clearing Members (other than ***SPEED-e* DIRECT**) within the aforesaid deadline time are duly executed in the eDPM well before the NSDL deadline time. In case Participants encounter any difficulty including downloading the instructions from ***SPEED-e***, the same should be reported to Help Desk immediately and Token Number must be obtained.

Circular No.: NSDL/POLICY/ 2021/0003 January 25, 2021	***Subject: Change in off-market transfer reason codes.*** Attention of Participants is invited to following NSDL Circulars regarding standardised reason codes for off-market transfers by both depositories: • NSDL/POLICY/2019/0041 dated July 15, 2019 • NSDL/POLICY/2019/0047 dated July 31, 2019 • NSDL/POLICY/2019/0048 dated August 02, 2019 • NSDL/POLICY/2019/0049 dated August 02, 2019 • NSDL/POLICY/2019/0050 dated August 06, 2019 • NSDL/POLICY/2019/0053 dated August 14, 2019 • NSDL/POLICY/2019/0057 dated August 28, 2019 • NSDL/POLICY/2019/0062 dated September 24, 2019 • NSDL/POLICY/2019/0077 dated November 15, 2019 • NSDL/POLICY/2019/0087 dated December 13, 2019
Circular No.: NSDL/POLICY/ 2021/0001 January 7, 2021	***Subject: Changes in file formats in respect of Demat Gateway*** As all Participants are aware that NSDL has launched Demat Gateway to facilitate Client to provide mandate to its stock broker for debiting client's demat account towards its settlement obligation. Demat Gateway facilitates API interface between Stock Broker's web portal and NSDL depository system for Clients to authenticate their instructions for sale of securities or redemption (through stock exchange platform) of mutual fund units in their demat account. In this regard, Participants are requested to take note of the following and ensure compliance: 1) New DIS Type i.e. **'07-Demat Gateway'** is incorporated under eDPM system to execute eDIS instructions received from stock broker based on the mandate given by client through NSDL Demat Gateway. 2) All eDIS instructions for debiting the securities which will be received from stock broker based on the mandate given by the client to stock broker through NSDL Demat Gateway shall be mandatorily executed under DIS Type **'07-Demat Gateway'** on eDPM system. 3) New field viz., **'eDIS Mandate Reference Number'** has been added in respect of Account Transfer instructions (Transaction Type: 904) in eDPM system to capture the mandate reference number in respect of Demat Gateway transactions. The changes in file formats (DPM Transaction Upload and Changed Orders for the Day Download) in respect of the back office interface with DPM system are enclosed at **Annexure**.

Circular No.:
NSDL/POLICY/
2020/0164
December 27, 2020

Subject: Limited Purpose Holiday Master.

As Participants are aware that as per SEBI guidelines (*Circular No. CIR/MRD/DP/ 01/2014 dated January 7, 2014*), Participants were advised to enter details of DIS issued to Clients in DPM immediately but not later than two days and to scan and upload images of DIS executed by end of the next working day to DIVS. In order to determine what is a 'working day' for the above purpose, a Limited Purpose Holiday Master for DIS monitoring was introduced by NSDL (*Refer Circular No.: NSDL/POLICY/2015/0016 dated January 30, 2015*).

In the same manner, the Limited Purpose Holiday Master for DIS monitoring for the calendar year 2021 is enclosed which will be used for monitoring of upload of DIS issuance details in eDPM and scanned images in the DIVS of the Local DPM.

Limited Purpose Holiday Master for DIS Monitoring
(Year 2021)

1. Limited Purpose Holiday Master for DIS Monitoring includes all Saturdays and Sundays.
2. In addition to above, the other days for calendar year 2021 for Limited Purpose Holiday Master for DIS Monitoring are given below:

Sr. No.	Date	Day	Remarks
1	26-Jan-21	Tuesday	Republic Day
2	19-Feb-21	Wednesday	Chhatrapati Shivaji Maharaj Jayanti
3	11-Mar-21	Thursday	Mahashivratri
4	29-Mar-21	Monday	Holi (Second Day)
5	2-Apr-21	Friday	Good Friday
6	13-Apr-21	Tuesday	Gudhipadwa
7	14-Apr-21	Wednesday	Dr. Babasaheb Ambedkar Jayanti
8	21-Apr-21	Wednesday	Ram Navmi
9	13-May-21	Thursday	Id-Ul-Fitr (Ramzan Id)
10	26-May-21	Wednesday	Buddha Purnima
11	21-Jul-21	Wednesday	Bakri Id
12	16-Aug-21	Monday	Parasi New Year
13	19-Aug-21	Thursday	Muharram
14	10-Sep-21	Friday	Ganesh Chaturthi
15	15-Oct-21	Friday	Dussehra
16	19-Oct-21	Tuesday	Id-E-Milad
17	4-Nov-21	Thursday	Diwali- Laxmi Puja
18	5-Nov-21	Friday	Diwali Balipratipada
19	19-Nov-21	Friday	Gurunanak Jayanti

<table>
<tr>
<td>Circular No.:
NSDL/POLICY/
2020/0162
December 21, 2020</td>
<td>

Subject: Extension of deadline time for submission of IDT instructions

Attention of the Participants is invited to NSDL Circular No.: NSDL/POLICY/2020/0129 dated September 28, 2020, regarding availability of NSDL Depository System on weekdays for the extended working hours. In this regard, based on suggestions/feedback received from Participants, deadline time for submission of inter-depository transfer (IDT) for weekdays (i.e. from Monday to Friday) is extended from **December 21, 2020.** New deadline time for current day IDT instruction is as under:

<table>
<tr><th>Particulars</th><th>Deadline Time (New)</th></tr>
<tr><td>Deadline time for Participants to verify/release (Manual/Bulk) IDT delivery/receipt instructions with current execution date</td><td>9.30 pm</td></tr>
</table>

Participants are advised to ensure that all IDT instructions are executed and are in the status “Acknowledgement awaited from other Depository” well before 9.00 pm. In case of any difficulty, the problem should be reported to NSDL Help Desk and Token Number for the complaint be obtained.

</td>
</tr>
<tr>
<td>Circular No.:
NSDL/POLICY/
2020/0151
November 19, 2020</td>
<td>

Subject: Submission of scanned Delivery Instruction Slips (DIS) image to NSDL.

All Participants are aware that NSDL has vide its Circular Nos. NSDL/POLICY/2014/0085 and NSDL/POLICY/2014/0093 dated August 5, 2014 and August 28, 2014 respectively, specified guidelines on signing and posting of the DIS image in ‘DIS Image Validation System’ (DIVS) and its tamper proof storage to prevent unauthorized changes to scanned DIS.

In aforesaid circular dated August 5, 2014 it had been specified that as and when NSDL requests scanned image of a specific DIS, Participant will be required to provide scanned image of DIS which is digitally signed by NSDL. NSDL will communicate the details of DIS to the Participant for enabling it to retrieve the DIS image from its tamper proof storage and upload on e-Pass system.

In this regard, NSDL will be providing a facility to Participants to upload NSDL signed scanned copies of DIS on e-Pass system. Participants will be required to follow the below mentioned process for uploading scanned copies of DIS on e-Pass:

1. The scanned images of DIS and / or Annexure to DIS as sought by NSDL must be selected from the Participant’s tamper proof storage and uploaded on e-Pass.
2. Participant are required to store NSDL signed scanned images received as Outfile from DIVS, in tamperproof storage in encrypted form. The scanned images extracted as Outfile from DIVS will have the file name as <NSDL_DP ID_DIS serial number Page No. of Annexure(s) _Version number. sgn>. Example: If DP ID - IN300001, DIS No. - AB1234567890 Annexure - 0 (default version for DIS is 0) and version is 1, file name should be NSDL_IN300001_ AB1234567890_000_1.sgn. Participant will be required to decrypt these DIS images and upload the same on e-Pass.

</td>
</tr>
</table>

The scanned images of DIS and/or Annexure to DIS extracted from tamper proof storage should be of latest version and must have been signed by NSDL through DIVS. Participant shall ensure that each individual DIS image meets the specifications as stipulated in aforesaid NSDL circulars dated August 5 & 28, 2014.

3. NSDL will be providing the DP ID and DIS serial number to Participants for identifying the scanned image of DIS from the tamper proof storage.

4. An Index file of the digitally signed DIS images to be uploaded is required to be prepared. The file naming convention of text file will be DPID_DDMMYYYY_batchnumber.txt [Example: If DP ID IN300001, business date is 15-July-2014 and batch number is 1, file name should be IN300001_15072014_00000001.txt]. Format for index file is provided in **Annexure A**.

5. Digitally signed DIS images extracted from the tamper proof storage and index file for the batch should be zipped in a single file. The file naming convention of zip file will be DPID_DDMMYYY_batchnumber.zip.

   Example: If DP ID is IN300001, business date is 15-July-2014 and batch number is 1, file name of zip file should be IN300001_15072014_00000001.zip. If Participant has scanned 100 DIS in a batch, then total 101 files (100 digitally signed image files and 1 text file containing details of DIS) should be zipped to create one single file to be uploaded on e-Pass.

6. For upload of zip file containing the digitally signed DIS images and index file on e-pass, a new menu **'DIS Upload'** is added on e-Pass portal, under which two sub-menus 'Upload DIS File' and 'View / Search DIS Uploaded' are provided.

7. When the zipped file is uploaded on e-Pass, the same will be validated and a response file will be generated. The response file will indicate successful validation or rejection by e-Pass of the posted scanned images. The File format for the response file is given at **Annexure B**.

8. The steps to be followed to upload the zipped file containing NSDL signed DIS image files and index files are provided in **Annexure C**. Participants are advised to follow the steps for submitting the DIS image copies as sought by NSDL.

Annexure - A

File format for index file (Input file for ePass)				
Description	**Data Type**	**Size**	**End**	**Status***
Batch No.	Integer	8	8	M
Line Number	Integer	6	14	M
DP ID	Character	8	22	M
DIS Serial No.	Character	12	34	M
DIS Image File Name	Character	40	74	M
Filler	Character	76	150	O

Annexure B

File format for out file of ePass for status of DIS images upload.				
Data Type Description	**Size**	**End**	**Status***	**Remarks**
Batch No.	8	8	M	
Line Number	6	14	M	
DP ID	8	22	M	
DIS Serial No.	12	34	M	
DIS Image File Name	40	74	M	
Acceptance/ Rejection Flag	1	75	M	A - Accepted, R- Rejected
Error code 1	6	81	O	
Filler	69	150	O	

***(M -Mandatory, O - Optional)**

Error Code	Error Description	Remark
1	Signature Verification Failed	Tampered file
2	Invalid File	Other than .sgn file
3	Zero kb file	file size '0'
4	Invalid Naming convention	DIS image file name is not as per specified format
5	Invalid DP ID	DP ID mismatch
6	Batch no already exists	Batch already imported
7	File already imported	Image file already imported
8	Line no () - Invalid length	Length of the line is not as per specified format
9	Invalid DIS File name	DIS file name is not proper
10	Number of records present in Index file and .sgn present in Zip file is not matching	File present in zip and index file is not matching
11	Index file missing	Index file not present in uploaded .zip file
12	Invalid file format	Uploaded file is not as per specified format

DIS File upload Version 1.0

NATIONAL SECURITIES DEPOSITORY LIMITED

DIS File Upload Process

User Manual

This document specifies steps involved in DIS file upload on ePASS portal.

A sub menu **'DIS Upload'** is added on ePASS portal under menu Transaction for uploading zip file containing the digitally signed DIS image files and index file. There will be two sub-menus provided under the menu **'DIS Upload'**

a. Upload DIS File
b. View / Search DIS Uploaded

The steps for upload of the zip file and to view or search uploaded DIS image files are given below:

1. How to upload?

a. Participant must select sub-menu **'Upload DIS File'** as shown in **Figure 1** below.

Figure 1

b. On clicking the sub-menu **'Upload DIS File'**, a browse window will open. The Participant shall use the **'Browse'** option to select the valid file (i.e. zip file with correct naming conventions as prescribed) and click on **'Upload'** button as shown in **Figure 2**.

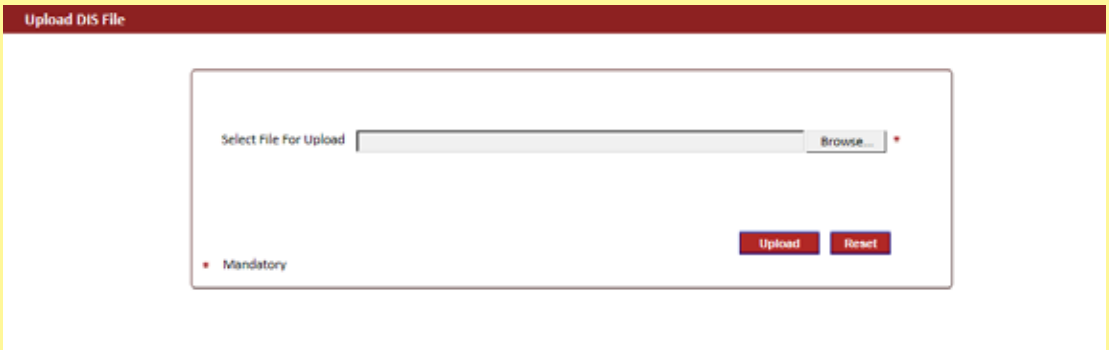

Figure 2

c. On successful upload, a message will get displayed **"File Uploaded successfully"** as shown in **Figure 3** else an error message will display like in **Figure 4**.

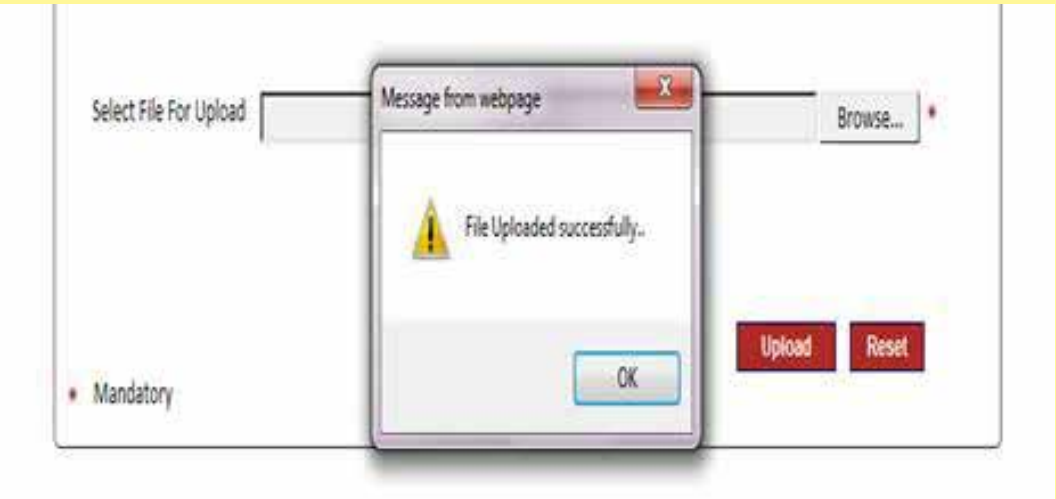

Figure 3

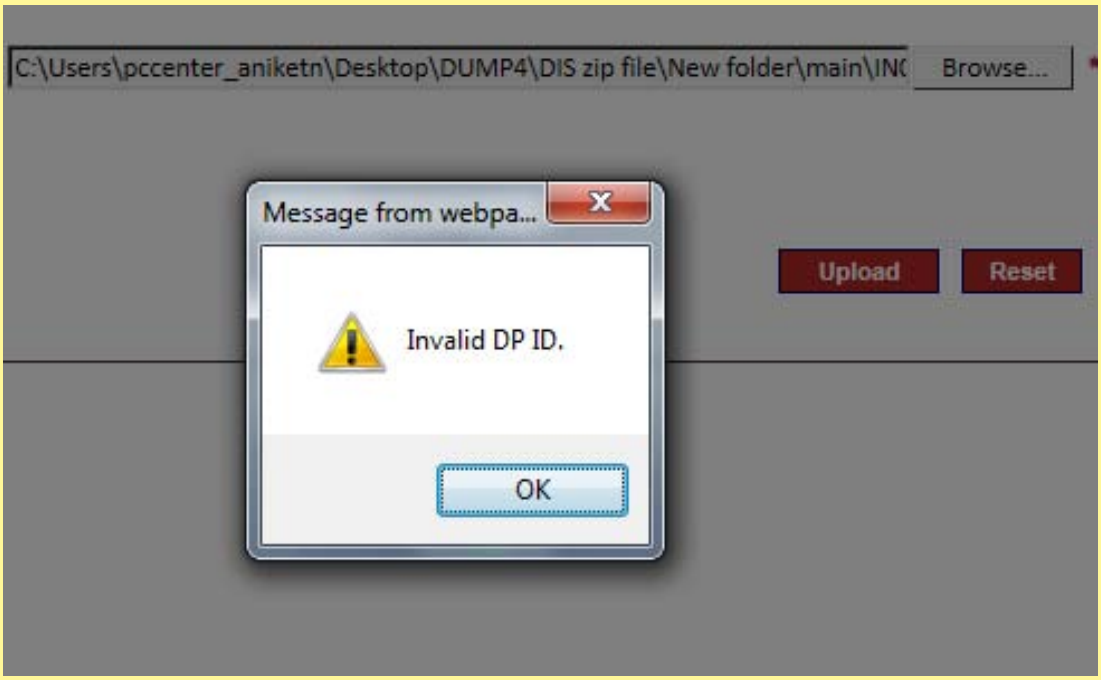

Figure 4

d. The file upload can be rejected for the following reasons:

Sr No	Error Description	Rejection Reason
1	Signature Verification Failed	Tampered file
2	Invalid File	Other than .sgn file
3	Zero kb file	file size '0'
4	Invalid Naming convention	DIS image file name is not as per specified format
5	Invalid DP ID	DP ID mismatch
6	Batch no already exists	Batch already imported
7	File already imported	Image file already imported
8	Line no () - Invalid length	Length of the line is not as per specified format
9	Invalid DIS File name	DIS file name is not proper
10	Number of records present in Index file and .sgn present in Zip file is not matching	File present in zip and index file is not matching
11	Index file missing	Index file not present in uploaded .zip file
12	Invalid file format	Uploaded file is not as per specified format

In case the file upload is unsuccessful, the Participant will need to correct the error considering the rejection reason as will be mentioned in the response file and re-upload the zip file containing the DIS image files and index file in stipulated manner,

2. How to verify status of DIS upload on ePASS.

a. To view uploaded file, click on **'View / Search DIS Uploaded'** as shown in **Figure 5**.

Figure 5

b. On clicking **'View / Search DIS Uploaded'** sub-menu, Participant will be able to view the files uploaded alongwith the status of upload of DIS images in e-Pass and response file (.txt) as shown in **Figure 6**. The Participant will need to click the respective link to view the uploaded file / response file.

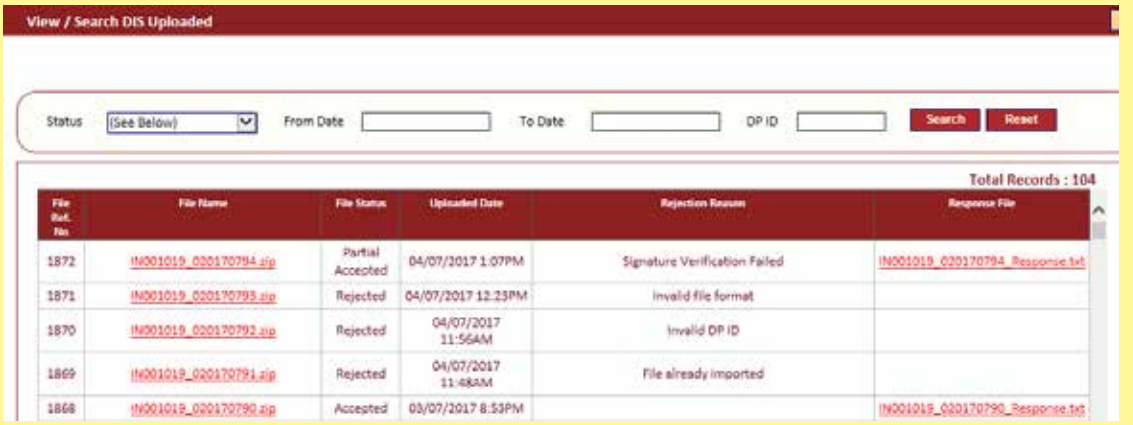

Figure 6

Utility for retrieving DIS images from DMS

1. Please download **"DIS_Inspection_utility.zip"** from ePASS, copy it on LDPM server and extract it in C drive of LDPM server. Contact to NSDL, if this option is not available under your login. Remove READ ONLY properties of all folders, files and double click on **DMS_Inspection.exe**. This will open DMS Inspection utility as shown in **Fig. 1**.

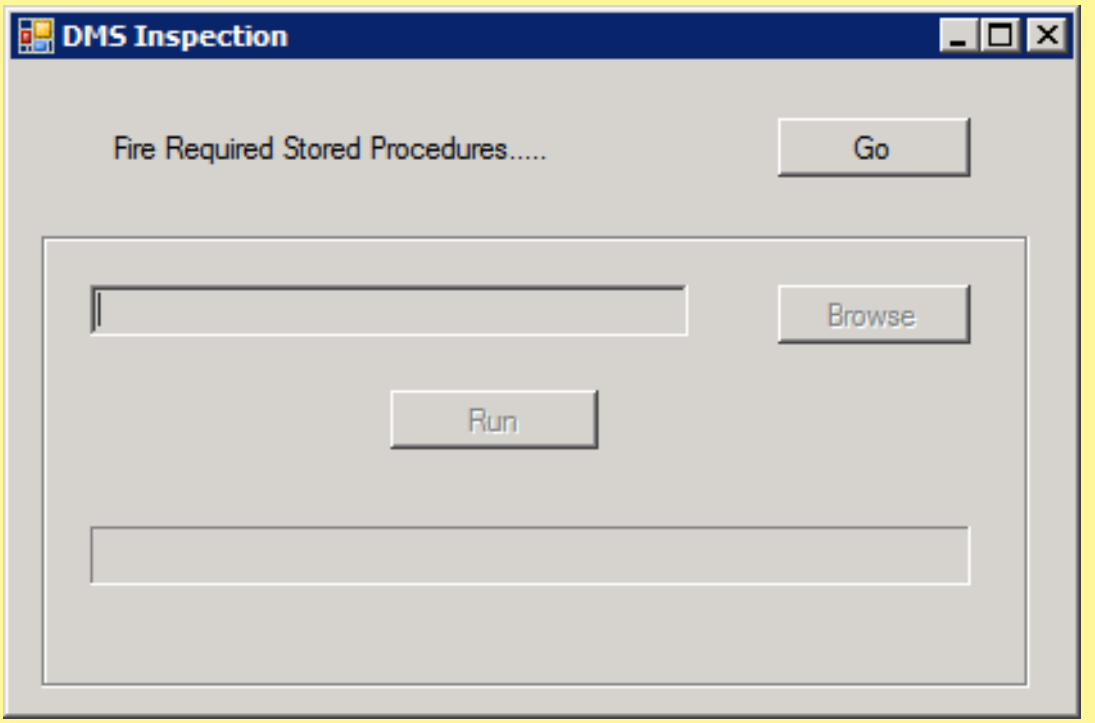

Figure 1

2. Click on **"Go"** button to execute required Stored Procedures as shown in **Fig. 2** below.

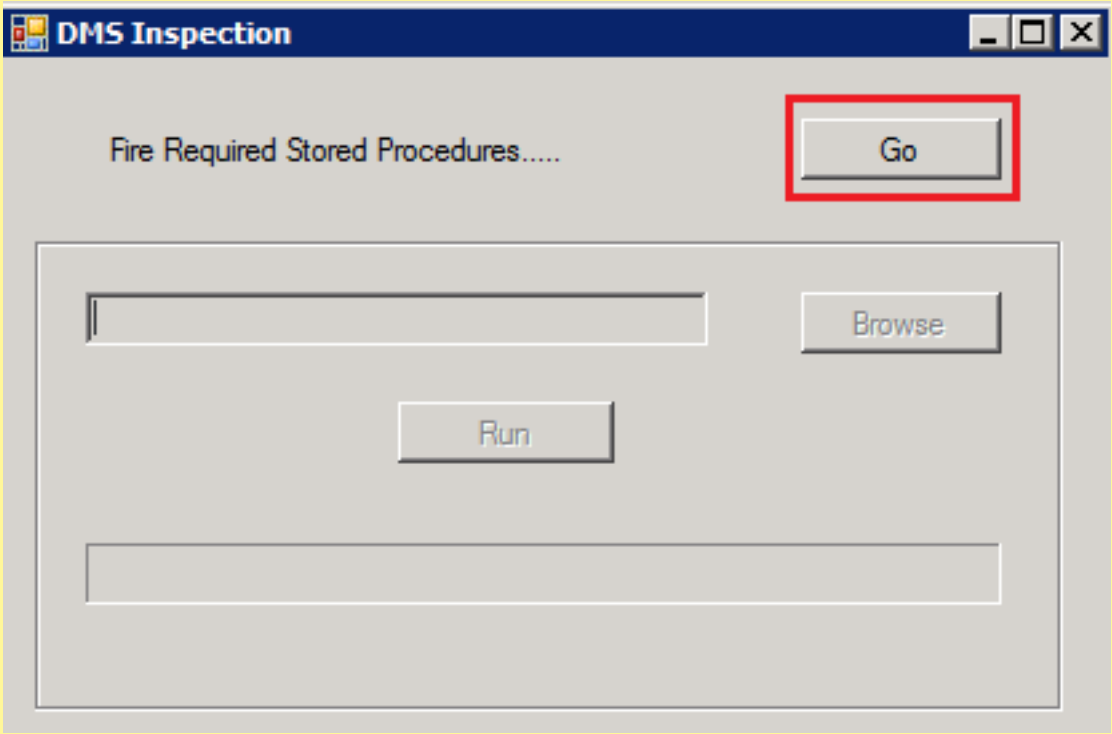

Figure 2

3. Upon successful completion a message will appear as shown in **Fig. 3** below.

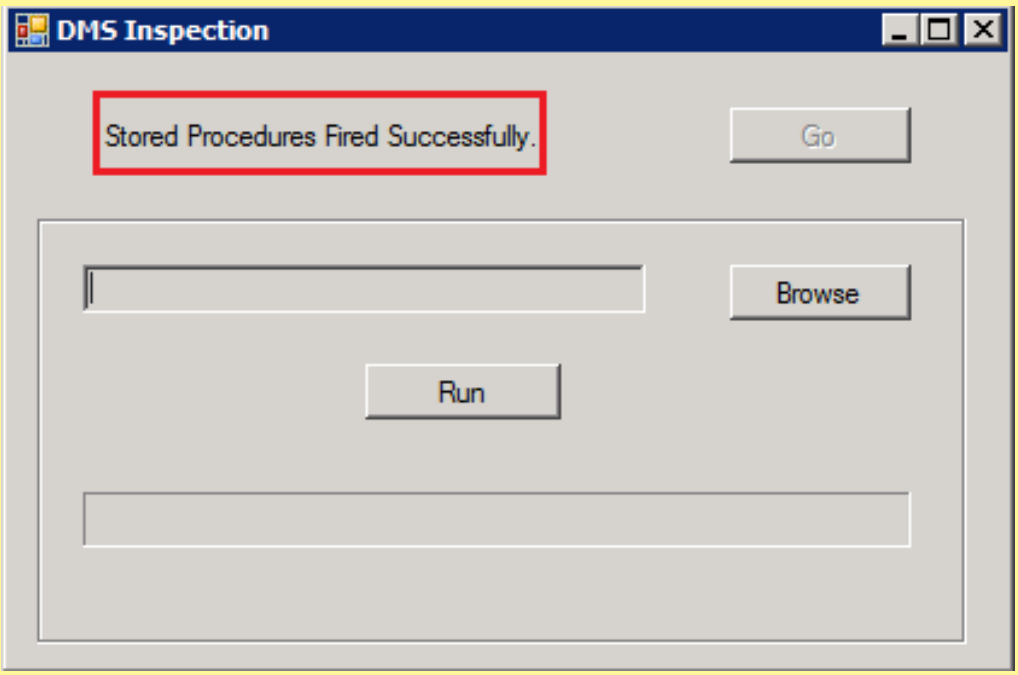

Figure 3

4. Click on **"Browse"** button to select input file as shown in **Fig. 4** below. The input file will contain DPID, DIS number to extract the DIS images.

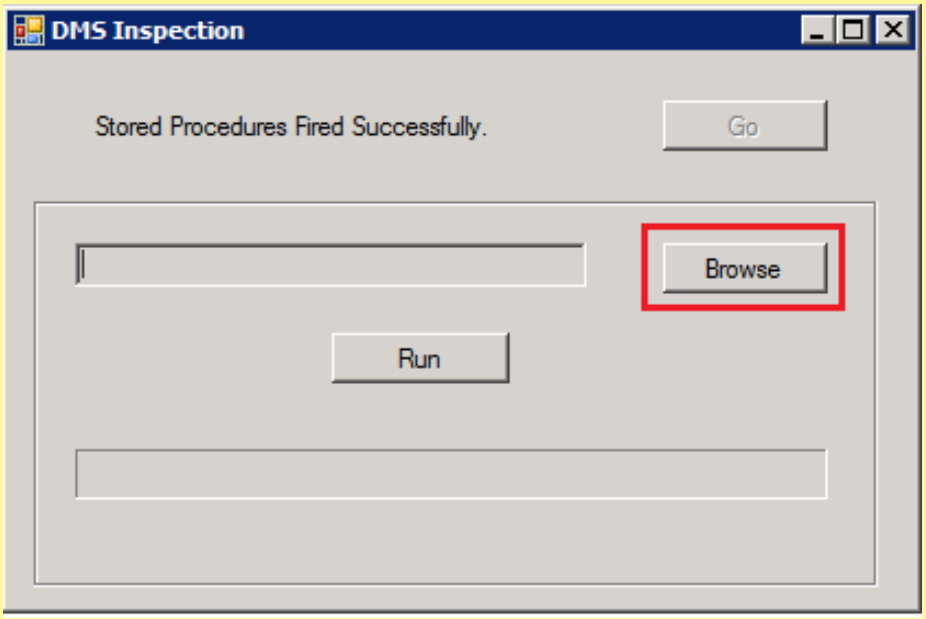

Figure 4

5. Select input file and click on **"Open"** button as shown in **Fig. 5** below.

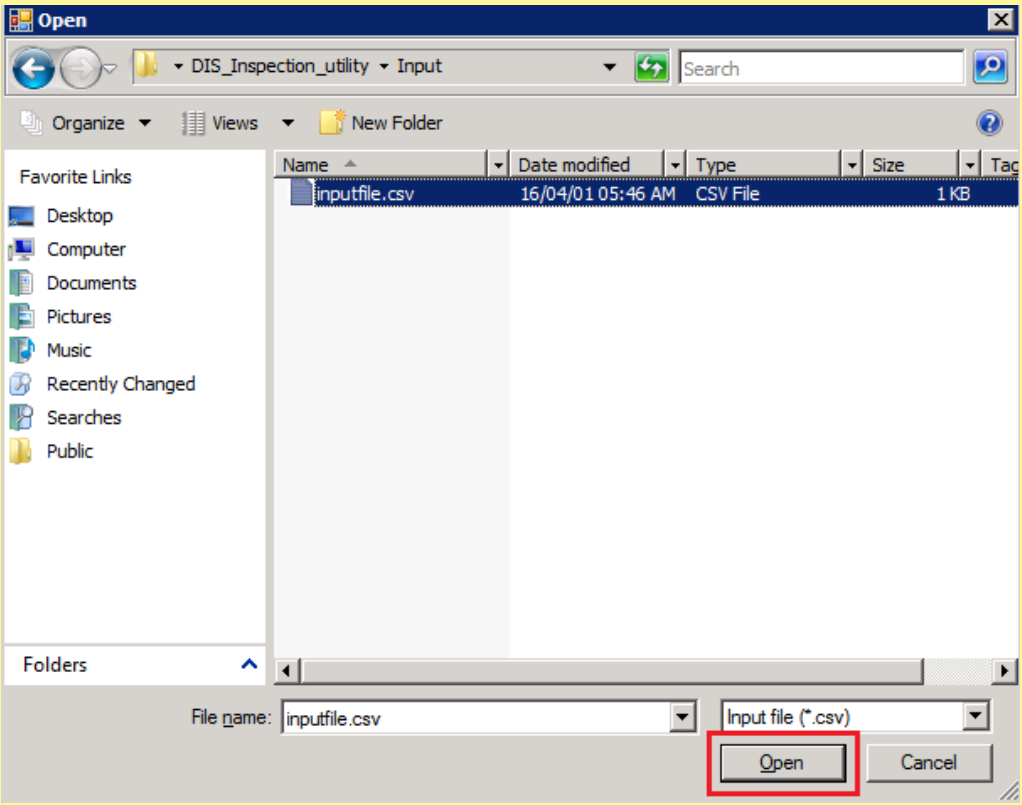

Figure 5

6. Then click on **"Run"** button to generate output as shown in **Fig. 6** below.

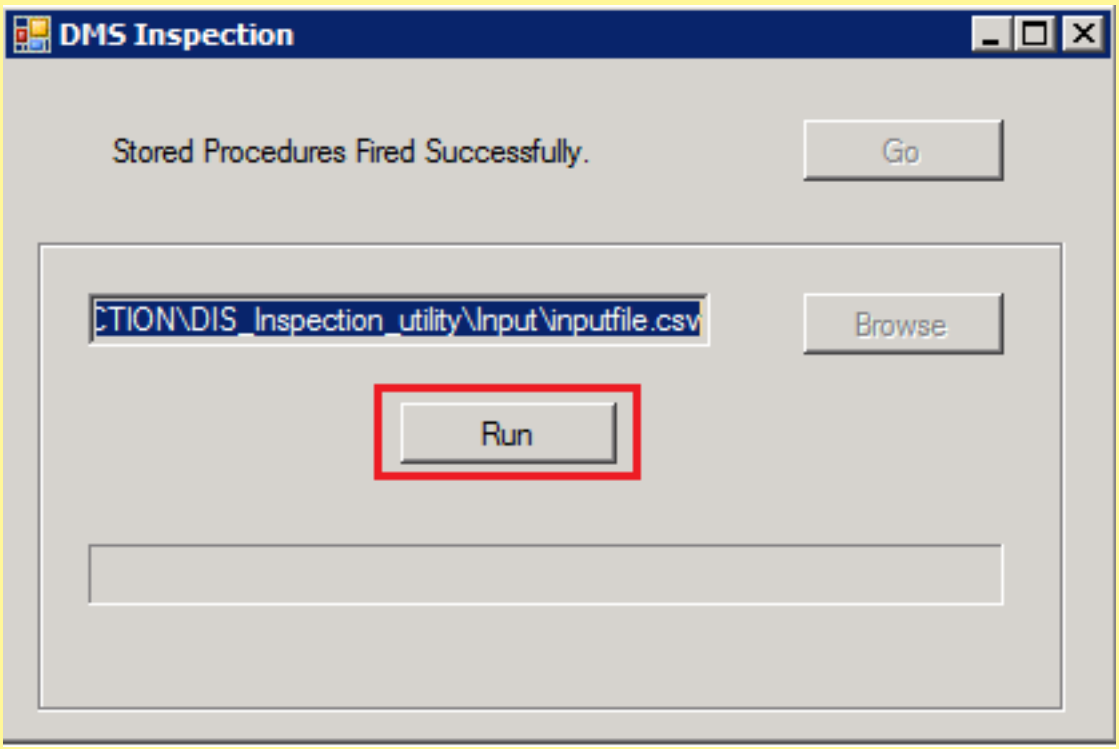

Figure 6

7. You can view progress of file generation as shown in **Fig. 7** below.

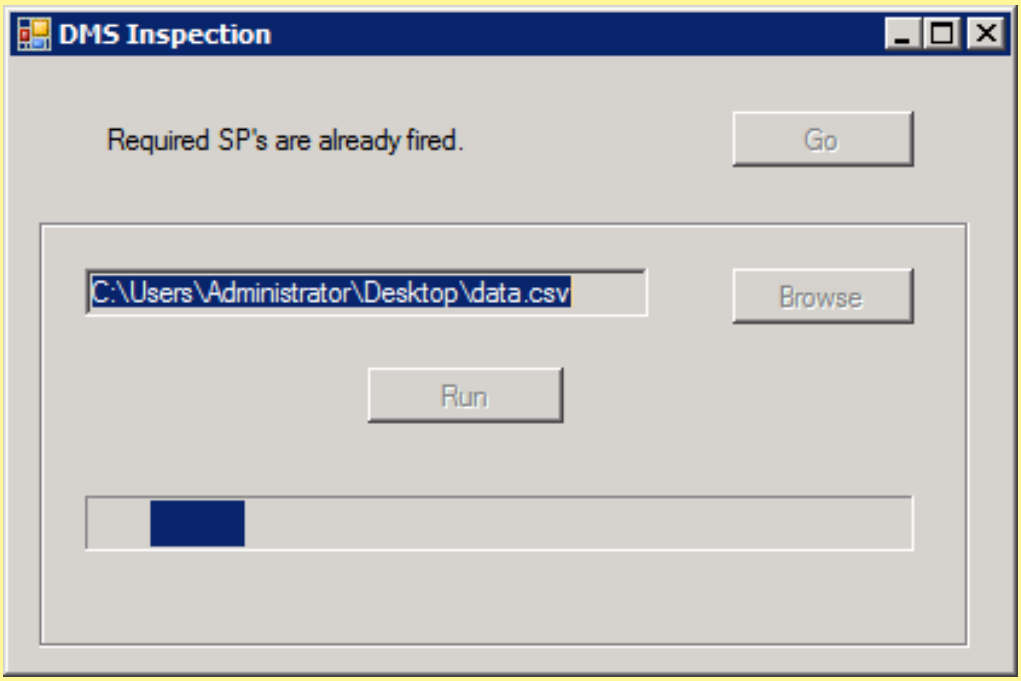

Figure 7

8. Upon successful completion a message will appear as shown in **Fig. 8** below.

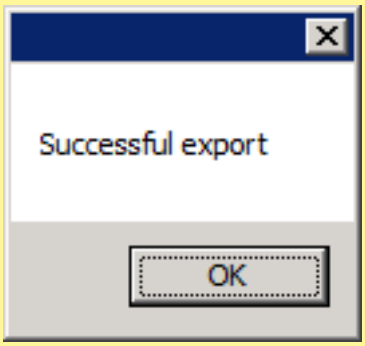

Figure 8

9. You will get the export of required DIS in following path (C:\DIS_Inspection_utility\Output) as shown in **Fig. 9** below

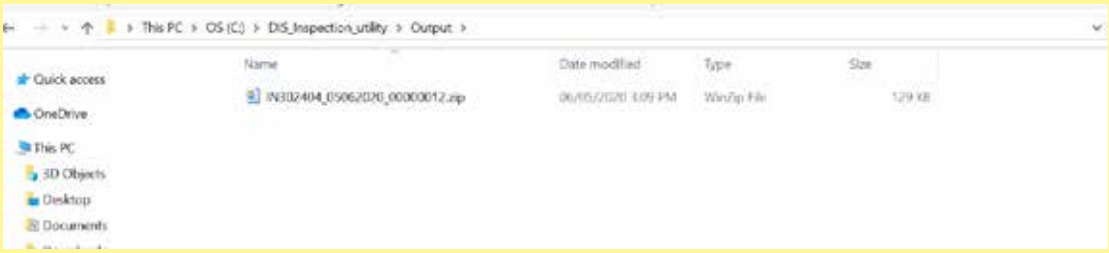

Figure 9

10. Upload this file to ePASS under menu DIS Upload →Upload DIS file

Circular No.: NSDL/POLICY/ 2020/0139 October 23, 2020	***Subject: Insurance Premium Computation Methodology*** As Participants are aware, NSDL obtains a comprehensive insurance policy to cover NSDL and its Participants against various risks viz.; Infidelity of employees, Electronic & Computer Crime and Professional Indemnity. This policy is due for renewal in October 2020. The premium paid by the Participants is calculated based on their level of activity (such as aggregate custody value held in demat accounts of their clients, transaction volumes etc.) and certain other factors. Participants were informed vide Circular No. NSDL/POLICY/2019/0072 dated October 29, 2019 about the methodology for computing premium payable by Participants in respect of insurance policy for the insurance year 2019-20. Continuing with the same methodology, the incidences of insurance claims would be considered while computing the premium payable by Participants for the insurance policy for the insurance year 2020-21. The computation methodology is given below: ● The insurance premium to be paid by each Participant will be first computed on the activity volume (such as custody value and transaction volume) of each Participant, subject to a minimum value. ● There will be a loading on the premium for the insurance year 2020-21 for Participants who have lodged claim(s) in the previous years.

	• A Participant closing its depository operations, will be required to pay the annual premium for the succeeding year, in order to cover the claims (if any) arising in the year immediately following the year of closure. • Since NSDL will include the premium in the monthly bill for October 2020, it is not necessary to send the premium amount to NSDL separately and must be paid along with the monthly bills.
Circular No.: NSDL/POLICY/ 2019/0090 December 19, 2019	***Subject: Limited Purpose Holiday Master.*** As Participants are aware that as per SEBI guidelines (Circular No. CIR/MRD/DP/01/2014 dated January 7, 2014), Participants were advised to enter details of DIS issued to Clients in DPM immediately but not later than two days and to scan and upload images of DIS executed by end of the next working day to DIVS. In order to determine what is a 'working day' for the above purpose, a Limited Purpose Holiday Master for DIS monitoring was introduced by NSDL (Refer Circular No.: NSDL/POLICY/2015/0016 dated January 30, 2015). In the same manner, the Limited Purpose Holiday Master for DIS monitoring for the calendar year 2020 is enclosed which will be used for monitoring of upload of DIS issuance details in eDPM and scanned images in the DIVS of the Local DPM. Limited Purpose Holiday Master for DIS Monitoring (Year 2020) 1. Limited Purpose Holiday Master for DIS Monitoring includes all Saturdays and Sundays. 2. In addition to above, the other days for calendar year 2020 for Limited Purpose Holiday Master for DIS Monitoring are given below:

Sr. No.	Date	Day	Remarks
1	19-Feb-20	Wednesday	Chhatrapati Shivaji Maharaj Jayanti
2	21-Feb-20	Friday	Mahashivratri
3	10-Mar-20	Tuesday	Holi (Second Day)
4	25-Mar-20	Wednesday	Gudhi Padwa
5	2-Apr-20	Thursday	Ram Navmi
6	6-Apr-20	Monday	Mahavir Jayanti
7	10-Apr-20	Friday	Good Friday
8	14-Apr-20	Tuesday	Dr. Babasaheb Ambedkar Jayanti
9	1-May-20	Friday	Maharashtra Day
10	7-May-20	Thursday	Buddha Purnima
11	25-May-20	Monday	Id-Ul-Fitr (Ramzan Id)
12	2-Oct-20	Friday	Mahatma Gandhi Jayanti
13	30-Oct-20	Friday	Id-E-Milad
14	16-Nov-20	Monday	Diwali Balipratipada
15	30-Nov-20	Monday	Gurunanak Jayanti
16	25-Dec-20	Friday	Christmas

Circular No.:
NSDL/POLICY/
2019/0087
December 13, 2019

Subject: Change in off-market transfers reason codes.

Attention of Participants is invited to NSDL circular no. NSDL/POLICY/2019/0077 dated November 15, 2019 regarding changes in off-market transfer reason codes.

In aforesaid Circular, it has been informed that the effective date for discontinuation of following off-market reason codes shall be notified separately.

Reason Code	Reason Code Name
9	Account Closure
10	On-market Sale (Transfer towards Pay-in)
11	Transmission

In this regard, the necessary changes in respect of discontinuation of aforesaid three reason codes will be made effective in the DPM system at EOD of December 13, 2019.

As regards to the discontinuation of aforesaid three off-market reason codes, following system enhancements will be implemented:

1. Account closure and Transmission instructions under Transfer of Holding module of DPM system will be enhanced to facilitate inter-depository transfers in cases where the target account is held with other depository.
2. Transmission instructions under Transfer of Holding module of DPM system will be enhanced to facilitate transfers to multiple target demat accounts in respect of Transmission cases with the reason as 'Transmission To Nominee' (i.e. Multiple Nominations) and 'Transmission To Court Order / Legal Heirs'.
3. As regards to the discontinuation of off-market reason code viz., '10 - On-market Sale (Transfer towards Pay-in)', following changes will be implemented:
   a. The reason code i.e. '10 - On-Market Sale (Transfer towards Pay-in)' will be excluded from the list of off-market reason codes available in IDT module.
   b. On IDT module screen, the field name will be changed from "Reason Code" to "Reason Code / Market Identifier". The Market Identifier will be applicable only for processing the Market IDT instructions wherein the Source demat account maintained with NSDL is Beneficial Owner account and Target demat account maintained with other depository is Clearing Member pool account.
   c. Under the new field viz., "Reason Code/Market Identifier", a new market identifier will be incorporated (by replacing the existing reason code i.e. '10 - On Market Sale') i.e. '10 - Market IDT Identifier', which needs to be selected by the Participants while processing Market IDT instruction. There will be no change in the file format in respect of Participants back-office system as existing reason code i.e. '10 - On Market Sale' shall be renamed as '10 - Market IDT Identifier' which shall be used for selecting Market IDT Identifier.

d. Participants shall select the code as '10 - Market IDT Identifier' only in respect of processing the Market IDT instruction based on the explicit declaration provided by the client in the field "reason/purpose" of Inter-Depository Delivery Instruction Slip alongwith settlement details that the given instruction is pertaining to Market IDT.

Circular No.: NSDL/POLICY/2019/0077
November 15, 2019

Subject: Change in off-market transfers reason codes.

Attention of Participants is invited to NSDL circular nos. NSDL/POLICY/2019/0062 dated September 24, 2019 regarding changes in off-market transfers reason codes and NSDL/POLICY/2019/0067 dated October 1, 2019 regarding procedure for opening of pool account for Portfolio Management Services (PMS).

In aforesaid Circular dated September 24, 2019, it has been stated that following changes will be made in off-market transfer's reason codes with effect from **November 16, 2019**:

Reason Code	Reason Code Name	Change
6	Transfers to PMS account	Discontinued
7	Transfers from PMS account	Discontinued
9	Account Closure	Discontinued
10	On-market Sale (Transfer towards Pay-in)	Discontinued
11	Transmission	Discontinued

Participants are requested to note that changes with respect to discontinuation of off-market reason codes viz., 6 – 'Transfers to PMS Account' and 7 – 'Transfers from PMS account' will be implemented in the DPM system at EOD of **November 15, 2019**.

As mentioned at **Annexure 1** of aforesaid circular dated October 1, 2019, NSDL has provided facility to SEBI registered Portfolio Managers for opening of PMS pool account as currently available for clearing members. Accordingly, all debit and credit transfers from/to the pool account of Portfolio Manager will be considered as "Market" transfers instead of "off-market" transfers. The validations for transfer of securities in respect of PMS pool account mentioned at **Annexure 2** of aforesaid circular dated October 1, 2019 will be made effective in the DPM system at EOD of **November 15, 2019**. Participants are requested to inform their PMS clients about the same.

Further, effective date for discontinuation of off-market reason codes viz., 9- 'Account Closure',10- "On-market Sale (Transfer towards Pay-in)' and 11- 'Transmission' will be notified separately.

Circular No.: NSDL/POLICY/2019/0072
October 29, 2019

Subject: Insurance Premium Computation Methodology.

As Participants are aware, NSDL obtains a comprehensive insurance policy to cover NSDL and its Participants against various risks viz.; Infidelity of employees, Electronic & Computer Crime and Professional Indemnity. The premium paid by the Participants is in proportion to their aggregate custody, transaction volumes and certain other factors.

Participants were informed vide Circular No. NSDL/POLICY/2018/0056 dated October 3, 2018 about the methodology for computing premium payable by Participants in respect of insurance policy for the year 2018-19. Continuing with the same methodology, the incidences of insurance claims would be considered while computing the premium payable by Participants for the insurance policy for the insurance year 2019-20. The computation methodology is given below:

- The insurance premium to be paid by each Participant will be first computed on the basis of custody and transaction volume of each Participant, subject to a minimum value.
- There will be a loading on the premium for the year 2019-20 for Participants who have lodged claim(s) in the previous years.
- A Participant closing its depository operations, will be required to pay the annual premium for the succeeding year, in order to cover the claims (if any) arising in the year immediately following the year of closure.
- NSDL will intimate the premium amount to Participants in due course.

Circular No.: NSDL/POLICY/ 2019/0066
October 1, 2019

Subject: Capturing relationship details in respect of off-market transfers executed with reason code 89 - 'Transfer between specified family members'.

Attention of Participants is invited to NSDL Circular no. NSDL POLICY/2019/0053 dated August 14, 2019 regarding change in off-market transfer reason codes. In aforesaid circular, Participants were informed about the incorporation of new reason code i.e. '89 - Transfer between specified family members'. It was also informed to Participants that requisite system changes to enable capturing the "Relation" shall be notified subsequently. In this regard, the DPM system will be enhanced to enable Participants to use the following relation codes while transferring securities between following specified family members:

Relation Code	Relation Description
01	Spouse
02	Father (including step-father)
03	Mother (including step-mother)
04	Son (including step-son)
05	Son's wife
06	Daughter
07	Daughter's husband
08	Brother (including step-brother)
09	Sister (including step-sister)
10	Members of same HUF

In this context, Participants are requested to take note of the following:

	1) Participants are advised to obtain the "relation" between the transferor and transferee and keep the same on record, if the instruction(s) is for off-market transfer with reason code - 89. **2) In case of the off-market instruction executed with reason code - 89 through Account Transfer / Inter Depository Transfer (IDT) screen of eDPM system, the system will prompt the user to mandatorily select the relationship from the newly incorporated drop down option under the field 'Remark/Purpose'.** **3) In respect of file upload for Account Transfer and IDT with reason code - 89, Participants are required to use Remark/Purpose field** (which will be mandatory for reason code 89) **to capture the relationship code i.e. "01" to "10" given in the aforesaid table against the Relationship Description. The instruction will be rejected, if invalid combination of reason code and relationship code is entered.** **4) The details of the relationship code will also be reflected in the 'Remark/Purpose' field of the Changed Orders for the Day (COD) download file. The said details will be reflected in the last two characters of the existing 'Remark/Purpose' field of 22 characters.**
Circular No.: NSDL/POLICY/ 2019/0062 September 24, 2019	***Subject: Change in off-market transfers reason codes.*** Attention of Participants is invited to NSDL circular no. NSDL/POLICY/2019/0041 dated July 15, 2019 regarding Change in off-market transfers reason codes. At point no. 3 of aforesaid Circular it has been stated as below: Following changes will be made in off-market transfer's reason codes as listed below with effect from September 14, 2019:

Reason Code	Reason Code Name	Change
6	Transfers to PMS account	Discontinued
7	Transfers from PMS account	Discontinued
9	Account Closure	Discontinued
10	On-market Sale (Transfer towards Pay-in)	Discontinued
11	Transmission	Discontinued

In this regard, based on the representation received from various business partners, discontinuation of aforesaid reason codes will be effective from November 16, 2019. Further, operational guidelines with respect to aforesaid features will be notified separately.

Circular No.: NSDL/POLICY/ 2019/0060 September 6, 2019	***Subject: Handling of Clients' Securities by Trading Members / Clearing Members.*** Attention of Participants is invited to SEBI Circular no. **SEBI/HO/MIRSD/DOP/CIR/P/2019/95** dated August 29, 2019 regarding Handling of Clients' Securities by Trading Members/Clearing Members. Copy of the same is enclosed.

CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2019/95 **August 29, 2019**

To

All Recognized Stock Exchanges
All Recognized Clearing Corporations
All Depositories
All Trading Members / Clearing Members through Stock Exchanges / Clearing Corporations
All Depository Participants through Depositories

Madam / Sir,

Sub: Handling of Clients' Securities by Trading Members / Clearing Members

1. Please refer to SEBI Circular No. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 regarding the captioned subject. Following representations from Stock Exchanges as well as market participants, it has been decided that effective deadline for implementation of guidelines prescribed in clause 5 and clause 8 of the aforesaid SEBI circular shall be extended by one month.
2. Consequently, the date 'August 31, 2019' in clause 5 of the circular shall be substituted as 'September 30, 2019' and the date 'September 01, 2019' in clause 8 of the circular shall be substituted as 'October 01, 2019'.
3. The Stock Exchanges, Clearing Corporations and Depositories are advised to bring the provisions of this circular to the notice of all TM / CM, Depository Participants and also disseminate the same on their respective websites.
4. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
5. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework".

Yours faithfully,
Rajesh Kumar Dangeti
General Manager

Circular No.: NSDL/POLICY/ 2019/0058 August 28, 2019	***Subject: Enhancement in DPM system regarding Handling of Clients' Securities by Trading Members/Clearing Members.*** Attention of Participants is invited to NSDL Circular Nos. NSDL/POLICY/2019/0056 dated August 26, 2019 and NSDL/POLICY/2019/0036 dated June 24, 2019 (enclosing SEBI Circular No. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019) regarding Handling of Clients' Securities by Trading Members/ Clearing Members. In this context, detailed procedure in respect of opening of depository account in respect of "Client unpaid securities account" is enclosed at Annexure 1.

The system enhancements in respect of implementation of aforesaid circulars will be made available in the DPM version release scheduled on EOD of August 30, 2019 and the features of aforesaid DPM version release are enclosed at Annexure 2.

Annexure 1

Procedure to be followed for opening Client Unpaid Securities Account (CUSA)

A) Process for making an application for new CM-BP-ID for Clearing Members (CMs) in respect of CUSA:

1. For opening of CUSA, the Clearing Member (CM) will be required to make an application to NSDL Participant.
2. CMs will be required to open separate CM account for CUSA in respect of each Clearing Corporation and NSDL will provide separate CC wise CM-BP-ID to CMs. NSDL shall use the existing CM Code/ID (assigned to CMs by Clearing Corporations) for opening of CUSA pool account.
3. The CM will submit request letter to Participant for obtaining new CM-BP-ID for opening CUSA account in the format as enclosed below at **Annexure A**.
4. If the existing CM is registered on SPEED-e and the CM wish to opt for SPEED-e facility for operating the CUSA, then the CM will provide the confirmation to Participant as mentioned in **Annexure A**.
5. Based on the aforesaid request received from CM, Participant will send consolidated excel sheet containing the CM details for opening of CUSA as per format prescribed at **Annexure B** to NSDL on Email ID viz., ccinterface@nsdl.co.in. As per the confirmation received from the Participant through aforesaid email, the new CM-BP-ID for CUSA would be activated in NSDL DPM system using the details of existing CM Pool account maintained in NSDL depository system.
6. The details of CUSA pool account would be forwarded to the Participant for opening of CUSA.

B) Application for opening CUSA account in DPM system by Participant:

1. CM will be required to make an application to Participant for opening of CUSA by submitting the application form as enclosed at **Annexure A**. If CM is opening the CUSA with the existing Participant, then no additional documents will be required to be enclosed along with the application form. However, if CM opts to open CUSA with any other Participant, then CM will be required to follow the process of CM account opening prescribed in NSDL Master Circular on Account opening. Participants are advised to maintain the aforesaid forms with them and make provision to produce the same as and when required by NSDL.

2. If CM is opening the CUSA with the existing Participant, based on the aforesaid Annexure A submitted by CM the Participant shall open CUSA in Local DPM system using the CM BP ID provided by NSDL. The Participant shall use the following details of existing CM while opening of CUSA in Local DPM system:
   a. Client Details viz., PAN, Address etc.
   b. Financial Details
   c. Signatory Details

(To be provided on the letterhead of Clearing Member applying for CUSA)

Annexure A

To,

<Participant Name>

Subject: Request for opening Clearing Member (CM) for Client Unpaid Securities Account (CUSA)

Madam / Dear Sir,

With reference to captioned subject, I / We **< CM Name >** request you to open CUSA in <**Participant name**>. Further, I/We **< CM Name >** hereby authorise <**Participant Name**> for sending the request to NSDL for creation of new CM BP ID(s) for opening of CUSA in respect of below mentioned existing CM account maintained with <**Participant name**>.

Sr. No.	CC ID	CC Name	CC CM ID	CM BP ID	DP ID	Client ID	Confirmation for Registration on SPEED-e facility for CUSA* (Yes/No)
1							
2							
3							

Annexure 2

1. **Addition of new sub-types in DPM system:**

   To facilitate Participants for opening of new demat accounts in respect of Handling of Clients' Securities by Trading Members/Clearing Members, following new sub-types will be added in the Client Maintenance module of Local DPM system:

Client Type Description	Static Code	Client Sub-type Description	New Static Code
Resident	1	Client Margin Trading Securities account	10
Resident	1	Client collateral account	11
Body Corporate	5	Client Margin Trading Securities account	37
Body Corporate	5	Client collateral account	38

2. Opening of Clearing Member account in respect of Clients Unpaid Securities Account (CUSA):

As per the procedure mentioned at Annexure 1, NSDL will provide CC wise new CM BP ID to the Participants for opening CUSA for their Trading Members/Clearing Members. The Participants shall open CUSA in the Clearing Member account opening module under Client Creation option in Local DPM system as per the below mentioned details:

Client Type Description	Static Code	Client Sub-type Description	New Static Code
CM	6	Client Unpaid securities account	-

3. Incorporation of validations for transfer of securities in respect of Clients Unpaid Securities Account (CUSA):

a) NSDL will provide one CM BP ID for CUSA per CC, the existing market types of CCs i.e. NCL, ICCL and MCCIL shall be used for transactions in respect of CUSA. The settlement details in respect of transactions to be carried out in CUSA will be as per the settlement calendar uploaded by the respective CCs on monthly basis.

b) The transfer of the securities from CUSA Pool account to another CM Pool account & vice versa and CUSA Pool account to Client account shall be allowed.

c) The transfer of the securities from CUSA Pool account in respect of Inter Settlement instructions, Delivery Out (DO) / Irreversible Delivery Out (IDO) / AUTO DO instructions shall not be allowed.

d) The transfer of the securities from Client BO account to CUSA Pool account (i.e. Client to CM instructions) shall not be allowed.

4. Incorporation of validations for transfer of securities in respect of Client collateral account, Client margin trading securities account and Client unpaid securities account:

At point no 6 (c) of aforesaid SEBI circular dated June 20, 2019, it has been stated that **"Securities lying with TM/CM in client collateral account, client margin trading securities account and client unpaid securities account shall not be permitted to be pledged/transferred to Banks/NBFCs for raising funds by TM/CM."**

Accordingly, system validations will be implemented to disallow the Pledge and Account Transfer (within NSDL) instruction pertaining to below mentioned demat accounts:

Source / Pledger demat accounts	Target / Pledgee demat accounts
Clients Collateral Account	Bank/NBFC
Clients Margin Trading Securities Account	
Clients Unpaid Securities Account (CM Pool)	

	Further, the Inter Depository Transfer (IDT) instructions from aforesaid Source demat accounts shall not be validated in DPM system as the client details viz., Client Type/Sub-type of Target demat accounts pertaining to Bank/NBFC are not known to NSDL. In this context, Participants are advised to device a mechanism to verify the details of target demat accounts pertaining to Bank/NBFC to ensure that such IDT instructions are executed as per the guidelines prescribed by SEBI at point no. 6 (c) mentioned above.
Circular No.: NSDL/POLICY/ 2019/0057 August 28, 2019	***Subject: Change in off-market transfer reason codes.*** Attention of Participants is invited to following NSDL Circulars regarding standardised reason codes for off-market transfers by both depositories: ● NSDL/POLICY/2019/0041 dated July 15, 2019 ● NSDL/POLICY/2019/0047 dated July 31, 2019 ● NSDL/POLICY/2019/0048 dated August 02, 2019 ● NSDL/POLICY/2019/0049 dated August 02, 2019 ● NSDL/POLICY/2019/0050 dated August 06, 2019 ● NSDL/POLICY/2019/0053 dated August 14, 2019 Pursuant to the aforesaid Circulars, representations were received from market participants for providing additional reason codes to cover certain types of transactions. Accordingly, it has been decided that: 1. Following additional off-market transfer reason codes shall be added to the list of reason codes with effect from August 31, 2019: <table><tr><th>New Reason Code</th><th>New Reason Code Name</th><th>Remarks</th></tr><tr><td>20</td><td>Certificate of Deposit Redemption</td><td>To be used for transfer of Certificate of Deposit (CD) from Investors account to the Issuers 'CD Redemption Account' at the time of redemption.</td></tr><tr><td>22</td><td>Commercial Paper Issuance</td><td>To be used for transfer of Commercial Papers (CP) from Issuing & Paying Agents (IPA's) account to Investors account at the time of primary issuance.</td></tr></table>2. For the reason code 'Commercial Paper Issuance', it will be mandatory to specify 'Consideration'. The aforesaid enhancements will be implemented in eDPM and SPEED-e system at EOD of Friday, August 30, 2019.
Circular No.: NSDL/POLICY/ 2019/0056 August 26, 2019	***Subject: Handling of Clients' Securities by Trading Members/Clearing Members.*** Attention of Participants is invited to NSDL circular no. NSDL/POLICY/2019/0036 dated June 24, 2019 regarding SEBI circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 on Handling of Clients' Securities by Trading Members/Clearing Members.

In this context, all Participants are hereby requested to take note of the following:

1. **The list of new sub-types which will be introduced in the DPM system is given below:**

Client Type Description	Static Code	Client Sub-type Description	New Static Code
Resident	1	Client Margin Trading Securities account	10
Resident	1	Client collateral account	11
Body Corporate	5	Client Margin Trading Securities account	37
Body Corporate	5	Client collateral account	38
CM	6	Client Unpaid securities account	-

2. As per point 6 (b) of abovementioned SEBI circular, all the accounts tagged as "Stock Broker – Client Account" should be wound up before August 31, 2019. Accordingly, Participants must close such accounts upon receipt of request for closure of account. Further, in case the stock broker would like to remove standing instruction to receive credits from the accounts, the Participants may remove the standing instructions to receive credits in the account upon receipt of such a request from the stock broker.

3. The enhancements in the DPM system to implement the above will be notified separately.

Circular No.: NSDL/POLICY/ 2019/0053
August 14, 2019

Subject: Change in off-market transfer reason codes.

Attention of Participants is invited to following NSDL Circulars regarding standardised reason codes for off-market transfers by both depositories:

- NSDL/POLICY/2019/0041 dated July 15, 2019
- NSDL/POLICY/2019/0047 dated July 31, 2019
- NSDL/POLICY/2019/0048 dated August 02, 2019
- NSDL/POLICY/2019/0049 dated August 02, 2019
- NSDL/POLICY/2019/0050 dated August 06, 2019

Pursuant to the aforesaid Circulars, representations were received from market participants for providing additional reason codes to cover certain types of transactions. Accordingly, in consultation with SEBI, it has been decided as follows:

1. Following additional off-market transfer reason codes shall be added to the list of reason codes with effect from August 17, 2019:

New Reason Code	New Reason Code Name	Remarks	
88	Transfer between Minor Account and Guardian Account	To be used for transfer of securities between Minor Account and Guardian Account	
89	Transfer between specified family members	To be used for transfer of securities between specified family members: Participants should obtain the "relation" between the transferor and transferee & keep the same on record. Family members means relatives as given below:	
		1.	Spouse,
		2.	Father (including step-father),
		3.	Mother (including step-mother),
		4.	Son (including step-son)
		5.	Son's wife,
		6.	Daughter,
		7.	Daughter's husband,
		8.	Brother (including step-brother),
		9.	Sister (including step-sister)
		10.	Members of same HUF.
		Requisite system changes to enable capturing the "relation" shall be notified subsequently.	
90	Transfer between Partner and Firm, or Director and Company	To be used for transfer of securities between Partner and Partnership Firm in which he/she is a partner or transfer of securities between Director and the Company in which he/she is a director.	

2. Further, to ease out the operational difficulties, following type of transactions shall be permitted under the reason code “Others” till September 30, 2019 instead of August 31, 2019.
   a. Return of client securities by NBFC (which were transferred to NBFC through off market transfer prior to August 03, 2019).
   b. Reversal of off market transfers effected before August 03, 2019 for reasons not included in the updated list.

The aforesaid enhancements will be implemented in eDPM and SPEED-e system at EOD of Friday, August 16, 2019. Participants are requested to take note of the aforesaid and are requested to inform their clients accordingly.

Circular No.: NSDL/POLICY/ 2019/0050 August 6, 2019	***Subject: Change in off-market transfer reason codes.*** Attention of Participants is invited to NSDL Circular no. NSDL/POLICY/2019/0047 dated July 31, 2019 regarding off-market transfer reason codes. In this context, it has been clarified that the provisions of Para 2 of aforesaid circular dated July 31, 2019 (on change in off market transfer reason codes) for permitting certain types of transfers under off-market transfer reason code "Others" till August 31, 2019. In addition to the aforesaid permitted transaction, the off-market transfers in respect of redemption of Certificate of Deposit (CD) under the reason code "Others" shall be extended till August 31, 2019.
Circular No.: NSDL/POLICY/ 2019/0049 August 2, 2019	***Subject: Change in off-market transfer reason codes.*** Attention of Participants is invited to NSDL Circular no. NSDL/POLICY/2019/0047 dated July 31, 2019 regarding off-market transfer reason codes. In this context, it has been clarified that the provisions of Para 2 of aforesaid circular dated July 31, 2019 (on change in off market transfer reason codes) for permitting certain types of transfers under off-market transfer reason code "Others" till August 31, 2019. In addition to the aforesaid permitted transaction, the off-market transfers in respect of primary issuance of Commercial Papers (CP) under the reason code "Others" shall be extended till August 31, 2019.
Circular No.: NSDL/POLICY/ 2019/0048 August 2, 2019	***Subject: Change in off-market transfer reason codes.*** Attention of Participants is invited to NSDL Circular no. NSDL/POLICY/2019/0047 dated July 31, 2019 regarding off-market transfer reason codes. In this context, in consultation with SEBI, it has been clarified that the provisions of Para 2 (a) of aforesaid circular dated July 31, 2019 (on change in off market transfer reason codes) for permitting the transfers in respect of corporate debt settlement under the reason code "Others" shall be extended to non-custodial trades as well till August 31, 2019.
Circular No.: NSDL/POLICY/ 2019/0047 July 31, 2019	***Subject: Change in off-market transfer reason codes.*** Attention of Participants is invited to NSDL Circular no. NSDL/POLICY/2019/0041 dated July 15, 2019 regarding uniform / standardised reason codes for off-market transfers by both depositories which will be effective from August 03, 2019 (phase 1) and from September 14, 2019 (phase 2). Pursuant to the aforesaid Circular, representations were received from market participants for providing additional reason codes to cover certain types of transactions. Accordingly, in consultation with SEBI, it has been decided as follows:

1. Following additional off-market transfer reason codes shall be added to the list of reason codes with effect from August 3, 2019:

New Reason Code	New Reason Code Name	Remarks
14	Redemption of Mutual Fund Units	To be used for transfer of Mutual Fund Units from client BO account to AMC's BO account on account of redemption
15	Transposition – Between joint account of same holders	To be used for transfer of securities between joint account of same holders (order of holders different in both accounts).
16	Merger/ Demerger of corporate entity	For these types of transfers supporting documents needs to be provided by corporate entities to its Participants
17	Dissolution/Restructuring/ Winding up of Partnership Firm/Trust	For these types of transfers, supporting documents needs to be provided by transferor/ account holder(s) to its Participants
18	Conversion of Depository Receipt (DR) to underlying securities and vice versa	To be used for transfer of underlying securities for issuance/cancellation of Depository Receipts
19	Trust to Beneficiaries/On HUF dissolution to Karta & Coparceners	For these types of transfers, supporting documents/ Deeds needs to be provided by transferor/ account holder(s) to Participants

2. Further, the following types of transfers shall be permitted under off-market transfer reason code "Others" till August 31, 2019:
   a) Processing of corporate debt transaction by custodian.
   b) Return of client securities by NBFC (which were transferred to NBFC through off market transfer prior to August 03, 2019).
   c) Reversal of off market transfers effected before August 03, 2019 for reasons not included in the updated list.
3. For transactions involving off-market transfers of securities between two entities including between family members / relatives, the reason code "Gift', 'Donation or 'for Off-Market Sale' may be used depending on the nature of transaction between the concerned parties.
4. SEBI prescribed Stock Lending & Borrowing (SLBM) mechanism may be used for loan of securities.
5. In case of securities being given as collateral to NBFC/Bank or to any other person , pledge mechanism available in depository system shall be used.

The aforesaid enhancements will be implemented in eDPM and SPEED-e system at EOD of Friday, August 2, 2019. Participants are requested to take note of the aforesaid and are requested to inform their clients accordingly.

Circular No.: NSDL/POLICY/ 2019/0041
July 15, 2019

Subject: Change in off-market transfers reason codes.

All Participants are hereby informed that pursuant to surveillance meeting at SEBI, it has been decided as follows:

1. Following changes will be made in off-market transfer's reason codes listed below with effect from August 3, 2019:

Existing Reason Code	Existing Reason Code Name	New Reason Code	New Reason Code Name	Change
2	Margin to stock broker	2	Margin to stock broker / PCM	Renamed
3	Margin returned by stock broker	3	Margin returned by stock broker / PCM	Renamed
5	Open Offer / Buy-back	12	Buy-back	Open Offer & Buy-back code separated
		13	Open offer for Acquisition	
		91	Payout - On payment for unpaid securities	New Reason Code
8	Gift / Donation	92	Gift	Gift & Donation code separated
		93	Donation	
11	Transmission	11	Transmission	Reason code available in respect of transfer of securities from BO account held in NSDL system to BO account held in other depository. Reason code is now enabled for transfer of securities between BO accounts held in NSDL system
		94	Refund of securities by IEPF Authority	New Reason Code
		95	ESOP/Transfer to employee	New Reason Code
96	Govt. / Regulatory directions orders	96	Implementation of Govt./ Regulatory Direction/Orders	Renamed
97	Reversal of erroneous transfers	97	Erroneous Transfer pertaining to Client Securities	Renamed
98	Legitimate Dues of the stock broker	98	Meeting Legitimate Dues of Stock Broker	Renamed
99	Other (please specify)			Discontinued

2. The list of revised off-market transfer's reason codes applicable with effect from August 3, 2019 is enclosed as Annexure A in track change mode and as Annexure B without track change mode.

3. Following changes will be made in off-market transfer's reason codes as listed below with effect from September 14, 2019:

Reason Code	Reason Code Name	Change
6	Transfers to PMS account	Discontinued
7	Transfers from PMS account	Discontinued
9	Account Closure	Discontinued
10	On-market Sale (Transfer towards Pay-in)	Discontinued
11	Transmission	Discontinued

4. The list of revised off-market transfer's reason codes applicable with effect from September 14, 2019 is enclosed as Annexure-C in track change mode and as Annexure-D without track change mode.

5. To discontinue the off-market reason codes mentioned above at point no.3, following system enhancements will be implemented with effect from September 14, 2019:

   i. SEBI registered Portfolio Managers will be given a facility to open pool account as currently available for clearing members. Accordingly, all debit and credit transfers from/to the pool account of Portfolio Manager will be considered as "Market" transfers, instead of "off-market" transfers. Post enhancement, off-market reason code 6 – 'Transfers to PMS Account' and 7 – 'Transfers from PMS account' will be discontinued.

   ii. Enhancement will be carried out in respect of Inter Depository Transfer (IDT) module to identify Market transfers and off-market transfers separately in the DPM system. For this purpose, necessary changes i.e. Market Transaction flag will be incorporated in the IDT module of DPM system. Upon operationalization of aforesaid flag, transfers To / From the pool account held with other depository will be treated as "Market" transfers instead of "off-market" transfers. Post enhancement, off market reason code 10 - 'On-market Sale (Transfer towards Pay-in)' will be discontinued.

   iii. Account closure and Transmission instructions under Transfer of Holding module of DPM system will be enhanced to facilitate inter-depository transfers in cases where the target account is held with other depository. Upon operationalisation, off-market transfers with reason code 9 - 'Account Closure' and 10 - 'Transmission' will be discontinued.

   iv. Transmission instructions under Transfer of Holding module of DPM system will be enhanced to facilitate transfers in respect of Transmission cases with the reason as 'Transmission To Nomination' (i.e. Multiple Nominations) and 'Transmission To Court Order / Legal Heirs'. Upon operationalization of aforesaid facility, off-market transfers with reason code 10 - 'Transmission' will not be required.

6. Participants are requested to take note of the changes in the system for capturing revised reason codes and format of information of revised reason codes to be printed on the inside front cover of the Delivery Instruction Slip (DIS) booklet will be notified separately.

7. Participants are requested to take note of the aforesaid and are requested to inform their clients accordingly.

Annexure A

Revised off-market transfer's reason codes applicable with effect from August 3, 2019 with track changes mode:

Reasons/purpose of the transfer of securities between BO accounts held in NSDL system.		Reasons/purpose of the transfer of securities from BO account held in NSDL system to account held in other depository.	
Reason Code	Reasons / purpose to be selected	Reason Code	Reasons / purpose to be selected
1	Off-market Sale	1	Off-market Sale
2	Margin to stock broker / PCM	2	Margin to stock broker / PCM
3	Margin returned by stock broker / PCM	3	Margin returned by stock broker / PCM
4	Transfer to Own account	4	Transfer to Own account
5	Open Offer / Buy-back	5	Open Offer/Buy-back
6	Transfers to PMS account	6	Transfers to PMS account
7	Transfers from PMS account	7	Transfers from PMS account
8	Gift / Donation	8	Gift / Donation
11	Transmission	9	Account Closure
12	Buy-back	10	On-market Sale (Transfer towards Pay-in)
13	Open offer for Acquisition	11	Transmission
91	Payout - On payment for unpaid securities	12	Buy-back
92	Gift	13	Open offer for Acquisition
93	Donation	91	Payout - On payment for unpaid securities
94	Refund of securities by IEPF Authority	92	Gift
95	ESOP/Transfer to employee	93	Donation
96	Govt. / Regulatory directions orders	94	Refund of securities by IEPF Authority
	Implementation of Govt./Regulatory Direction/Orders		
97	Reversal of erroneous transfers	95	ESOP/Transfer to employee
	Erroneous Transfer pertaining to Client Securities		
98	Legitimate Dues of the stock broker	96	Govt. / Regulatory directions orders
	Meeting Legitimate Dues of Stock Broker		Implementation of Govt./Regulatory Direction/Orders
99	Other (please specify)	97	Reversal of erroneous transfers
			Erroneous Transfer pertaining to Client Securities
		98	Legitimate Dues of the stock broker
			Meeting Legitimate Dues of Stock Broker
		99	Other (please specify)

Annexure B

Revised off-market transfer's reason codes applicable with effect from August 3, 2019 without track changes mode:

Reasons/purpose of the transfer of securities between BO accounts held in NSDL system.		Reasons/purpose of the transfer of securities from BO account held in NSDL system to account held in other depository.	
Reason Code	**Reasons / purpose to be selected**	**Reason Code**	**Reasons / purpose to be selected**
1	Off-market Sale	1	Off-market Sale
2	Margin to stock broker / PCM	2	Margin to stock broker / PCM
3	Margin returned by stock broker / PCM	3	Margin returned by stock broker / PCM
4	Transfer to Own account	4	Transfer to Own account
6	Transfers to PMS account	6	Transfers to PMS account
7	Transfers from PMS account	7	Transfers from PMS account
11	Transmission	9	Account Closure
12	Buy-back	10	On-market Sale (Transfer towards Pay-in)
13	Open offer for Acquisition	11	Transmission
91	Payout - On payment for unpaid securities	12	Buy-back
92	Gift	13	Open offer for Acquisition
93	Donation	91	Payout - On payment for unpaid securities
94	Refund of securities by IEPF Authority	92	Gift
95	ESOP/Transfer to employee	93	Donation
96	Implementation of Govt./Regulatory Direction/Orders	94	Refund of securities by IEPF Authority
97	Erroneous Transfer pertaining to Client Securities	95	ESOP/Transfer to employee
98	Meeting Legitimate Dues of Stock Broker	96	Implementation of Govt./Regulatory Direction/Orders
		97	Erroneous Transfer pertaining to Client Securities
		98	Meeting Legitimate Dues of Stock Broker

Annexure C

Revised off-market transfer's reason codes applicable with effect from September 14, 2019 with track changes mode:

Reasons/purpose of the transfer of securities between BO accounts held in NSDL system.		Reasons/purpose of the transfer of securities from BO account held in NSDL system to account held in other depository.	
Reason Code	**Reasons / purpose to be selected**	**Reason Code**	**Reasons / purpose to be selected**
1	Off-market Sale	1	Off-market Sale
2	Margin to stock broker / PCM	2	Margin to stock broker / PCM
3	Margin returned by stock broker / PCM	3	Margin returned by stock broker / PCM
4	Transfer to Own account	4	Transfer to Own account
6	Transfers to PMS account	6	Transfers to PMS account
7	Transfers from PMS account	7	Transfers from PMS account
44	Transmission	9	Account Closure
12	Buy-back	10	On-market Sale (Transfer towards Pay-in)
13	Open offer for Acquisition		Transmission
91	Payout - On payment for unpaid securities	12	Buy-back
92	Gift	13	Open offer for Acquisition
93	Donation	91	Payout - On payment for unpaid securities
94	Refund of securities by IEPF Authority	92	Gift
95	ESOP/Transfer to employee	93	Donation
96	Implementation of Govt./Regulatory Direction/Orders	94	Refund of securities by IEPF Authority
97	Erroneous Transfer pertaining to Client Securities	95	ESOP/Transfer to employee
98	Meeting Legitimate Dues of Stock Broker	96	Implementation of Govt./Regulatory Direction/Orders
		97	Erroneous Transfer pertaining to Client Securities
		98	Meeting Legitimate Dues of Stock Broker

Annexure D

Revised off-market transfer's reason codes applicable with effect from September 14, 2019 without track changes mode:

Reasons/purpose of the transfer of securities between BO accounts held in NSDL system.		Reasons/purpose of the transfer of securities from BO account held in NSDL system to account held in other depository.	
Reason Code	**Reasons / purpose to be selected**	**Reason Code**	**Reasons / purpose to be selected**
1	Off-market Sale	1	Off-market Sale
2	Margin to stock broker / PCM	2	Margin to stock broker / PCM
3	Margin returned by stock broker / PCM	3	Margin returned by stock broker / PCM
4	Transfer to Own account	4	Transfer to Own account
12	Buy-back	12	Buy-back
13	Open offer for Acquisition	13	Open offer for Acquisition
91	Payout - On payment for unpaid securities	91	Payout - On payment for unpaid securities
92	Gift	92	Gift
93	Donation	93	Donation
94	Refund of securities by IEPF Authority	94	Refund of securities by IEPF Authority
95	ESOP/Transfer to employee	95	ESOP/Transfer to employee
96	Implementation of Govt./Regulatory Direction/Orders	96	Implementation of Govt./Regulatory Direction/Orders
97	Erroneous Transfer pertaining to Client Securities	97	Erroneous Transfer pertaining to Client Securities
98	Meeting Legitimate Dues of Stock Broker	98	Meeting Legitimate Dues of Stock Broker

Circular No.: NSDL/POLICY/2019/0036 June 24, 2019	***Subject: SEBI Circular on Handling of Clients' Securities by Trading Members/Clearing Members.*** Attention of Participants is invited to SEBI Circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 regarding Handling of Clients' Securities by Trading Members/Clearing Members. Copy of the same is enclosed. Participants are requested to take note of the same and ensure compliance. The systems enhancements and operational procedure related to the above will be notified separately. **CIRCULAR** CIR/HO/MIRSD/DOP/CIR/P/2019/75 June 20, 2019 To All Recognized Stock Exchanges All Recognized Clearing Corporations All Depositories All Trading Members/Clearing Members through Stock Exchanges/Clearing Corporations All Depository Participants through Depositories Madam / Sir, **Sub: Handling of Clients' Securities by Trading Members/Clearing Members** 1. In order to protect clients' funds and securities, The Securities Contracts (Regulation) Act, 1956 and Securities and Exchange Board of India (Stock-Brokers) Regulations, 1992 specifies that the stock broker shall segregate securities or moneys of the client or clients or shall not use the securities or moneys of a client or clients for self or for any other client. 2. Further, the following circulars were issued by SEBI from time to time detailing the operational modalities with respect to handling of client's funds and securities by stock broker (hereinafter referred to as 'Trading Member /Clearing Member' or TM/CM): *a)* Circular No. SMD/SED/CIR/93/23321 dated November 18, 1993: In terms of clause 2 of the circular SEBI had inter alia specified that "*it shall be compulsory for all member brokers to keep separate accounts for client's securities and to keep such books of accounts, as may be necessary, to distinguish such securities from his/their own securities. Such accounts for client's securities shall, inter-alia provide for the following:-* *i. Securities fully paid for, pending delivery to clients;* *ii. Fully paid for client's securities registered in the name of Member, if any, towards margin requirements etc.*

b) SEBI Circular No. MRD/DOP/SE/Cir – 11/2008 dated April 17, 2008:

In the said circular, SEBI had inter-alia specified that '*brokers should have adequate systems and procedures in place to ensure that client collateral is not used for any purposes other than meeting the respective client's margin requirements / pay-ins. Brokers should also maintain records to ensure proper audit trail of use of client collateral.*

c) Circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 and Circular no. CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017:

In the said circulars, SEBI had specified that *"stock brokers shall not grant further exposure to the clients when debit balances arise out of client's failure to pay the required amount and such debit balances continues beyond fifth trading day, as reckoned from the date of pay-in, except in accordance with the margin trading facility provided vide SEBI circular CIR/MRD/DP/54/2017 dated June 13, 2017 or as may be issued from time to time"*

d) Circular No. SEBI/HO/MRD/DP/CIR/P/2016/13 dated December 16, 2016:

In the said circular, SEBI had specified that "*the member shall transfer securities from pool account to the respective beneficiary account of their client within 1 working day after the pay-out day. The securities lying in the pool account beyond the stipulated 1 working day shall attract a penalty at the rate of 6 basis point per week on the value of securities."*

Therefore, in terms of the above provisions, all TM/CM are required to transfer the clients securities received in pay-out to clients demat account within one working day. In case the client does not pay for such securities received in pay-out, then the TM/CM shall be entitled to retain those securities up to five trading days after pay-out. Further, where the client fails to meet its funds pay-in obligation within five trading days from pay-out day, the TM/CM shall liquidate the securities in the market to recover its dues. Under no circumstances, shall the securities of the clients received in pay-out be retained by the TM/CM beyond five trading days and be used for any other purpose.

3. As per the provisions of the following circulars, TM/CM are permitted to provide running account for securities and create a lien on the client securities to the extent of the clients' indebtedness to the TM/CM.

a) As per clause 12 of the SEBI circular on 'Dealings between a client and a Stock Broker' dated December 03, 2009 a client may specifically authorize the stock broker to maintain a running account of 'funds' and 'securities' subject to the specified conditions.

b) As per clause 2.5 of SEBI circular on 'Enhanced Supervision of Stock Brokers/ Depository Participants' dated September 26, 2016 read with clause 2 (c) of SEBI circular CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017, "*a stock broker is entitled to have a lien on client's securities to the extent of the client's indebtedness to the stock broker and the stock broker may pledge those securities*."

Referencing the above stated provisions, the TM/CM are transferring client's securities into their own account by way of title transfer and then placing such securities as a collateral to Banks/NBFCs and/or fulfilling securities shortages of other clients/proprietary trades which is not contemplated in the provisions of the SEBI circulars referred to in paragraph 2.

4. In order to provide clarity with respect to a TM/CM maintaining a running account for client securities and pledging the client securities with Banks/NBFCs, after discussions with the Exchanges, Depositories and Clearing Corporations, the following advice is issued:-

4.1 The securities received in pay-out against which payment has been made by clients, shall be transferred to the demat account of the respective clients within one working day of the pay-out. Such securities shall be transferred directly from the pool account of the TM/CM to the demat account of the respective client.

4.2 With regard to securities that have not been paid for in full by the clients (unpaid securities), a separate client account titled – "client unpaid securities account" shall be opened by the TM/CM. Unpaid securities shall be transferred to such "client unpaid securities account" from the pool account of the concerned TM/CM.

4.3 The securities kept in the 'client unpaid securities account' shall either be transferred to the demat account of the respective client upon fulfilment of client's funds obligation or shall be disposed off in the market by TM/CM within five trading days after the pay-out. The unpaid securities shall be sold from the Unique Client Code (UCC) of the respective client. Profit/loss on the sale transaction of the unpaid securities, if any, shall be transferred to/adjusted from the respective client account.

4.4 In case the clients' securities are kept in the 'client unpaid securities account' beyond seven trading days after the pay-out, the depositories shall under their bye-laws levy appropriate penalties upon such TM/CM which shall not be permitted to be recovered from the client.

4.5 SEBI circular (on Comprehensive Review of Margin Trading Facility) dated June 13, 2017 specifies that TM/CM shall maintain separate client wise ledger for funds and securities of clients availing margin trading facility. Accordingly, the securities that are bought under Margin Trading Facility, shall be kept in a separate account titled as – 'Client Margin Trading Securities Account'.

4.6 Further said circular on Comprehensive Review of Margin Trading Facility also specifies that:

a) *For the purpose of providing the margin trading facility, a stock broker may use own funds or borrow funds from scheduled commercial banks and/or NBFCs regulated by RBI. A stock broker shall not be permitted to borrow funds from any other source.*

b) *The stock broker shall not use the funds of any client for providing the margin trading facility to another client, even if the same is authorized by the first client.*

Also, SEBI vide Circular No. MRD/DOP/SE/Cir – 11/2008 dated April 17, 2008 had specified that client collateral/securities shall not be used for the purposes other than meeting client's margin requirements/ pay-in.

Referencing the above stated provisions, TMs/CMs are pledging collateral/securities of the clients with the Banks/NBFCs to borrow funds to meet the margin requirement of the clients/proprietary obligation which is not contemplated in the provisions of the aforesaid SEBI circular. In this regard, it is reiterated that the client securities received as collateral shall be used only for meeting the respective client's margin requirement by way of depositing the same with Stock Exchange/ Clearing Corporation/ Clearing House.

4.7 With effect from September 01, 2019, clients' securities lying with the TM/CM in "client collateral account" , "Client Margin Trading Securities account" and "client unpaid securities account" cannot be pledged to the Banks/NBFCs for raising funds, even with authorization by client as the same would amount to fund based activity by TM/CM which is in contravention of Rule 8(1)(f) & 8(3)(f) of Securities Contracts (Regulation) Rules, 1957.

4.8 Further, the client's securities already pledged in terms of clause 2.5 of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 and clause 2 (c) of SEBI circular CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017 shall, by August 31, 2019, either be unpledged and returned to the clients upon fulfilment of pay-in obligation or disposed off after giving notice of 5 days to the client.

4.9 Accordingly, the clause 2.5 of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 and clause 2 (c) of SEBI circular CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017 stands deleted with effect from June 30, 2019.

5. Opening and reporting of Demat Accounts by TM/CM:

In order to implement the above, the following course of action shall be taken by TM/CM:

a) All the existing client securities accounts opened by the TM/CM other than 'Pool account'(including 'Early Pay-in'),'Client Margin Trading Securities account' and 'Client collateral account' shall be wound up on or before August 31, 2019.The TM/CM shall within one week of closure of existing client accounts, inform the Stock Exchange/s the details in the following format:

Name of DP	Account Number/ Client ID	DP ID	Name of Account	PAN	Date of Closing

b) TM/CM shall open the unpaid securities account latest by August 31, 2019 and inform the details of the same to the respective Stock Exchanges / Clearing Corporations within one week of opening of the unpaid securities account in the following format:

Name of DP	Account Number/ Client ID	DP ID	Name of Account	PAN	Date of Opening

c) Any non-compliance/non reporting in this regard by the TM/CM shall attract penal action as per the bye-laws of Stock Exchanges.

6. Monitoring with respect to handling of clients securities:

Stock Exchanges, Clearing Corporations and Depositories shall put in place a mechanism for monitoring of the following:

a) Handling of unpaid clients' securities by the TM/CM – Mechanism of matching of transfer of securities with the securities obligation as obtained from the clearing corporation with respect to the following:

i. Securities transferred from the client unpaid securities account tothe pool account

ii. Securities transferred from the client unpaid securities account to the concerned client account,

iii. Securities transferred from pool account to the concerned client account

b) All the DP accounts tagged as "Stock Broker – Client Account" are wound up before August 31, 2019.

c) Securities lying with TM/CM in client collateral account, client margin trading securities account and client unpaid securities account shall not be permitted to be pledged/transferred to Banks/NBFCs for raising funds by TM/CM.

7. Accordingly, the provisions with regard to running account settlement of clients' funds and securities specified in SEBI Circulars MIRSD/ SE / Cir-19/2009 dated December 03, 2009 and SEBI/HO/MIRSD/MIRSD2/ CIR/P/2016/95 dated September 26, 2016 shall stand modified to the extent as stated hereinabove and the said circulars shall be applicable only as guidelines for running account settlement of clients' "funds" only.

	8. Unless otherwise specified in the circular the provisions of this circular shall come into effect on September 01, 2019. Any non-compliance of the provisions issued under this circular shall attract the penalty and other enforcement action as may be laid down by Exchanges, Clearing Corporations, Depositories and SEBI. 9. The Stock Exchanges, Clearing Corporations and Depositories are advised to: a. Bring the provisions of this circular to the notice of all TM/CM, Depository Participants along with illustration as required and also disseminate the same on their respective websites. b. Make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of this circular in co-ordination with one another to achieve uniformity in approach. c. communicate to SEBI, the status of the implementation of the provisions of this circular in their Monthly Development Reports. 10. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market. 11. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework". Yours faithfully, **Rajesh Kumar Dangeti** **General Manager**
Circular No.: NSDL/POLICY/ 2018/0071 December 19, 2018	***Subject: Limited Purpose Holiday Master.*** As Participants are aware that as per SEBI guidelines (Circular No. CIR/MRD/DP/01/2014 dated January 7, Participants were advised to enter details of DIS issued to Clients in DPM immediately but not later than two days and to scan and upload images of DIS executed by end of the next working day to DIVS. In order to determine what is a 'working day' for the above purpose, a Limited Purpose Holiday Master for DIS monitoring was introduced by NSDL (Refer Circular No.: NSDL/POLICY/2015/0016 dated January 30,. In the same manner, the Limited Purpose Holiday Master for DIS monitoring for the calendar year 2019 is enclosed which will be used for monitoring of upload of DIS issuance details in eDPM and scanned images in the DIVS of the Local DPM. Limited Purpose Holiday Master for DIS Monitoring (Year 2019) Limited Purpose Holiday Master for DIS Monitoring includes all Saturdays and Sundays.

In addition to above, the other days for calendar year 2019 for Limited Purpose Holiday Master for DIS Monitoring are given below:

Sr. No.	Date	Day	Remarks
1	19-Feb-19	Tuesday	Chhatrapati Shivaji Maharaj Jayanti
2	4-Mar-19	Monday	Mahashivratri
3	21-Mar-19	Thursday	Holi (Second Day)
4	17-Apr-19	Wednesday	Mahavir Jayanti
5	19-Apr-19	Friday	Good Friday
6	1-May-19	Wednesday	Maharashtra Din
7	5-Jun-19	Wednesday	Id-Ul-Fitr (Ramzan Id)
8	12-Aug-19	Monday	Bakri Id
9	15-Aug-19	Thursday	Independence Day
10	2-Sep-19	Monday	Ganesh Chaturthi
11	10-Sep-19	Tuesday	Moharram
12	2-Oct-19	Wednesday	Mahatma Gandhi Jayanti
13	8-Oct-19	Tuesday	Dussehera
14	28-Oct-19	Thursday	Diwali (Balipratipada)
15	12-Nov-19	Tuesday	Guru Nanak Jayanti
16	25-Dec-19	Wednesday	Christmas

Circular No.: NSDL/POLICY/ 2018/0057
Date: October 5, 2018

Subject: Facility to allow transfer of securities wherein Maturity Date has expired in respect of Account Closure instruction through Transfer of Holdings (Account Closure) Module.

As Participants are aware, NSDL had vide circular nos. NSDL/POLICY/2013/0020 dated January 30, 2013 and NSDL/POLICY/2015/0099 dated October 30, 2015 facilitated Participants to execute "Account Closure" instruction through Transfer of Holdings (Account Closure) module wherein securities held under free balances as well as Locked-in balances lying under source depository account can be transferred to target depository account in NSDL depository system. Further, securities lying in the source depository account wherein maturity date of securities has expired used to remain in the source depository account and hence, Participant were not able to close source depository account.

In this regard, NSDL has enhanced the Transfer of Holding (Account Closure) module to facilitate Participants to transfer securities for which maturity date has expired from the source depository account to the target depository account where both source and target depository accounts within NSDL depository system are of the same person.

The features of the same are given below:

Upon execution of Account Closure instructions through transfer of holdings module, in case there are any securities wherein maturity date has expired in the source depository account, such securities will be moved to the target account provided:

	PAN flag is enabled in both source and target depository accounts. PAN in the source depository account and target depository account are matching across holders and are in the same pattern of holding. The ISIN is either in “Active” or “Suspended” status. Standing Instruction (SI) indicator to receive credits is enabled in the target depository account. (If Standing Instruction (SI) indicator to receive credits is disabled in the target depository account, the instruction status will be updated as “Counter Party Instruction awaited” and such instruction will be cancelled at EOD.) Upon successful validation, the status of the Account Closure instructions will be updated as “Accepted”. In case PAN validation fails, then the transfer of such securities (i.e. securities wherein maturity date has expired) will be rejected. Securities (if any) those are lying under belo w status will continue to remain in the Source Client depository account and the Account Closure instructions in respect of below securities will be updated as “Rejected”. Pending Demat Pending Remat Pledge balance / unconfirmed pledge Blocked Inter Depository Transfer Quantity level freeze In case the source depository account is not closed due to non-transfer of securities as per any of the above reasons, Participants are requested to ensure to freeze the account i.e. “Suspended for Debit and Credit”. The aforesaid feature will be implemented on eDPM system at EOD of October 5, 2018.
Circular No.: NSDL/POLICY/ 2018/0056 Date: October 3, 2018	***Subject: Insurance Premium Computation Methodology*** As Participants are aware, NSDL obtains a comprehensive insurance policy to cover NSDL and its Participants against various risks viz.; Infidelity of employees, Electronic & Computer Crime and Professional Indemnity. The premium paid by the Participants is in proportion to their aggregate custody, transaction volumes and certain other factors. Participants were informed vide Circular No. NSDL/POLICY/2017/0062 dated October 16, 2017 about the methodology for computing premium payable by Participants in respect of insurance policy for the year 2017-18. Continuing with the same methodology, the incidences of insurance claims would be considered while computing the premium payable by Participants for the insurance policy for the insurance year 2018-19. The computation methodology is given below: The insurance premium to be paid by each Participant will be first computed on the basis of custody and transaction volume of each Participant, subject to a minimum value. There will be a loading on the premium for the year 2018-19 for Participants who have lodged claim(s) in the previous years.

	A Participant closing its depository operations, will be required to pay the annual premium for the succeeding year, in order to cover the claims (if any) arising in the year immediately following the year of closure. NSDL will intimate the premium amounts to Participants in due course. In case you need any clarifications, please contact Mr. Suresh Uchlani on 022-2499 4272 or on e-mail id: sureshu@nsdl.co.in.
Circular No.: NSDL/POLICY/ 2018/0054 Date: October 1, 2018	***Subject: Capturing payment details in case of off-market transfers made for the reason off-market sale.*** Attention of Participants is invited to NSDL Circular Nos.: NSDL/POLICY/2018/0035 and NSDL/POLICY/2018/0048 dated July 9, 2018 and September 12, 2018 respectively regarding payment details in case of off market transfers made for the reason off-market sale and the file format changes in DPM system. In this regard, all Participants are hereby requested to obtain payment details in case of off market transfer made for the reason off-market sale in the format enclosed at Annexure 1.

DP NAME and Logo	**ANNEXURE** **OFF - MARKET SALE Consideration payment details**	NSDL Technology, Trust & Reach

DP ID	I	N							DP ID IN									DIS Serial No.	

Sr. No.	ISIN	Consideration Amount (₹)	Payment Details *[In case payment details are the same for all ISIN's, kindly state the complete details only at one place and mention "Same as above" at remaining places]*					
			Payment date/Date of Instrument *(DD-MMM-YY)*	Mode of Payment (Please tick any one)	Buyer's Name(s)	For Electronic and Instrument Payment		Transaction reference no. / Instrument no.
						Bank Name	Bank Account Number	
1				☐ Intrument ☐ Electronic ☐ Cash				
2				☐ Intrument ☐ Electronic ☐ Cash				
3				☐ Intrument ☐ Electronic ☐ Cash				
4				☐ Instrument ☐ Electronic ☐ Cash				
5				☐ Instrument ☐ Electronic ☐ Cash				

1. _____ 2. _____ 3. _____

Authorised Signatory(ies)

<table>
<tr>
<td>Circular No.:
NSDL/POLICY/
2018/0040
Date: August 3, 2018</td>
<td>

Subject: Addition of Market Type Code.

All Participants are hereby informed that following Market Type Code has been added in the CC Calendar in respect of Metropolitan Clearing Corporation of India Limited (MCCIL) pertaining to the “Physical settlement of Equity Derivatives Stock” segment:

<table>
<tr><th>CC ID</th><th>Market Type Code</th><th>Market Type Description</th></tr>
<tr><td>IN001141</td><td>20</td><td>PHYSICAL STK DERIVATIVE</td></tr>
<tr><td>IN001141</td><td>21</td><td>AUCT PHY STK DERIVATIVE</td></tr>
</table>

Participants are requested to note the aforesaid codes relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

</td>
</tr>
<tr>
<td>Circular No.:
NSDL/POLICY/
2018/0038
Date: July 13, 2018</td>
<td>

Subject: Addition of Market Type Code.

All Participants are hereby informed that following Market Type Code has been added in the CC Calendar in respect of National Securities Clearing Corporation Limited (NSCCL) pertaining to the “Physical settlement of Stock Derivatives” segment:

<table>
<tr><th>CC ID</th><th>Market Type Code</th><th>Market Type Description</th></tr>
<tr><td>IN001002</td><td>44</td><td>PHYSICAL STK DERIVATIVE</td></tr>
<tr><td>IN001002</td><td>45</td><td>AUCT PHY STK DERIVATIVE</td></tr>
</table>

Participants are requested to note the aforesaid codes relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

</td>
</tr>
<tr>
<td>Circular No.:
NSDL/POLICY/
2018/0035
Date: July 9, 2018</td>
<td>

Subject: Capturing payment details in case of off-market transfers made for the reason ‘off-market sale’.

All Participants are hereby informed that pursuant to a Surveillance meeting at SEBI, it has been decided as follows:

1. For all off-market transfers made for the reason ‘off market sale’, in addition to mandatorily capturing consideration, Participants must also mandate clients to provide evidence of the consideration details.
2. The consideration details to be captured will include:
   a. Mode of payment which can be Cash, Cheque or Electronic payment
   b. Date of payment
   c. In case mode of payment is Cheque or Electronic payment,
      i. Transferee’s name, bank account number and bank name.
      ii. Transaction reference number for electronic payments or cheque number for cheque payments.
3. In case of an off market transfer, the reason ‘others’ can be selected only if it does not fall in any other specified reasons, and thus if the reason given by the client is ‘sale’, it must not be captured in ‘others’ category.
4. Participants are requested to take note that the changes in the system required to enable capturing of the same will be notified separately.

</td>
</tr>
</table>

Circular No.:
NSDL/POLICY/
2018/0029
Date: May 21, 2018

Subject: Addition of Market Type Code.

All Participants are hereby informed that following Market Type Codes have been added in the CC Calendar in respect of Indian Clearing Corporation Limited (ICCL) pertaining to the settlements of 'Tri- Party Repo segment':

CC ID	Market Type Code	Description
IN001150	35	REPO LEG T+0
	36	REPO LEG T+1
	37	REPO FORWARD LEG
IN001133	7	REPO LEG T+0
	8	REPO LEG T+1
	9	REPO FORWARD LEG

Participants are requested to note the aforesaid Market Type Codes related changes in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No.:
NSDL/POLICY/
2018/0010
Date: February 8, 2018

Subject: Amendment to Bye Laws and Business Rules - Non-disposal agreements / undertaking.

All Participants are hereby informed that pursuant to SEBI Circular no. CIR/MRD/DP/56/2017 dated June 14, 2017 regarding guidelines on recording of non-disposal agreements / undertaking (NDU) in the Depository System; following amendments are made in Bye Laws and Business Rules of NSDL:

Sr. No.	Bye Laws		Annexures
1	Insertion of	Bye Law 9.15	Insertion of Bye Law is enclosed as Annexure A.

Sr. No.	Business Rules		Annexures
1	Amendments to	Rules 4.5.2, 4.5.3, 16.1.1 and 22.1	Amended / New Business Rules are enclosed at Annexure B in the track change mode.
2	Insertion of	Rule 12.15	
3		FORM 39	New FORM 39 is enclosed.

Participants are requested to take note of the above. Participants will be separately intimated about the date of release of the software functionality to enable the same.

Annexure A

New Bye Law

9.15 Hold on Securities

If a Client intends to create a negative lien on securities owned by him for non-disposal undertaking or non-disposal agreement, he shall make an application for creation of hold on the securities in the form and manner specified in the Business Rules to the Depository through the Participant, who has his account in respect of such securities.

Upon creation of hold on securities, no transfer, pledge, hypothecation, lending, rematerialisation, or alienation of securities in any manner shall be permitted, unless the hold on securities is released.

	Annexure B **Existing Rules with track changes mode** 4.5.2. The Participant shall promptly inform the Clients in respect of those instructions which have | not been executed along with reasons thereof. 4.5.3. The Participant shall not accept any instruction for debit or pledge or hold of securities from a Client unless the Participant has fully satisfied itself that the instruction has been given by the Client itself. In respect of instructions received in paper form, the Participant shall ensure that the Client submits the instructions only on an instruction form issued by the Participant to the Client by verifying the instruction forms with its records pertaining to serial numbers of instruction forms issued to the Clients. 16.1.1 Every Participant of the Depository shall maintain the following records relating to its business for a period of five years:- i) Delivery/Receipt Instructions given by its Clients. ii) Forms submitted by the Clients to the Participant for: - a) Opening of accounts with the Participant; b) Closing of accounts with the Participant; c) Freezing of accounts with the Participant; d) Unfreezing of accounts with the Participant. iii) Copies of correspondence from the Clients on the basis of which Clients details were updated in the DPM; iv) Record of all actions taken on the exception reports, generated by the system; v) A register showing details of grievances received from the Clients and their present status. The following details may be specified in this regard :- a) name of the Client; b) reference number of the Client; c) date; d) particulars of complaints; e) actions taken by the Participant; vi) if the matter is referred to arbitration, then the particulars including the present status thereof. vii) instructions received from the Clearing Member to transfer balances from the Pool account to the Delivery account of the Clearing Member in order to enable it to meet its obligations to the Clearing Corporation; viii) instructions from the clearing member authorising the transfer of securities from the pool account of the clearing member to the accounts of its clients ix) The forms received in respect of pledge of securities; x) The forms received in respect of transmission of securities xi) The forms received in respect of securities lending. xii) Record of serial numbers of the instruction forms for debit or pledge of securities in a Client account, issued to its Clients. xiii) The Participant shall ensure that records of nomination are maintained properly and preserved for record purposes. These records shall form part of the records of the Participant. xiv) The forms received in respect of hold of securities;

	22.1. No participant shall accept any fresh application from any person for opening a new Client account, or any Dematerialisation Request Form or Form for creation of pledge or hypothecation or hold, with effect from the date of receipt of notice of the termination of participantship, issued by the Depository to Participant, or from the date incorporated in the notice of termination of Participantship issued by Participant to the Depository, or, from the effective date of the order of Participant's Expulsion passed by the Disciplinary Action Committee ; or from the date of the receipt of the order of Participant's expulsion by the Disciplinary Action Committee of the Depository ; whichever is later; or from the date of the receipt of the order of cancellation of Participant's registration certificate passed by SEBI. **New Business Rules** **12.15 Hold on Securities for Non-Disposal Undertaking or Non-Disposal Agreement** 12.15.1. When a client intends to create a hold on his securities for non-disposal undertaking or non-disposal agreement in favour of another party, the client and the other party must have an account with the depository to create hold on securities. However, the client and the other party may have accounts with two different Participants. 12.15.2. The Participant of the Client shall request creation of hold on the securities of Client in favor of other party on receipt of hold creation form as laid out in FORM 39 jointly from the Client and the other party specifying the cooling period for release of hold. Explanation: (1) The cooling period for release of hold must be specified by the client and the other party, which must be in number of clear business days, which may either be two, three or four clear business days. (2) Clear business days shall mean all days other than Saturdays, Sundays and trading holidays for cash equities. 12.15.3. The Participant of other party shall request confirmation of creation of hold on receipt of form as laid out in FORM 39. 12.15.4. On receipt of the request and confirmation for creation of hold from the Client and other party respectively through their Participants, the Depository may create the hold on the securities. 12.15.5. The Participant of the Client shall request release of hold on receipt of the hold release form as laid out in FORM 39 jointly from the Client and other party for specified securities. 12.15.6. For hold release request received from the Client and other party, the Participant of the other party shall request confirmation of hold release on receipt of the hold release confirmation form as laid out in FORM 39, from the other party. 12.15.7. On receipt the request and confirmation of hold release from the Client and other party respectively through their Participants, the Depository may release the hold for specified securities on the next business day of the expiry of cooling period specified. 12.15.8. The aforementioned forms submitted by the Client and other party shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the Client as well as other party before the requests on these forms are executed.

DP Logo	FORM 39 - HOLD ON SECURITIES FOR NON DISPOSAL UNDERTAKING/ AGREEMENT	NSDL Technology, Trust & Reach

Participant Name Participant Address	Serial No. Date

I/We request you to (Please tick in any **one** of the boxes as may be applicable)

| | Create the Hold □ Release the Hold		☐ Confirm the Creation of Hold ☐ Confirm the Release of Hold ☐ Cancellation of the confirmation of Release of Hold
Details of Client in whose account the securities are held		Details of Other party in whose favor hold is crated
DP ID		Other Party DP ID
DP Name		Other Party DP Name
Client ID		Other Party Client ID
Client Name		Other Party Name
To be filled in case of request of creation	Name of Company (if part of NDU)	
	Name of Promoters (if part of NDU)	
	NDU/ Agreement Reference Number	
Please tick in any **one** of the boxes as may be applicable for cooling period of release the hold. (If not ticked default cooling period will be 4 days)		☐ 2 days ☐ 3 days ☐ 4 days

Sr. No.	ISIN	Security Name	Quantity (In figures) (Refer Instruction No.1)	Quantity (In words) (Refer Instruction No. 1)	Hold DM Order No. (Refer Instruction No. 2)	Reasons for rejections (if any) (To be filled in at the time of Confirmation)

Execution Date									Please tick in case of request for creation hold ☐ I/we _____ name of the other party> hereby authorise the Participant of the Client holding the securities on which hold is being created to access the my / authorized signatory(ies) signatures as recorded in my/ our aforesaid Demat Account.
_____ Authorised Signatory(ies)									_____ Other Party Authorised Signatory(ies)

Signatures of both Client as well as other party are required in case of request of creation of hold and release hold to be submitted to the Participant of Client.

Instructions:

1. To be submitted in duplicate for acknowledgement.
2. Hold Quantity or Release Quantity to be mentioned as the case may be.
3. Hold DM Order No. to be filled by the client (except at the time of creation of hold to be filled in by the participant).
4. Strike out whichever is not applicable.

<table>
<tr>
<td>Circular No.:
NSDL/POLICY/
2018/0009
Date: February 6, 2018</td>
<td>

Subject: Redemption of Commercial Papers - no transfers after maturity date.

Attention of all Participants is invited to The Reserve Bank of India (RBI) Commercial Paper Directions, 2017 issued by RBI on August 10, 2017 and Operational guidelines on Commercial Paper issued by Fixed Income Money Market and Derivatives Association of India (FIMMDA) on October 5, 2017. In terms of the aforesaid guidelines, for redemption of commercial paper, investors will no longer be required to transfer commercial paper held in their beneficial owner accounts to Issuing and Paying Agents (IPAs) Redemption account. Commercial Papers will be extinguished directly from the beneficial owner accounts of Investors through corporate action for the purpose of redemption.

In order to facilitate the Issuers and the IPAs to comply with the aforesaid guidelines, NSDL depository system is being enhanced so that no transfers will be permitted in the ISINs for commercial paper on or after its maturity date.

All Participants are hereby informed that the feature specified above will be released on EOD of February 16, 2018. Participants are requested to take a note of the above and inform their clients suitably.

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<tr>
<td>Circular No.:
NSDL/POLICY/
2018/0007
Date: January 18, 2018</td>
<td>

Subject: Addition of Market Type Codes.

All Participants are hereby informed that following Market Type Codes have been added in the CC Calendar in respect of Metropolitan Clearing Corporation of India Limited (Formerly MCX-SX Clearing Corporation Limited) pertaining to the settlements of ‘Buyback, ‘Takeover’ & ‘Delisting’ segment:

<table>
<tr><th>CC ID</th><th>Market Type Code</th><th>Description</th></tr>
<tr><td rowspan="3">IN001141</td><td>17</td><td>Buyback</td></tr>
<tr><td>18</td><td>Takeover</td></tr>
<tr><td>19</td><td>Delisting</td></tr>
</table>

Participants are requested to note the aforesaid codes relating to change in the static data for back-office batch interface with eDPM / Local DPM System

</td>
</tr>
<tr>
<td>Circular No.:
NSDL/POLICY/
2018/0004
Date: January 15, 2018</td>
<td>

Subject: Limited Purpose Holiday Master.

As Participants are aware that as per SEBI guidelines (Circular No. CIR/MRD/DP/ 01/2014 dated January 7, 2014), Participants were advised to enter details of DIS issued to Clients in DPM immediately but not later than two days and to scan and upload images of DIS executed by end of the next working day to DIVS. In order to determine what is a ‘working day’ for the above purpose, a Limited Purpose Holiday Master for DIS monitoring was introduced by NSDL (Refer Circular No.: NSDL/POLICY/2015/0016 dated January 30, 2015).

In the same manner, the Limited Purpose Holiday Master for DIS monitoring for the calendar year 2018 is enclosed which will be used for monitoring of upload of DIS issuance details in eDPM and scanned images in the DIVS of the Local DPM.

</td>
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</table>

Limited Purpose Holiday Master for DIS Monitoring

(Year 2018)

Limited Purpose Holiday Master for DIS Monitoring includes all Saturdays and Sundays.

In addition to above, the other days for calendar year 2018 for Limited Purpose Holiday Master for DIS Monitoring are given below:

Sr. No.	Date	Day	Remarks
1	26-Jan-18	Friday	Republic day
2	13-Feb-18	Tuesday	Mahashivratri
3	19-Feb-18	Monday	Chhatrapati Shivaji Maharaj Jayanti
4	2-Mar-18	Friday	Holi (Second Day)
5	29-Mar-18	Thursday	Mahavir Jayanti
6	30-Mar-18	Friday	Good Friday
7	30-Apr-18	Monday	Buddha Purnima
8	1-May-18	Tuesday	Maharashtra Din
9	15-Aug-18	Wednesday	Independence Day
10	17-Aug-18	Friday	Parsi New Year
11	22-Aug-18	Wednesday	Bakri Id
12	13-Sep-18	Thursday	Ganesh Chaturthi
13	20-Sep-18	Thursday	Moharram
14	2-Oct-18	Tuesday	Mahatma Gandhi Jayanti
15	18-Oct-18	Thursday	Dussehera
16	7-Nov-18	Wednesday	Diwali Amavasya (Laxmi Pujan)
17	8-Nov-18	Thursday	Diwali (Balipratipada)
18	21-Nov-18	Wednesday	Id-E-Milad
19	23-Nov-18	Friday	Guru Nanak Jayanti
20	25-Dec-18	Tuesday	Christmas

Circular No.: NSDL/POLICY/ 2018/0001

Date: January 4, 2018

Subject: Processing of Account Closure and Transmission through 'Transfer of Holding' module only.

As Participants are aware, the requests for 'closure of accounts' and 'transmission' received from clients/claimants in the accounts may involve transfer of securities from one account to another, where there are balances in the accounts. In April 2011, a facility was introduced in the eDPM system to facilitate Participants to process such Account Closure and Account Transmission requests through "Transfer of Holdings" module (Ref. : NSDL/POLICY/2011/0029 dated April 6, 2011) where the target account is in NSDL. It is observed that in certain instances, Participants continue to use the "Account Transfer" module for transfer of securities to a target account which is in NSDL.

	Participants are requested to take note to use only 'Transfer of Holding' module to process account closure and transmission requests where the target account is in NSDL. Participants are requested to take note to adhere compliance to the aforesaid latest by January 31, 2018. In respect of account closure or transmission requests where the target account is in CDSL or in case of transmission in an account with multiple nomination, Participants may continue to process such requests through the inter-depository or account transfer module.
Circular No.: NSDL/POLICY/ 2017/0062 Date: October 16, 2017	***Subject: Insurance Premium Computation Methodology.*** As Participants are aware, NSDL obtains a comprehensive insurance policy to cover NSDL and its Participants against various risks viz., Infidelity of employees, Electronic & Computer Crime and Professional Indemnity. The premium paid by the Participants is in proportion to their aggregate custody, transaction volumes and certain other factors. Participants were informed vide Circular No. NSDL/POLICY/2016/0084 dated October 17, 2016 about the methodology for computing premium payable by Participants in respect of insurance policy for the year 2016-17. Continuing with the same methodology, the incidences of insurance claims would be considered while computing the premium payable by Participants for the insurance policy for the insurance year 2017-18. The proposed computation methodology is as follows: ▫ The insurance premium to be paid by each Participant will be first computed on the basis of custody and transaction volume of each Participant, subject to a minimum value. ▫ There will be a loading on the premium for the year 2017-18 for Participants who have lodged claim(s) in the previous years. ▫ A Participant closing its depository operations, will be required to pay the annual premium for the succeeding year, in order to cover the claims (if any) arising in the year immediately following the year of closure. ▫ NSDL will intimate the premium amounts to Participants in due course. In case you need any clarifications, please contact Mr. Suresh Uchlani on 022-2499 4272 or on e-mail id: sureshu@nsdl.co.in.

Circular No.: NSDL/POLICY/ 2017/0056 Date: September 26, 2017	***Subject: SEBI Circular on Integration of broking activities in Equity Markets and Commodity Derivatives Markets under single entity.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/104 dated September 21, 2017 regarding integration of broking activities in Equity Markets and Commodity Derivatives Markets under single entity. Participants are requested to take note of the above. **CIRCULAR** SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/104 September 21, 2017 1. All Recognized Stock Exchanges / Clearing Corporations 2. Stock Brokers and Clearing Members through Recognized Stock Exchanges 3. All recognised Depositories 4. Depository Participants through Depositories ***Sub: Integration of broking activities in Equity Markets and Commodity Derivatives Markets under single entity.*** Dear Sir/Madam, 1. Please find enclosed Government of India Gazette notification no. G.S.R. 664(E)dated June 27, 2017 amending the Securities Contracts (Regulation) Rules,1957 (hereinafter referred to as "SCRR") and Securities and Exchange Board ofIndia (Stock Brokers and Sub-Brokers) (Amendment) Regulations 2017 notifiedon July 13, 2017 (hereinafter referred to as "the Stock Broker Regulation"). 2. Through these amendments, restriction on stock brokers dealing in securities(other than commodity derivatives) to deal in commodity derivatives has beendone away with.Similarly, restriction onstock brokers dealing in commodityderivatives to deal in other securities has also been done away with. Therefore,post these amendments, a stock broker can deal in commodity derivatives andother securities under a single entity, thereby facilitating ease of doing business. 3. As per the existing procedure under single registration mechanism, a one-timecertificate of registration as stock broker / clearing member shall be granted bySEBIand subsequent permissions to act as a stock broker / clearing member ofother stock exchanges / clearing corporations, shall be granted by the respectivestock exchange / clearing corporation after proper due diligence. 4. In terms of SEBI Circular Nos. CIR/MIRSD/2/2011 dated June 03, 2011 and CIR/MIRSD/14/2011 dated August 02, 2011, prior approval from SEBI will be required to be obtained by the stock broker only in cases where integration leads to change in control of the stock broker/clearing member. 5. Further, to facilitate integration between stock brokers, it is clarified that client account may be transferred from one stock broker to the other stock broker, by taking the express consent of the client through a verifiable mode of communication and thereby continuing with the existing set of documentation in respect of broker client relationship.

6. Para 6 of the SEBI Circular No.CIR/MIRSD/4/2015 dated September 29, 2015, issued to the Commodity derivative exchanges and their members, is extended to other stock exchanges and their members and shall be read as follows:

   "business in goods related to the underlying" and/ or "business in connection with or incidental to or consequential to trades in commodity derivatives", by a member of a stock exchange, would not be disqualified under Rule 8(1)(f) and Rule 8(3)(f) of the Securities Contract (Regulation) Rules, 1957.

7. In view of the above mentioned amendments carried out in SCRR and the Stock Broker Regulation, the FMC circulars which continued to be applicable to Commodity Derivative Market in terms of SEBI circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/92 dated September 23, 2016, shall be dealt as under:

   a. FMC Circulars No. No. IRD-DIV-III/I/FCR-I/2009 dated Dec 21, 2009, No. DIV-III/I/122/10/MR dated Jun 25, 2010 and 6/3/2008-MKT –II dated Feb 18, 2011, which restricted members of commodity derivative exchange or any other agent appointed by such members to have the words such as "Stock", "Share" or "Security" in their names, shall stand repealed.
   b. Para 3 C) A. iv. ofFMC Circular No. FMC/4/2011/G/30 Ref. No.: Div. III/I/89/07 dated December 16, 2011, which restricted seeking authorization through non-mandatory documents for any adjustment of funds among securities (stock) exchange and commodities exchange, will not be applicable, if such adjustment is within the same broking entity.

8. Stock exchanges / clearing corporations / depositories are directed to:

   a. take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;
   b. bring the provisions of this circular to the notice of their members and also disseminate the same on their websites;
   c. carry out necessary due diligence including taking information from the other stock exchanges / clearing corporations where the applicant is / was a member, as part of process of granting approval to the stock broker/ clearing member registered with SEBI to operate in that stock exchange/ clearing corporation or segment(s) thereof.

9. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of and to regulate the securities market.

Yours faithfully,

D Rajesh Kumar

General Manager

022-26449242

Email: rajeshkd@sebi.gov.in Encl: As above

Circular No.: NSDL/POLICY/ 2017/0044 Date: July 18, 2017	***Subject: Display of price and value for the ISINs pertaining to Sovereign Gold Bonds on IDeAS facility*** As Participants are aware, NSDL provides a facility called IDeAS (Internet-based Demat Account Statement) which facilitates demat account holders to access their demat account online. Using IDeAS facility demat account holders can view latest balances and transactions available in their demat accounts along with the value based on the previous day closing prices(s) on the stock exchange platform. IDeAS facility has been further enhanced to display the price as of the previous date and value in respect of ISINs pertaining Sovereign Gold Bonds held by Clients in their demat accounts.
Circular No.: NSDL/POLICY/ 2017/0043 Date: July 14, 2017	***Subject: Report of Pledge instructions "Pending for Pledgee Confirmation" through SPEED-e facility*** Attention of Participants is invited to Circular No. NSDL/POLICY/2017/0023 dated April 24, 2017 regarding launch of Pledge facility on SPEED-e which enables Client whose depository account is registered for e-Token based facility to submit Pledge instructions through SPEED-e facility. Participants are hereby informed that SPEED-e facility is further enhanced to facilitate the Pledgee (i.e. target demat account holder in whose favour pledge instruction has been submitted in the NSDL depository system for confirmation) to view the report of pledge instructions pending for confirmation. This facility has been made available to only e-Token based users who are registered by their Participants for SPEED-e Direct Facility. Further, Participants may note that e-Token User (i.e. Pledgee) will be able to view the report of the "pledges pending for confirmation" which are either initiated by pledger through SPEED-e facility or captured by Participants in the DPM system. The operational process of the aforesaid facility is enclosed at an Annexure. For information / clarification on operations related issues or understanding of the facility, Participants are requested to contact the following officials:

Name of the official	Contact details	Email ID
Mr. Ajinkya Velapure	(022) – 2499 4647	ajinkyav@nsdl.co.in
Mr. Nikhil Dumbre	(022) – 2499 4364	nikhild@nsdl.co.in
Mr. Pratik Ahluwalia	(022) – 2499 4355	pratika@nsdl.co.in
Mr. Rahul Gupta	(022) – 2499 4372	rahulg@n sdl.co.in

Annexure

A. Access to report of Pledges pending for confirmation:

1) e-Token User(s) (Pledgee) will access e-Services website (https://eservices.nsdl.com) and click on "Pledge Instruction Pending for Confirmation" link available under Inquiries option (refer exhibit 1).

Exhibit 1 – Pledge Instruction Pending for Confirmation

2) Upon clicking on the "Pledge Instruction Pending for Confirmation" link, list of Pledges initiated by pledger and pending for pledgee confirmation will be displayed to the e-Token based user through SPEED-e facility (refer exhibit 2).

Exhibit 2 – List of Pledge Instruction Pending for Confirmation

3) Upon clicking on the SPEED-e instruction number (hyperlink), e-Token User will be able to view the specific pledge instruction in detail (refer exhibit 3).

Exhibit 3 – Details of Pledge instruction

Circular No.: NSDL/POLICY/ 2017/0042 Date: July 12, 2017	***Subject: SEBI Circular on Recording of Non Disposal Undertaking (NDU) in the Depository System*** Attention of Participants is invited to SEBI Circular No. CIR/MRD/DP/56/2017 dated June 14, 2017 (copy enclosed) regarding recording of Non Disposal Undertaking (NDU) in the Depository System. Participants are requested to take note of the same and ensure compliance. Necessary amendments in Bye Laws, Business Rules, operational procedure and system enhancements will be notified separately.

CIRCULAR

CIR/MRD/DP/56/2017 June 14, 2017

To,

The Depositories,

Dear Sir / Madam,

Subject: Recording of Non Disposal Undertaking (NDU) in the Depository System

1. The depository system provides a transparent mechanism for recording pledge transactions entered between lenders and borrowers.

2. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, requires promoters of a company to disclose details of their encumbered shares including NDUs by promoters which are covered under the scope of disclosures of 'Encumbrances'.

3. It has been observed that some shareholders, primarily promoters, enter into non-disposal agreements/ non-disposal undertaking (NDU) for borrowing funds from various lenders. NDUs are typically undertakings given by a shareholder not to transfer or otherwise alienate the securities and are in the nature of negative lien given in favour of another party, usually a lender.

4. It is observed that currently there is no framework to capture the details of NDU in the depository system as these happen outside the depository system and are not captured and reflected in the records of the depositories. Therefore, in order to enable the shareholders to record the NDUs in the depository system, it has been decided to permit the depositories to offer a system for capturing and recording the NDUs.

5. In this regard, the depositories are advised the following:

   5.1. Depositories shall develop a separate module/ transaction type in their system for recording NDUs.

   5.2. Both parties to the NDU shall have a demat account with the same depository and be KYC compliant.

   5.3. Pursuant to entering the NDU, the Beneficial Owner (BO) along with the other party shall make an application through the participant (where the BO holds his securities) to the depository, for the purpose of recording the NDU transaction.

   5.4. The application shall necessarily include details of BO ID, PAN, email-id, signature(s), name of the entity in whose favor such NDU is entered and the quantity of securities. Such entity in whose favor NDU is entered shall also authorize the participant of the BO holding the shares, to access the signatures as recorded in that entity's demat account.

   5.5. The participant after being satisfied that the securities are available for NDU shall record the NDU and freeze for debit the requisite quantity of securities under NDU in the depository system. .

   5.6. The depositories shall make suitable provisions for capturing the details of BO ID and PAN of the entity in whose favor such NDU is entered by the participant. The depositories shall also make available to the said participant, the details of authorized

signatories as recorded in the demat account of the entity in whose favor such NDU is entered.

5.7. On creation of freeze in the depository system, the depository/ participant of the BO holding shares, shall inform both parties of the NDU regarding creation of freeze under NDU.

5.8. The depositories shall make suitable provisions for capturing the details of company/ promoters if they are part of the NDU.

5.9. In case if the participant does not create the NDU, it shall intimate the same to the parties of the NDU along with the reasons thereof.

5.10. Once the freeze for debits is created under the NDU for a particular quantity of shares, the depository shall not facilitate or effect any transfer, pledge, hypothecation, lending, rematerialisation or in any manner alienate or otherwise allow dealing in the shares held under NDU till receipt of instructions from both parties for the cancellation of NDU.

5.11. The entry of NDU made as per para 5.5 above may be cancelled by the depository/ participant of the BO through unfreeze of specified quantity if parties to the NDU jointly make such application to the depository through the participant of the BO.

5.12. On unfreeze of shares upon termination/ cancellation of NDU, the depository shall inform both parties of the NDU in the form and manner agreed upon at the time of creating the freeze. The unfreeze shall be effected in the depository system after a cooling period of 2 clear business days but no later than 4 clear business days.

6. The freeze and unfreeze instructions executed by the Participant for recording NDUs will be subject to 100% concurrent audit.

7. The DPs shall not facilitate or be a party to any NDU outside the depository system as outlined herein

8. The Depositories shall implement the provisions of this circular within four months from the date of this circular.

9. The Depositories are advised to:-

   i. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision, as may be applicable/ necessary;

   ii. to carry out system changes if any to implement the above;

   iii. disseminate the provisions of this circular on their website;

   iv. communicate to SEBI, the status of implementation of the provisions of this circular in their Monthly Development Report.

10. This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 and section 19 of the Depositories Act, 1996 to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully

Susanta Kumar Das
Deputy General Manager
e-mail: susantad@sebi.gov.in

Circular No.: NSDL/POLICY/ 2017/0034 Date: June 13, 2017	***Subject: Investment under Rajiv Gandhi Equity Savings Scheme (RGESS).*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2013/0144 dated December 30, 2013 (copy enclosed) regarding Rajiv Gandhi Equity Savings Scheme (RGESS), 2013 and NSDL Circular No. NSDL/POLICY/2014/0013 dated February 7, 2014 informing Frequently asked Questions(FAQs) issued by Department of Economic Affairs (Capital Markets Division), Ministry of Finance with respect to RGESS. As Participants are aware, pursuant to Finance Act, 2017, w.e.f. April 1, 2018, sub-section (5) of section 80CCG of Income Tax Act, 1961 has been inserted after sub-section (4) of section 80CCG of the Income Tax Act, 1961, as given below: *"(5) Notwithstanding anything contained in sub-sections (1) to (4), no deduction under this section shall be allowed in respect of any assessment year commencing on or after the 1st day of April, 2018.* *Provided that an assessee, who has acquired listed equity shares or listed units of an equity oriented fund in accordance with the scheme referred to in sub-section (1) and claimed deduction under this section for any assessment year commencing on or before the 1st day of April, 2017, shall be allowed deduction under this section till the assessment year commencing on the 1st day of April, 2019, if he is otherwise eligible to claim the deduction in accordance with the other provisions of this section."* In view of the above, Participants are requested to note that **'new retail investor'** (as defined in the scheme) shall not be eligible to avail the benefits of the scheme in respect of investment for with **initial year** (as defined in the scheme) **for financial year 2017-18 i.e. from April 1, 2017 onwards.** Accordingly, Participants are advised that **NO** demat accounts should be enabled under RGESS i.e. enabling the RGESS Flag as 'Y' either through Creation/Modification module in the client maintenance module of DPM system beginning **April 1, 2017**. Further, in case any Participant has already marked RGESS flag as 'Y' on or after April 1, 2017, such Participants are required to **disable** the RGESS Flag as **'N'** in demat accounts through client modification module of DPM system and intimate the client suitably. For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022)-2499 4600 or email at helpdesk@nsdl.co.in.
Circular No.: NSDL/POLICY/ 2017/0031 Date: June 1, 2017	***Subject: Amendment to Business Rules – Penalty Structure for Participants*** As Participants are aware, SEBI has vide its Circular dated January 7, 2014 (No.:Cir/MRD/DP/01/2014) issued guidelines for issuance, monitoring and scanning of Delivery Instruction Slips (DIS). In terms of the said Circular, Participants are required to scan every DIS executed during a day along with all Annexures/ Computer printouts, if any, by the end of the next working day in the manner specified by the depository *[Ref. NSDL Circular no. NSDL/ POLICY/2014/0085 dated August 5, 2014]*. All Participants are hereby informed that Rule 18.1.1 of Business Rules of NSDL pertaining to penalty structure for Participants is amended. The additions to the Rule 18.1.1 is given below:

Sr. No.	Nature of Non-compliance	Penal Action in Rs./ Action
I	**Operational deviations**	
14.	Delivery Instruction Slip (DIS) not scanned and uploaded in system provided by NSDL.	a) If the deviation is observed in the first month - penalty of Rs.100 per DIS to be imposed with a maximum cap of Rs.10,000. b) If the deviation is observed in the second consecutive month, a penalty of Rs. 150 per DIS to be imposed with a maximum cap of Rs.15,000. If total monetary penalty imposed under this head is more or equal to Rs.50,000 during one financial year, matter would be referred to Disciplinary Action Committee (DAC).

Participants are requested to take note of the same and ensure compliance.

Circular No.: NSDL/POLICY/ 2017/0026
Date: May 11, 2017

Subject: Transfer of Shares to Demat Account of IEPF Authority

As Participants are aware, in terms of Section 124 (6) of Companies Act, 2013 and the Rules notified thereunder, the shares in respect of which dividend has not been paid or claimed for a period of seven consecutive years or more, are required to be transferred by the company to the Investor Education and Protection Fund Authority (IEPF). As per the Rule 6 amended vide Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, where the seven year period provided under sub-section (5) of section 124 is completed during September 7, 2016 to May 31, 2017, the due date for transfer of such shares by companies is May 31, 2017. All companies are required to transfer such shares to IEPF, whether held in dematerialized form or physical form, to the demat account of IEPF Authority by way of corporate action. In this context, Participants are requested to take note that as per Rule 6 (3) (b) as amended vide Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, in case, where there is a specific order of Court or Tribunal or Statutory Authority restraining any transfer of such shares and payment of dividend or where such shares are pledged or hypothecated under the provisions of the Depositories Act, 1996 or shares already been transferred under sub-rule (1) of above rules, the company shall not transfer such shares to the Fund. The company is required to furnish a statement of shares not transferred to the Investor Education and Protection Fund (*Form No. IEPF - 3*), which inter-alia requires the company to attach order of court/tribunal/statutory authority specifying the date of such order.

Accordingly, NSDL will be adding new freeze reason codes from '06' to '33', as given below to make the freeze reasons more specific and to facilitate transfer of securities to IEPF Authority.

Freeze Reason Code	Freeze Reason
01	Request By Investor
02	Other Reasons
03	Request By Statutory Authority
04	RGESS
05	SARAL-Positive Confirmation Awaited
06	Account Holder – PAN non-compliant
07	Account Holder – FATCA non-compliant
08	Account Holder– KYC non-compliant
09	Account Holder –Deceased
10	Account Holder – Minor turned major
11	Account Holder– Non-payment of dues of DP
12	Account Holder– Merger of DPM set-up
13	Account Holder– Account closure/transmission - Residual balances
14	Account Holder– Taken over in NSDL Omnibus
15	Statutory Order - SEBI order
16	Statutory Order - Judicial authorities – Court
17	Statutory Order - Judicial authorities – SAT
18	Statutory Order - Judicial authorities - Official Liquidator
19	Statutory Order - Judicial authorities - Company Law Board
20	Statutory Order - Law Enforcement Agencies - Police
21	Statutory Order - Law Enforcement Agencies - Central Bureau of Investigations (CBI)
22	Statutory Order - Law Enforcement Agencies - Criminal Investigation Department (CID)
23	Statutory Order - Law Enforcement Agencies - Serious Fraud Investigation Office (SFIO)
24	Statutory Order - Law Enforcement Agencies - Economic Offence Wing (EOW)
25	Statutory Order - Law Enforcement Agencies - Directorate of Enforcement (ED)
26	Statutory Order - Law Enforcement Agencies - Anti-Corruption Bureau (ACB)
27	Statutory Order - Recovery Proceedings - Recovery Certificate under Cooperative Societies Act
28	Statutory Order - Recovery Proceedings - Debt Recovery Tribunal (DRT)
29	Statutory Order - Revenue Authorities - Income Tax
30	Statutory Order - Revenue Authorities - Service Tax
31	Statutory Order - Revenue Authorities - Sales Tax
32	Statutory Order - Revenue Authorities - Customs
33	Statutory Order - Revenue Authorities - Central Excise

In view of the above, Participants are requested as follows:

1. When the company executes the corporate action for transfer of shares to IEPF Authority,
   a. In case there is a freeze under the freeze reason code “01” to “14”, the transfer of shares will be effected.
   b. In case there is a freeze under the freeze reason code “15” to “33”, the transfer of shares will **not** be effected.
2. To carry out a one-time exercise to review all open freeze requests which are executed by the Participant under the freeze reason code “02” – Other Reasons or “03” – Request by Statutory Authority. In case there is any freeze executed by the Participant under the freeze reason code “02” or “03” which are on the orders of court/tribunal/statutory authority, then, in respect of such freezes, the Participant must change the freeze reason code to the appropriate new freeze code from “15” to “33”.
3. In order to facilitate Participants to carry out aforesaid one-time exercise and to facilitate Participants to change the freeze reason codes, a list (in excel format) of open freeze orders where Participants have executed freeze under freeze reason codes “02” and “03” is provided on i-Assist in the format given below under the head **“Freeze reason codes for review for IEPF”**. Participants are required to updated appropriate new freeze reason code in the aforesaid excel file and upload the same on i-Assist under the head ***“Updated freeze reason codes for IEPF”***:

Sr. No.	DP ID	Client ID	Sole/ First Holder Name	Freeze instruction ID generate at the time of intiating freeze	Current Freeze instruction ID	Current Freeze Reason Code	Current Freeze Remarks	Current Freeze Description	New Freeze Reason Code [Participants to fill]

Note: Participants are requested to take note that while providing aforesaid details to change the freeze reason codes from “02” or “03” to a new freeze reason code, the freeze carried out by NSDL and the freeze carried out by Participant for PAN non-compliance as per SEBI directions are not included.

4. After the version release for addition of new freeze reason codes is deployed on a date to be notified separately, no new freeze can be entered under the freeze reason code “03” – Request by Statutory Authority.

5. In respect of those freeze where the debit will not be effected through corporate action i.e. freeze reasons "15" to "33", Participants are requested to ensure that the order of the court/tribunal/statutory authority is readily available with the Participant.
6. The information in the above format given must be provided on i-Assist by May 20, 2017.

Participants are requested to take note of the above and ensure compliance.

Circular No.: NSDL/POLICY/ 2017/0023
Date: April 24, 2017

Subject: Launch of Pledge facility on SPEED-e.

As Participants are aware, currently e-Token based users (Beneficial Owner) of ***SPEED-e*** facility can submit the transfer instructions viz., market, off-market, inter-depository and freeze / unfreeze instructions through ***SPEED-e*** facility (https://eservices.nsdl.com). All Participants are hereby informed that ***SPEED-e*** facility is being enhanced to include the feature of enabling clients to submit **Pledge instructions** through ***SPEED-e*** facility. This facility will be available to only e-Token based users who are registered by their Participants for *SPEED-e* Direct Facility. The Pledge facility on SPEED-e will be released on e-Services website with effect from BOD of **Saturday, April 29, 2017**.

The salient features of the aforesaid facility are enclosed at an Annexure.

For information / clarification on operations related issues or understanding of the facility, Participants are requested to contact the following officials:

Name of the official	Contact details	Email ID
Mr. Ajinkya Velapure	(022) – 2499 4647	ajinkyav@nsdl.co.in
Mr. Pratik Ahluwalia	(022) – 2499 4355	pratika@nsdl.co.in
Mr. Rahul Gupta	(022) – 2499 4372	rahulg@nsdl.co.in

Circular No.: NSDL/POLICY/ 2017/0019
Date: March 31, 2017

Subject: Addition of Market Type Code

All Participants are hereby informed that following Market Type Code has been added in the CC Calendar in respect of National Securities Clearing Corporation Limited (NSCCL) pertaining to the settlement of Debt segment:

CC ID	Market Type Code	Description
IN001002	43	Debt Segment – Auction

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No.: NSDL/POLICY/ 2017/0018
Date: March 31, 2017

Subject: Addition of Market Type Code

All Participants are hereby informed that following Market Type Code has been added in the CC Calendar in respect of Indian Clearing Corporation Limited (ICCL) pertaining to the settlement of 'Debt segment':

CC ID	Market Type Code	Description
IN001150	34	DEBT T1 - AUCTION

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System

Circular No.: NSDL/POLICY/ 2017/0002
Date: January 9, 2017

Subject: Revision of Auction Normal Settlement timings for NSE.

All Participants are hereby informed that as per the intimations received from National Securities Clearing Corporation Limited (NSCCL) regarding revision in the deadline time for Pay-in of securities for Auction settlement on T (Auction session day) +1 day with respect to auction normal settlement of NSE with effect from January 13, 2017, the revised deadline time for Pay-in of securities for auction normal is as follows:

Market Type	Revised NSDL deadline time (earlier 10.50 a.m.)
Auction Normal	9.20 a.m.

Accordingly, the CC Calendar in the eDPM and Local DPM system have been revised for the month of January 2017. With the above changes, Participants **can capture and verify/release instructions till the aforementioned NSDL deadline time**. However, it is advisable that **all instructions** relating to Pay-in are executed in the eDPM system well before the aforementioned NSDL deadline time.

Participants are requested to take note of the above.

Circular No.: NSDL/POLICY/ 2017/0001
Date: January 3, 2017

Subject: Non availability of Inter Depository transfer instructions on Trading Holidays.

Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0050 dated April 25, 2014 regarding discontinuation of inter-depository transfer instructions on trading holidays.

In this regard, list of trading holidays as provided by Central Depository Services (India) Limited for the calendar year 2017 on which no inter-depository instructions will be exchanged between the depositories is given below:

Sr. No.	Date	Day	Description
1	January 26, 2017	Thursday	Republic day
2	February 24, 2017	Friday	Mahashivratri
3	March 13, 2017	Monday	Holi
4	April 04, 2017	Tuesday	Ram Navami
5	April 14, 2017	Friday	Dr. Baba Saheb Ambedkar Jayanti and Good Friday
6	May 01, 2017	Monday	Maharashtra day
7	June 26 2017	Monday	Ramzan Id (Id-ul-Fitar)
8	August 15, 2017	Tuesday	Independence day
9	August 25, 2017	Friday	Ganesh Chaturthi
10	October 02, 2017	Monday	Mahatma Gandhi Jayanti
11	October 20, 2017	Friday	Diwali- Balipratipada
12	December 25, 2017	Monday	Christmas

Participants are requested to take note of the above.

Circular No.: NSDL/POLICY/ 2016/0104 Date: December 29, 2016	***Subject: Generation of a single RFP Instruction ID for Receipt Instructions.*** As all Participants are aware, transfer instruction is executed based upon matching of a delivery instruction and a receipt instruction. For the receiving account, an option to provide a Standing Instruction (SI) to receive credits is provided instead of providing a separate 'Receipt Instruction' each time. The Receipt Instruction is required to be executed on eDPM system for receiving credit of securities in respect of transfer instructions where Standing Instruction (SI) Indicator for credit is **not enabled** [i.e. SI Indicator Flag is marked as 'N'] in the Target demat account. Accordingly, a RFP instruction ID is generated on NSDL central system in respect of aforesaid cases which gets reflected in eDPM & Local DPM system. In respect of transfer instructions where Standing Instruction (SI) Indicator for credit is **enabled** [i.e. SI Indicator Flag is marked as 'Y'] in respect of Target demat account, a separate RFP instruction ID for receipt instruction is also auto-generated in the Local DPM system in addition to the RFP instruction ID generated in the eDPM system. In order to maintain uniformity in generation of Instruction ID, DPM system has been enhanced to generate a single auto-generated RFP Instruction ID from NSDL central system in respect of receipt instructions where Standing Instruction (SI) Indicator for credit is enabled [i.e. SI Indicator Flag is marked as 'Y'] which will get reflected in the Local DPM system through Change Orders of the Day (COD) File. Accordingly, SOT generated from Local DPM and eDPM system will reflect same instruction ID in respect of aforesaid receipt instruction. Accordingly, this will be applicable for the following instruction types: 1. Account Transfer 2. Inter Depository Transfer (IDT) 3. CM Pool to Pool 4. CC Payout to CM Further, the single Instruction ID in respect of receipt instructions where Standing Instruction (SI) Indicator for credit is enabled [i.e. SI Indicator Flag is marked as 'Y'] will be reflected in the SOT generated from Local DPM and eDPM system. Participants are requested to note that RFP Instruction ID auto-generated from NSDL central system shall be a **14 digit numeric field** with a series beginning with **'81XXXXXXXXXXXX'** in respect of receipt instructions where SI Indicator for credit is enabled (i.e. SI Indicator Flag is 'Y') in the target demat account. Participants are requested to note that the aforesaid change will be made applicable in eDPM/Local DPM system from BOD of **January 14, 2017**. There are **NO** file format related changes in the exports/downloads. Participants are requested to check for back office related impact, if any.

Circular No.: NSDL/POLICY/ 2016/0090 Date: November 8, 2016	***Subject: NSDL launches Trade Repository for Corporate Bonds.*** All Participants are hereby informed that NSDL has launched a Trade Repository for Corporate Bonds. The NSDL's Trade Repository will provide consolidated information on primary issuance and secondary market trades reported on stock exchanges. Currently, the information pertaining to primary issuance and secondary market trades in corporate bonds are available in fragmented manner. With NSDL's Trade Repository, all primary issuance and secondary market data available across depositories and exchanges will be available at single location and will provide a single view for the benefit of the market. This will enhance transparency in the market and enable investors to take an informed decision. The link for NSDL's Trade Repository is available at www.nsdl.co.in under the menu "Data Releases". Participants are requested to take note of the same and inform their clients suitably.
Circular No.: NSDL/POLICY/ 2016/0089 Date: November 8, 2016	***Subject: Updation of IFSC and MICR codes in respect of KMBL and IVBL in depository accounts.*** All Participants are hereby informed that pursuant to the merger of ING Vysya Bank Limited (IVBL) with Kotak Mahindra Bank Limited (KMBL), KMBL has approached NSDL to change the existing Bank Name from 'ING Vysya Bank Limited' to 'Kotak Mahindra Bank Limited' and existing IFSC & MICR codes pertaining to IVBL to new IFSC & MICR codes pertaining to KMBL in respect of financial details mentioned in the depository accounts. Further, KMBL has informed that the erstwhile bank account numbers pertaining to IVBL captured under financial details in the depository accounts will remain unchanged. In this regard, it may be mentioned that on the basis of the details provided by KMBL, NSDL have updated the bank name as 'Kotak Mahindra Bank Limited' and new IFSC & MICR codes of KMBL in the depository accounts of the client wherein the existing details of IVBL has been captured in the financial details mentioned in the depository system. Participants are requested to note that the list of depository accounts wherein the aforesaid updation has been carried out is made available on the NSDL intranet site viz., i-Assist under the link **"List of BO accounts – KMBL updation"**. Accordingly, Participants are requested to send a communication via letter / email / Client Master Report generated from the DPM System or its back office or any other mode which the Participant may deem fit or Participant can also send Client Modification letter generated from the DPM System to all such Clients informing about changes carried out in their Bank Name and IFSC & MICR Code. For any information / clarification, Participants are requested to contact Help Desk at (022) 2499 4601 to 4610 or email at helpdesk@nsdl.co.in.

Circular No.: NSDL/POLICY/ 2016/0084 Date: October 17, 2016	***Subject: Insurance Premium Computation Methodology.*** As Participants are aware, NSDL obtains a comprehensive insurance policy to cover NSDL and its Participants against various risks viz, infidelity of employees, Electronic & computer crime and Professional Indemnity. A part of the total premium is borne by NSDL and the rest is paid by the Participants in proportion to their aggregate custody, transaction volumes and certain other factors. Participants were informed vide Circular No. NSDL/POLICY/2015/0095 dated October 28, 2015 about the methodology for computing premium payable by Participants in respect of insurance policy for the year 2015-16. Continuing with the same methodology, the incidences of insurance claims would be considered while computing the premium payable by Participants for the insurance policy for the insurance year 2016-17. The proposed computation methodology is as follows: ▫ The insurance premium to be paid by each Participant will be first computed on the basis of custody and transaction volume of each Participant, subject to a minimum value. ▫ There will be a loading on the premium for the year 2016-17 for Participants who have lodged claim(s) in the previous years. ▫ A Participant closing its depository operations, will be required to pay the annual premium for the succeeding year, in order to cover the claims (if any) arising in the year immediately following the year of closure. ▫ NSDL will intimate the premium amounts to Participants in due course. In case you need any clarifications, please contact Mr. Suresh Uchlani or Mr. Prathmesh Mungle on 022-2499 4272 / 2499 4583 or on e-mail id: sureshu@nsdl.co.in / prathmeshm@nsdl.co.in
Circular No.: NSDL/POLICY/ 2016/0074 Date: August 29, 2016	***Subject: Revised application form for obtaining Digital Signature Certificate from e-Mudhra Limited.*** Attention of Participants is invited to Circular Nos.: NSDL/POLICY/2014/0082 dated July 14, 2014 and NSDL/POLICY/2015/0015 dated January 27, 2015 regarding new procedure for obtaining Digital Signature Certificate (DSC) to access DPM system. In this regard, Participants are hereby informed that e-Mudhra Limited (e-Mudhra) has revised its application form for issuance of DSC. In view of the above, e-Mudhra has provided revised application form which is enclosed as Annexure. For information / clarification about the process or mapping of DSC, Participants are requested to contact the following NSDL officials: **Name of the official** | **Contact details** | **Email ID** Mr. Sanjay Mirchandani | (022) 2499 4454 | sanjaym@nsdl.co.in Mr. Vikas Gorule | (022) 2499 4455 | vikasg@nsdl.co.in Mr. Mangesh Nene | (022) 2499 4441 | mangeshn@nsdl.co.in Mr. Omkar Divekar | (022) 2499 4432 | omkard@nsdl.co.in Participants are requested to take a note of the same.

<table>
<tr>
<td>Circular No.:
NSDL/POLICY/
2016/0072
Date: August 18, 2016</td>
<td>

Subject: Addition of Market Type Codes.

Attention of Participants is invited to Circular No.: NSDL/POLICY/2016/0071 dated August 18, 2016 regarding Settlement of Government Securities through NSDL Depository System. In this regard, following Market Type Codes have been added in the calendar of Clearing Corporation of India Limited pertaining to the settlements of Government Securities:

<table>
<tr><th>Entity Name (ID)</th><th>Market Type Code</th><th>Description</th></tr>
<tr><td rowspan="3">THE CLEARING CORPORATION OF INDIA LIMITED (IN009996)</td><td>01</td><td>G-SEC NORMAL</td></tr>
<tr><td>02</td><td>G-SEC REPLENISHMENT</td></tr>
<tr><td>03</td><td>G-SEC WITHHELD</td></tr>
</table>

In view of the above, Participants are requested to note the aforesaid codes relating to changes in the static data for back-office batch interface with eDPM / Local DPM System.

</td>
</tr>
<tr>
<td>Circular No.:
NSDL/POLICY/
2016/0071
Date: August 18, 2016</td>
<td>

Subject: Settlement of Government Securities through NSDL Depository System.

All Participants are hereby informed that the depository system is enhanced to facilitate demat account holders to settle their trades in Government Securities on the Negotiated Dealing System-Order Matching (NDS-OM) platform, which is operated by Clearing Corporation of India Ltd (CCIL) on behalf of Reserve Bank of India (RBI).

Attention of Participants is invited to RBI Circular Ref. No. FMRD. DIRD.3/14.03.07/2016-17 dated July 28, 2016 (copy enclosed) issued in this context. Accordingly, this facility is made available to demat account holders of bank Depository Participants who are SGL Account Holders and direct members of NDS-OM and CCIL. With this, retail individual investors holding Demat Accounts with Bank DPs of NSDL will be able to purchase or sell government securities through the NDS-OM system. So far, access for trading in secondary market on NDS-OM was limited to only those maintaining SGL/CSGL accounts. These new guidelines will now facilitate efficient access for retail investors holding demat accounts to the government securities market and encourage retail participation. To make it easier for retail investors to trade, NSDL has also integrated NDS-OM web module with its e-services facility. It allows the Bank DPs to make available web trading facility to investors so that investors can directly trade online in government securities using the web module of NDS-OM and their existing NSDL demat account.

In this context, Bank Participants which are SGL Account Holders and direct members of NDS-OM and CCIL are requested to take note of the following:

1. Changes in static data code (incorporation of new booking code) in respect of download of SOT for the back-office interface with Local DPM system in respect of settlement of G-sec trades on the NDS-OM platform through depository (NSDL) settlement mechanism. The new booking code details are given below:

</td>
</tr>
</table>

Booking Code	Booking Narration Code (Description)
11601	RBI_CCIL_CM_POOL (By RBI / CCIL Pay-Out)

Bank Participants which are SGL Account Holders and direct members of NDS-OM and CCIL are advised to make necessary changes in their depository back office system as per the enclosed static data code in respect of Local DPM System.

2. The Primary Member will have to open a Pool Account in the Depository System. The process for activation of Primary Member Pool Account is given below:

   a. Documents to be obtained from Primary Member (PM) and retained with the Participants. For opening of pool account of PM associated with CCIL, Participants are advised to obtain the following documents from the PM:

      i. KYC Application Form (Part I) and Account Opening Form (Part II).

      ii. A copy of the email / letter received from CCIL intimating for allotment of Membership ID to the PM.

      iii. Board Resolution for authorised signatory.

      iv. Memorandum of Association and Articles of Association.

      v. Specimen copy of the cheque for capturing the 9-digit MICR code.

      vi. Any other documents as specified in the Master Circular for opening of Account from time to time.

      Participants should verify the completeness of the aforesaid documents submitted by the PM and verify the copies submitted with the original documents and retain the same. These documents / copy of these documents need not be forwarded to NSDL.

   b. Documents to be provided by Participants to NSDL

      i. Participants must provide a consent letter (as per format enclosed as Annexure) for opening of Pool Account in respect of PM to NSDL in hard copy. Alternatively, the scanned copy of aforementioned duly signed consent letter can be emailed to NSDL at ccinterface@nsdl.co.in.

      ii. After the receipt of aforesaid document, NSDL will allot the CM BP ID for PM Pool account and intimate the same to the Participants electronically.

      For further information / clarification, Participants are requested to contact the following officials:

Name of the official	Telephone Number	Email address
Mr. Suyash Kotian	(022) 2499 4364	SuyashK@nsdl.co.in
Mr. Ajinkya Velapure	(022) 2499 4647	AjinkyaV@nsdl.co.in
Mr. Rahul Gupta	(022) 2499 4372	rahulg@nsdl.co.in

Annexure 1
(Format of consent letter on the letter head of Participant)

Ref. No. :

Date :

Mr. Prashant Vagal
Senior Vice President
CC Interface Division

National Securities Depository Limited
4th Floor, 'A' Wing, Trade World,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013

Dear Sir,

Sub: Activation of Primary Member Pool Account

We wish to inform you that <**Name of the Entity**> who is a Primary Member (PM) of Clearing Corporation of India Ltd. (CCIL) has applied for opening a Pool Account with us as per the details mentioned in Exhibit.

We hereby confirm that documents with respect to opening of Pool Account of <**Name of the Entity**> submitted by the PM are complete in all respect and the copies submitted have been verified by us with the original documents. Further, the requisite details of opening of Pool Account are given below:

Name of Primary Member	
Correspondence Address	
Address 1	
Address 2	
City	
Postal Code	
Contact Person	
Mobile Number	
Telephone Number	
DP ID	
Member ID allotted by CCIL	

As we are willing to open the account, we request you to allot a CM BP ID to the PM.

Yours faithfully,

Compliance Officer / Alternate Compliance Officer

Circular No.: NSDL/POLICY/ 2016/0064
Date: July 8, 2016

Subject: Inter Depository Transfer instructions on Saturday, July 9, 2016.

All Participants are hereby informed that Central Depository Services (India) Limited has intimated that its depository system will not be available for Inter Depository Transfer instructions till 12.00 noon on Saturday, July 9, 2016 due to maintenance activity at CDSL.

In view of the above, Participants can continue to verify/release IDT instructions during this interim period i.e., from BOD to 12.00 noon on July 9, 2016. Status of such IDT instructions will get updated from 'Released' to 'Acknowledgement Awaited from Other Depository' / 'Overdue' / 'Future dated' etc. in eDPM System. After CDSL establishes connectivity, status of IDT instructions will get updated to 'Settled' or 'Other Depository response awaited' etc. as applicable in eDPM System.

The deadline time for Participants to verify & release Inter Depository Transfer instructions on July 9, 2016 remains unchanged.

Circular No.: NSDL/POLICY/ 2016/0062 Date: June 16, 2016	***Subject: Change in name of* - "e-Participant-Inspection Audit and Supervision System" (*e-PASS)* to "e-Portal for Report Submission" (*e-PASS)*.** As Participants are aware, online platform e-PASS - "e-Participant-Inspection Audit and Supervision System" (https://www.epass.nsdl.com/epass/) was provided which enables Participants to submit 'Investor Grievance Report' (*on Monthly basis*) and 'Risk Assessment Template' – RAT (every six months). Considering that the system is being enhanced for R&T Agents/Issuers, the name of **"e-Participant-Inspection Audit and Supervision System"** (*e-PASS)* has been changed to **"e-Portal for Report Submission"** (*e-PASS*). The URL to access e-PASS will remain same as https://www.epass.nsdl.com/epass/ Participants are requested to take note of the above.
Circular No.: NSDL/POLICY/ 2016/0053 Date: May 4, 2016	***Subject*: *SEBI Order under Section 11B of the Securities and Exchange Board of India Act, 1992*.** Attention of Participants is invited to the Orders passed by SEBI restraining and prohibiting the following entities / persons from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly in whatsoever manner, till further directions from SEBI.

Sr. no.	Name	SEBI Order No.	Order Date
1	Multipurpose Bios India Limited	WTM/PS/122/IMD-ERO/ DEC/2015	29-Dec-15
2	Hahnemann Herbal Limited	WTM/SR/SEBI – ERO: BLO/ IMD/199/12/2015	30-Dec-15
3	Home Trade Limited	WTM/PS/125/EFD/DEC/2015	31-Dec-15
4	Euro Offshore Investments Limited (known as Euro Discovery Technology Venture Limited),	WTM/PS/125/EFD/DEC/2015	31-Dec-15
5	Ways Inc.,	WTM/PS/125/EFD/DEC/2015	31-Dec-15
6	Euro Allied Limited	WTM/PS/125/EFD/DEC/2015	31-Dec-15
7	Euro Discover Limited	WTM/PS/125/EFD/DEC/2015	31-Dec-15
8	Ways India Limited	WTM/PS/125/EFD/DEC/2015	31-Dec-15
9	Dalhousie Securities	WTM/PS/125/EFD/DEC/2015	31-Dec-15
10	Parakh Shares and Stock Broking Limited	WTM/PS/125/EFD/DEC/2015	31-Dec-15
11	AGS Financial Services Limited	WTM/PS/125/EFD/DEC/2015	31-Dec-15
12	Hooghly Trading Limited,	WTM/PS/125/EFD/DEC/2015	31-Dec-15

Sr. no.	Name	SEBI Order No.	Order Date
13	Pacific Finance Company	WTM/PS/125/EFD/DEC/2015	31-Dec-15
14	Poddar Trading Company	WTM/PS/125/EFD/DEC/2015	31-Dec-15
15	Buyeverything.com	WTM/PS/125/EFD/DEC/2015	31-Dec-15
16	Maniram Consultants Limited	WTM/PS/125/EFD/DEC/2015	31-Dec-15
17	Tellme.com	WTM/PS/125/EFD/DEC/2015	31-Dec-15
18	RTC Properties India Limited	WTM/SR/SEBI – ERO: BLO/ IMD/06/1/2016	14-Jan-16
19	MBK Business Development (India) Limited	WTM/PS/149/ERO/FEB/2016	4-Feb-16
20	Smt. Pratima Roy	WTM/PS/149/ERO/FEB/2016	4-Feb-16
21	Sun Techno International Limited	WTM/SR/SEBI-ERO/ IMD/11/2/2016	17-Feb-16
22	Jivan Sathi Dream Projects Limited	WTM/SR/SEBI-ERO/ IMD/12/2/2016	17-Feb-16
23	Jivan Sathi Life Care Agencies Private Limited	WTM/SR/SEBI-ERO/ IMD/12/2/2016	17-Feb-16
24	Shrishti Procon Ltd	WTM/SR/SEBI-ERO/ IMD/15/03/2016	2-Mar-16
25	Mr. Raju Landge	WTM/RKA/MIRSD2/41/2016	22-Mar-16

Participants are hereby advised to take note of the same.

Circular No.: NSDL/POLICY/ 2016/0052
Date: May 2, 2016

***Subject*: *Revised application form for obtaining Digital Signature Certificate from e-Mudhra Limited*.**

Attention of Participants is invited to Circular Nos.: NSDL/POLICY/2014/0082 dated July 14, 2014 and NSDL/POLICY/2015/0015 dated January 27, 2015 regarding new procedure for obtaining Digital Signature Certificate (DSC) to access DPM system. In this regard, Participants are hereby informed that e-Mudhra Limited (e-Mudhra) has revised its application form for issuance of DSC. In view of the above, e-Mudhra has provided revised application form which is enclosed as Annexure.

Participants are requested to take a note of the same.

Circular No.: NSDL/POLICY/2016/0045 Date: April 13, 2016	***Subject: Launch of Single sign-on facility for TRACES and SPEED-e / IDeAS for viewing & downloading Form 26AS from TRACE website of Income Tax Department.*** As all Participants are aware, TRACES is a web-based application of the Income Tax Department that provides an interface to all stakeholders associated with TDS administration. It enables viewing of challan status, downloading of Conso File, Justification Report and Form 16 / 16A as well as viewing of annual tax credit statements **(Form 26AS)**. Income Tax Department has granted permission to NSDL to integrate e-Services website of NSDL with TRACES website of Income Tax Department to provide the facility of **viewing / downloading Form 26AS** to the esteemed demat account holders of NSDL through e-Services website of NSDL. The Users of SPEED-e/ IDeAS facility will be able to view / download their tax credit statement by using their login credentials viz., User ID and password used for accessing the SPEED-e/IDeAS facility. Thus, Clients would not be required to separately log-in to TRACES website for viewing / downloading their tax credit statement. Clients have to click on the hyperlink **"View/Download Tax Credit Statements"** under SPEED-e/IDeAS facility after log-in to access TRACES web site.
Circular No.: NSDL/POLICY/ 2015/0119 Date: December 28, 2015	***Subject: Limited Purpose Holiday Master for DIS Monitoring.*** SEBI had vide its Circular No. CIR/MRD/DP/ 01/2014 dated January 7, 2014 issued guidelines regarding standardization, monitoring and scanning of DIS. Accordingly, Participants were advised to enter details of DIS issued to Clients in DPM immediately but not later than two days and to scan and upload images of DIS executed by end of the next working day to DIVS. In order to determine what is a 'working day' for the above purpose, a Limited Purpose Holiday Master for DIS monitoring was notified for the calendar year 2015 (Ref. : NSDL Circular No. NSDL/POLICY/2015/0016 dated January 30, 2015). In the same manner, the Limited Purpose Holiday Master for DIS monitoring for the calendar year 2016 is enclosed which will be used for monitoring of upload of DIS issuance details in eDPM and scanned images in the DIVS of the Local DPM. **Limited Purpose Holiday Master for DIS Monitoring (Year 2016)** 1. Limited Purpose Holiday Master for DIS Monitoring includes all Saturdays and Sundays. 2. In addition to above, the other days for calendar year 2016 for Limited Purpose Holiday Master for DIS Monitoring are given below:

Sr. No.	Date	Day	Remarks
1	26-Jan-16	Tuesday	Republic Day
2	19-Feb-16	Friday	Chhatrapati Shivaji Maharaj Jayanti
3	7-Mar-16	Monday	Mahashivratri
4	24-Mar-16	Thursday	Holi
5	25-Mar-16	Friday	Good Friday
6	8-Apr-16	Friday	Gudi Padwa
7	14-Apr-16	Thursday	Dr. Babasaheb Ambedkar Jayanti
8	15-Apr-16	Friday	Ram Navmi
9	19-Apr-16	Tuesday	Mahavir Jayanti
10	6-Jul-16	Wednesday	Ramzan Id (Id-ul-Fitar)
11	15-Aug-16	Monday	Independence Day
12	17-Aug-16	Wednesday	Parsi New Year

Sr. No.	Date	Day	Remarks
13	5-Sep-16	Monday	Ganesh Chaturthi
14	13-Sep-16	Tuesday	Bakri Id (Id-ul-Zua)
15	11-Oct-16	Tuesday	Dassera
16	12-Oct-16	Wednesday	Moharum
17	31-Oct-16	Monday	Diwali (Balipratipada)
18	14-Nov-16	Monday	Guru Nanak Jayanti
19	12-Dec-16	Monday	Id-E-Milad

Circular No.: NSDL/POLICY/ 2015/0058
Date: July 7, 2015

Subject: Revision of Activity Schedule of Auction Session.

All Participants are hereby informed that SEBI has issued Circular No. CIR/ MRD/DRMNP/8/2015 dated May 14, 2015 (copy enclosed) regarding revision of activity schedule for auction session.

CIRCULAR

CIR/MRD/DRMNP/8/2015 **May 14, 2015**

To
Recognized Stock Exchanges, Recognized Clearing Corporations and Depositories

Dear Sir/Madam,

Sub: Revision of Activity Schedule of Auction Session

1. As per extant practice in Equity Cash segment (prescribed vide SEBI Circular CIR/MRD/DP/39/2010 dated December 28, 2010 (hereinafter referred to as "the said Circular")) in case of default by the selling broker in a normal settlement, the security delivered short is bought in the auction session (conducted on T+2 day) and is delivered to the buying broker on T+3 day.
2. Based upon suggestions of Clearing Corporations and Stock Exchanges and in order to facilitate the reduction of time involved in delivering the shares to the buying broker, in case of default by selling broker, it has been decided to provide flexibility to Clearing Corporations to decide the time for conducting the settlement of Auction session on or before T+3 day.
3. Thus the activity schedule for conducting the settlement of auction session and close-out as prescribed by the said circular stands revised as given below:

   Auction Settlement for T day trade:

Auction session	By T+2
Pay-in/pay-out of auction and close-out	By T+3

   Other provisions of the said circular would remain unchanged.
4. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
5. **The Stock Exchanges/Clearing Corporations are advised to:**
   i) put in place the adequate systems and issue the necessary guidelines for implementing the above decision.
   ii) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above
   iii) bring the provisions of this circular to the notice of the members and also disseminate the same on their website.
   iv) intimate SEBI the status of implementation of the provisions of this circular.
6. This circular is being issued in exercise of powers conferred under Section 11(1) of Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate, the securities market.

7. This circular is available on SEBI website at www.sebi.gov.in under the category "Circulars".

Yours faithfully,

Shashi Kumar
General Manager
Division of Risk Management and New Products Market
Regulation Department
shashikumarv@sebi.gov.in

Circular No.: NSDL/POLICY/ 2016/0050 Date: April 22, 2016	***Subject: Enhancement of eDPM system in respect of POA Validation.*** Attention of Participants is invited to the following Circulars regarding software release for DPM system: 1. Execution of DIS received from Power of attorney holder in case of POA in favour of Stock Broker (NSDL/POLICY/2016/0025 dated March 11, 2016) 2. Incorporation of 'Document Received Date' field in the eDPM system / Local DPM and changes for the same in file formats. (NSDL/POLICY/2016/0042 dated April 11, 2016) Participants are requested to take note that the above software features will be released **on May 13, 2016** instead of April 30, 2016, as communicated earlier. In addition, the following features will also be released on May 13, 2016: 1. Change in structure of field viz., POA ID field from Alpha-Numeric to Numeric in respect of Old DIS: a. The structure of field viz., POA ID field will be changed from Alpha-Numeric to Numeric. b. The changes in the file formats in respect of the back-office interface with respect to eDPM system are enclosed at **Annexure.** Participants are advised to make necessary changes to their back office system by incorporating aforesaid changes as per the enclosed file formats. 2. Validation of Mapping of POA ID with Source Account for all POA based instructions: a. For all POA based instructions wherein **'DIS Issued to POA Holder'** flag is enabled and POA ID is captured at the time of execution of instruction, DPM system will check whether POA ID captured is mapped with the source Client account for which instruction is submitted, irrespective of format of Delivery Instruction Slip whether it is 'Old' or 'New'. b. These validations will be carried out at the time of 'Capture' as well as 'Verify-Release' of instructions through eDPM screen based / batch upload mechanism.
Circular No.: NSDL/POLICY/ 2016/0025 Date: March 11, 2016	***Subject: Execution of DIS received from Power of attorney holder in case of POA in favour of Stock Broker..*** Attention of Participants is invited to Circular No. NSDL/POLICY/2016/0017 dated February 17, 2016 regarding release of **DPM System Version 5.9** wherein Power of Attorney (PoA) module was enhanced by introducing new field viz., **'POA in favour of'** in the DPM system. It was informed vide aforesaid Circular dated February 17, 2016 that all account transfer and inter-depository instructions executed by POA holder/ Corporate POA on behalf of its Clients where POA is given to stock broker shall be validated from **March 12, 2016.** All Participants are hereby informed that based on the requests received from Participants, date of implementation of validation of aforesaid instructions is re-scheduled to **April 30, 2016**.
Circular No.: NSDL/POLICY/ 2016/0002 Date: January 5, 2016	***Subject: DIS validation at the time of execution.*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2014/0004 dated January 8, 2014, Circular No. NSDL/POLICY/2014/0092 dated August 25, 2014 and Circular No. NSDL/POLICY/2015/0034 dated March 18, 2015 regarding standardization, monitoring and scanning of DIS. In this regard, all Participants

	are hereby informed that with effect from Thursday, January 7, 2016, DIS details so entered in eDPM system at the time of execution of old DIS will be validated with the DIS issuance master details available in DPM system. In respect of DIS executed for which DIS issuance master details are not available in DPM system, shall not be executed. For instructions which are received in electronic form, the aforesaid validation will not be applicable.
Circular No.: NSDL/POLICY/ 2015/0034 Date: March 18, 2015	***Subject: Changes in file format in respect of Delivery Instruction Slip (DIS) Issuance and Processing.***

Attention of Participants is invited to Circular Nos. NSDL/POLICY/2014/0072 dated June 4, 2014 and NSDL/POLICY/2014/0076 dated June 23, 2014 regarding file formats in respect of the back-office interface with eDPM and Local DPM system and Circular No. NSDL/POLICY/2014/0092 dated August 25, 2014 regarding standardisation and monitoring of Delivery Instruction Slips (DIS).
In this context, Participants are requested to take note that with effect from July 1, 2015, it will be mandatory to provide the following fields in the eDPM system at the time of execution of DIS for old DIS, in addition to it being mandatory when the new DIS is provided:

Sr. No.	Field Name	Remarks
1	DIS Format Flag	□ 'Y' for DIS issued in New format, □ 'N' for DIS issued in Old format; □ Filler will not be permitted; □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6).
2	DIS Type Indicator	□ '1' For Physical, □ '2' for FAX, □ '3' For Electronic-SPEEDe, □ '4' for Electronic-SPICE, □ '5' for Electronic- DSC, □ '6' for Electronic- Others;
3	DIS Issued to Client or POA Holder	□ '1' For DIS issued to Client, □ '2' For DIS issued to POA Holder: □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6).
4	POA ID	□ Mandatory if DIS is issued to POA holder; □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6).
5	Flag of loose slip	□ '1' for Loose Slip; □ This is not required if DIS Type Indicator is electronics (i.e. 3, 4, 5 and 6).
6	No of instructions	□ Number of Instruction in DIS; □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6).

In this context, changes in the file format in respect of the back-office interface with eDPM and Local DPM system as enclosed in Annexure. Participants are advised to make necessary changes in their back office system as per the enclosed file formats latest by June 30, 2015. Participants may note that in case their back-office systems are ready prior to the aforesaid deadline, then same can be implemented immediately as the DPM system already supports aforesaid changes.

Circular No.: NSDL/POLICY/ 2015/0033 Date: March 18, 2015	***Subject: Revised File format in respect of Static data for the reason codes and description for off market instruction tagging.***

Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0076 dated June 23, 2014 regarding file formats in respect of the back-office interface with eDPM and Local DPM system pertaining to 'Static data for the reason codes and description for off market instruction tagging' and Circular No. NSDL/POLICY/2014/0092 dated August 25, 2014 informing Participants

that the entry of reason code and consideration (wherever applicable) in the DPM system will be optional till April 1, 2015 after which it shall be mandatory to enter such reason and consideration (wherever applicable) in the DPM system for off-market and Inter-Depository Instructions.

In view of the above, the changes in the file formats in respect of the back-office interface with eDPM and Local DPM system are enclosed at Annexure. Participants are advised to make necessary changes to their back office system by incorporating the aforesaid changes i.e. making the entry of reason code and consideration mandatory (wherever applicable) in the DPM system for off-market and Inter-Depository Instructions from April 2, 2015 as per the enclosed file formats.

EXTRACT OF FILE FORMAT

1. Account Transfer Instruction (DFP/RFP) (904/905)

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record (02)
Line Number	Integer	6	16	M	
Transaction Type	Integer	3	19	M	
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
DIS Serial No.	Character	12	32	M/O	□ Only for record type 904, □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6). □ For DIS issued in new format, the length of DIS Serial No. should be minimum 8 digits and maximum 12 digits. The format should be 2 Alpha characters (optional) + 10 numeric digits (8 numeric digits mandatory). 2 Alphabet characters have to be right padded with spaces and 10 Numeric digits have to be left padded with zeroes as exhibited in the below examples. Example 1: 'AB1234567891' Example 2: 'AB0123456789' Example 3: 'AB0012345678' Example 4: 'A 1234567891' Example 5: 'A 0123456789' Example 6: 'A 0012345678' Example 7: ' 1234567891' Example 8: ' 0123456789' Example 9: ' 0012345678' □ DIS issued to instruction type 925 in DIS master will also be accepted
DIS Format Flag	Character	1	33	M/O	□ 'Y' for DIS issued in New format, □ 'N' or filler for DIS issued in Old format; □ only for record type 904 □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6) □ Optional for DIS issued in old format.

DIS Type Indicator	Integer	1	34	M/O	□ '1' For Physical, □ '2' for FAX, □ '3' For Electronic-SPEEDe, □ '4' for Electronic-SPICE, □ '5' for Electronic- DSC, □ '6' for Electronic- Others; □ only for record type 904 □ Optional for DIS issued in old format.
Client ID	Integer	8	42	M	
ISIN	Character	12	54	M	
Quantity	Decimal	18	72	M	15+3 without decimal point
DIS Issued to Client or POA Holder	Integer	1	73	M/O	□ '1' For DIS issued to Client, □ '2' For DIS issued to POA Holder: □ only for record type 904 □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6). □ Optional for DIS issued in old format.
POA ID	Character	8	81	M/O	□ Mandatory if DIS is issued to POA holder and in New format ; □ Optional for DIS issued in old format. □ only for record type 904 □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6).
Flag of loose slip	Integer	1	82	M/O	□ Mandatory for Loose Slips issued in new format, □ '1' for Loose Slip; only for record type 904 □ This is not required if DIS Type Indicator is electronics (i.e. 3, 4, 5 and 6). □ Optional for DIS issued in old format.
Market Type	Integer	2	84	O	
Settlement Number	Character	7	91	O	
No of instructions	Integer	6	97	M/O	□ No of Instruction in DIS; only for record type 904 □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6). □ Optional for DIS issued in old format.
Filler	Character	1	98	O	
Execution Date	Date	8	106	M	
Filler	Character	4	110	O	
Transfer Reason Code	Integer	2	112	M/O	Only for record type 904- Off market instruction
Other DP ID	Character	8	120	M	
Other Client ID	Integer	8	128	O	Required only if target client is House/Non-House i.e. CM BP ID is not present
Filler	Character	2	130	O	
Other CM BP ID	Character	8	138	O	Required only if target is a CM
CC ID	Character	8	146	O	(Only DFP - 904)Only For RGESS
Market Type	Integer	2	148	O	(Only DFP - 904)Only For RGESS
Settlement Number	Character	7	155	O	(Only DFP - 904)Only For RGESS
Internal Reference Number/Remarks	Character	35	190	O	Remarks

Sender Reference Number 1	Character	50	240	O	
Sender Reference Number 2	Character	50	290	O	
Reason/ Purpose	Character	22	312	M/O	Mandatory for Transfer Reason Code = 99
Filller	Character	13	325		For Future use
Priority Flag	Integer	1	326	M	'1' for high priority and '0' for low priority
Direct Pay In flag	Character	1	327	O	□ Y: Initiate Direct Pay In □ N or Space : Do not Initiate Direct Pay In
Consideration	Integer	15	342	M/O	Mandatory for Transfer reason code = '01'; without decimal digits.
Source DP ID	Character	8	350	O	Mandatory for "Master File Upload (Single File Multiple DP ID)"

2. Inter Depository Transfer Instruction (DFP/RFP) (925/926)

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record (02)
Line Number	Integer	6	16	M	
Transaction Type	Integer	3	19	M	
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
DIS Serial No.	Character	12	32	M/O	□ Only for record type 925. □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6). □ For DIS issued in new format the length of DIS Serial No. should be should be minimum 8 digits and maximum 12 digits. The format should be 2 Alpha characters (optional) + 10 numeric digits (8 numeric digits mandatory). 2 Alphabet characters have to be right padded with spaces and 10 Numeric digits have to be left padded with zeroes as exhibited in the below examples. Example 1: 'AB1234567891' Example 2: 'AB0123456789' Example 3: 'AB0012345678' Example 4: 'A 1234567891' Example 5: 'A 0123456789' Example 6: 'A 0012345678' Example 7: ' 1234567891' Example 8: ' 0123456789' Example 9: ' 0012345678' □ DIS issued to instruction type 904 in DIS master will also be accepted
DIS Format Flag	Character	1	33	M/O	□ 'Y' for DIS issued in New format, □ 'N' or filler for DIS issued in Old format; □ only for record type 925 □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6).

DIS Type Indicator	Integer	1	34	M/O	□ '1' For Physical, □ '2' for FAX, □ '3' For Electronic-SPEEDe, □ '4' for Electronic-SPICE, □ '5' for Electronic- DSC, □ '6' for Electronic- Others; □ only for record type 925 □ Optional for DIS issued in old format.
Client ID	Integer	8	42	M	
ISIN	Character	12	54	M	
Quantity	Decimal	18	72	M	15+3 without decimal point
DIS Issued to Client or POA Holder	Integer	1	73	M/O	□ '1' For DIS issued to Client, □ '2' For DIS issued POA Holder: □ only for record type 925 □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6). □ Optional for DIS issued in old format.
POA ID	Character	8	81	M/O	□ Mandatory if DIS is issued to POA holder and in New format ; □ Optional for DIS issued in old format; □ only for record type 925 □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6).
Flag of loose slip	Integer	1	82	M/O	□ Mandatory for Loose Slips issued in new format, □ '1' for Loose Slip; □ only for record type 925 □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6). □ Optional for DIS issued in old format.
Market Type	Integer	2	84	O	
Settlement Number	Character	7	91	O	
No of instructions	Integer	6	97	M/O	□ No of Instructions in DIS; □ only for record type 925 □ This is not required if DIS Type Indicator is electronic (i.e. 3, 4, 5 and 6). □ Optional for DIS issued in old format.
Filler	Character	1	98		
Execution Date	Date	8	106	M	
Transfer Reason Code	Integer	2	108	M/O	Only for record type 925 when source client is not a CM
Filler	Character	4	112	O	
Other Client Code	Character	16	128	M	
Filler	Integer	2	130	O	
Other Depository ID	Character	8	138	M	
Filler	Character	17	155	O	
Internal Reference Number/Remarks	Character	35	190	O	Remarks
Sender Reference Number 1	Character	50	240	O	

Sender Reference Number 2	Character	50	290	O	
Other Settlement Details	Integer	13	303	O	
Reason/ Purpose	Character	22	325	M/O	Mandatory for Transfer Reason Code = 99
Priority Flag	Character	1	326	M	'1' for high priority and '0' for low priority
Filler	Character	1	327	O	
Consideration	Integer	15	342	M/O	Mandatory for Transfer reason code = '01'; without decimal digits
Source DP ID	Character	8	350	O	Mandatory for "Master File Upload (Single File Multiple DP ID)"

Circular No.: NSDL/POLICY/ 2015/0032
Date: March 13, 2015

Subject: Incorporation of pre-defined Reason and Purpose for Submitting Off-market instructions through SPEED-e.

As Participants are aware, Beneficial Owner (BO) accounts registered for SPEED-e as an e-Token based user can submit delivery instructions to Client and inter-depository delivery (IDD) instructions by capturing Consideration and Reason/Purpose in the respective fields. In line with current changes in Delivery Instruction Slips (DIS), SPEED-e facility is being enhanced to include the feature of enabling SPEED-e users to select the pre-defined Reason/ Purpose from the drop down menu while submitting Delivery instructions to Client and IDD instructions through SPEED-e facility. The aforesaid feature will also be incorporated in the facility available for submitting the instructions in bulk through batch upload mode. This feature will be released on SPEED-e facility with effect from Thursday, April 2, 2015.

The salient features of the aforesaid facility are enclosed at Annexure.

For more information / clarification, Participants are requested to contact the following officials:

Name of the official	Contact details	Email ID
Mr. Dhananjay Chauhan	(022) 2499 4647	dhananjayc@nsdl.co.in
Mr. Narain Tanwani	(022) 2499 4355	naraint@nsdl.co.in
Mr. Rahul Gupta	(022) 2499 4372	rahulg@nsdl.co.in

Annexure A

1. Delivery to Client (Off-market) transfer:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	12 (Detail Record)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	904 - Delivery to Pool 904 - Delivery to Client
Transaction Flag	Character	1	18	M	Default 'A'
Filler	Character	7	25	O	Default Spaces
ISIN	Character	12	37	M	
Quantity	Decimal	15	52	M	12+3 without decimal point
Filler	Character	9	61	O	Default Spaces
Execution Date	Date	8	69	M	
DP Id	Character	8	77	M	
Client Id	Integer	8	85	M	
Filler	Character	8	93	O	Default Spaces

Internal Reference Number/Remarks	Character	20	113	O	Default Spaces
Consideration	Integer	15	128	M	The trailing extra characters, if any, to be filled with spaces No decimal Values should be allowed. Mandatory in case of reason code as 01. For remaining reason codes it will be fillers
Reasons code	Character	2	130	M	Allowed values are 01,02,03,04,05,06,07,08,99
Filler	Character	1	131	M	Space should be provided
Reason / Purpose	Character	22	153	M	The trailing extra characters, if any, to be filled with spaces Mandatory for Reason code '99' . and for remaining it will be spaces.
MARKET TYPE	Integer	2	155	O	Mandatory only for target is RGESS Clients
SETTLEMENT NUMBER	Character	**7**	**162**	O	Mandatory only for target is RGESS Clients
CC_ ID	Character	**8**	**170**	O	Mandatory only for target is RGESS Clients
Filler	Character	**3**	**173**	O	Default Spaces

2. Inter Depository Delivery Instructions

Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	12 (Detail Record)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	925- Inter Depository Delivery
Transaction Flag	Character	1	18	M	Default 'A'
Filler	Character	7	25	O	Default Spaces
ISIN	Character	12	37	M	
Quantity	Decimal	15	52	M	12+3 without decimal point
Filler	Character	9	61	O	Default Spaces
Execution Date	Date	8	69	M	
Client Code	Character	16	85	M	This would be the target Client code
Other Depository Id	Character	8	93	M	This would be the target Depository Id (IN000026)
Internal Reference Number/Remarks	Character	20	113	O	Default Spaces
Consideration	Integer	15	128	M	The trailing extra characters, if any, to be filled with spaces No decimal Values should be allowed. Mandatory in case of reason code as 01. For remaining reason codes it will be fillers

Reasons Code	Character	2	130	M	Allowed values are 01,02,03,04, 05,06,07,08,99,09,10,11
Filler	Character	1	131	M	Space should be provided
Reason / Purpose	Character	22	153	M	The trailing extra characters, if any, to be filled with spaces Mandatory for Reason code '99' . and for remaining it will be spaces.
Settlement Details	Integer	13	166	O	If settlement detail is provided then it must be of 13 digits End position will be moved to 166.
Filler	Character	7	173		
		Total	**173**		

3. PBO instructions

Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	**941** for SPICE instruction
Transaction Flag	Character	1	18	M	It should be A for all orders
Filler	Character	7	25	O	Default Spaces
ISIN	Character	12	37	M	
Quantity	Decimal	15	52	M	12+3 without decimal point
Filler	Character	9	61	O	Default Spaces
Execution Date	Date	8	69	M	
DP Id	Character	8	77	M	Source DP Id
Client Id	Integer	8	85	M	Source Client Id
DP Id	Character	8	93	M	Target DP Id
Client Id	Integer	8	101	M	Target Client Id
Filler	Character	1	102	O	Default Spaces
Internal Reference Number/Remarks	Character	20	122	O	Default Spaces
Consideration	Integer	15	137		The trailing extra characters, if any, to be filled with spaces No decimal Values should be allowed. Mandatory in case of reason code as 01. For remaining reason codes it will be fillers
Reasons code	Character	2	139	M	Allowed values are 01,02,03,04,05,06,07,08,99
Filler	Character	1	140	M	Space should be provided
Reason / Purpose	Character	22	162	M	The trailing extra characters, if any, to be filled with spaces Mandatory for Reason code '99' . and for remaining it will be spaces.

SPICE ID	Integer	8	170	O	The End position will be changed to 170.
Filler	Character	17	187	O	Default Spaces
	Total	**187**			

Annexure B

1. **(Client to Client) Instruction download for DP**

Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record(12)
Line Number	Integer	6	16	M	
Transaction Type	Integer	3	19	M	904
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
Filler	Character	7	27	O	
Client Id	Integer	8	35	M	
ISIN	Character	12	47	M	
Quantity	Decimal	18	65	M	15+3 without decimal point
Filler	Character	6	71	O	
Market Type	Integer	2	73	O	
Settlement Number	Character	7	80	O	
Execution Date	Date	8	88	M	
Filler Other DP Id	Character Character	6 8	94 102	O M	
Other Client Id	Integer	8	110	O	Required only if target client is House/NonHouse i.e. CM BP Id is not present
Filler	Integer	6	116	O	In Case of Auto-Payin Instructions, two digits would be 11, incase of normal DFP Instructions it would be 00
Other CM BP Id	Character	8	124	O	
Filler	Character	1	125	O	
Internal Reference Number/Remarks	Character	35	160	O	Remarks
Sender Reference Number1	Character	50	210	O	
Sender Reference Number2	Character	33	243	O	
Market Type	Integer	2	245	O	Mandatory for BO to BO RGESS
Settlement Number	Character	7	252	O	
CC_ID	Character	8	260	O	

Internet Transaction Id	Integer	15	275	O	Added for Internet Transaction ID
Internet Instruction Id	Integer	16	291	M	Added for Internet Instruction ID
Consideration	Integer	15	306	M	The trailing extra characters, if any, to be filled with spaces No decimal Values should be allowed. Mandatory in case of reason code as 01. For remaining reason codes it will be fillers
Reasons code	Character	2	308	M	Allowed values are 01,02,03,04,05,06,07,08,99
Filler	Character	1	309	M	Space should be provided
Reason / Purpose	Character	22	331	M	The trailing extra characters, if any, to be filled with spaces Mandatory for Reason code '99' . and for remaining it will be spaces.
Routing Indicator	Integer	2	333	M	00 in case of SPEED-e batch 01,02,03,04,05 - in case routed through BO
Filler	Character	3	336	O	
		Total	**336**		

2. **Inter Depository Delivery instructions Download by DP**

Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record (12)
Line Number	Integer	6	16	M	
Transaction Type	Integer	3	19	M	925
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
Filler	Character	4	24	O	Not in Use
Client Id	Integer	8	32	M	
ISIN	Character	12	44	M	
Quantity	Decimal	18	62	M	15+3 without decimal point
Filler	Character	5	67	O	
Market Type	Integer	2	69	O	
Settlement Number	Character	7	76	O	
Execution Date	Date	8	84	M	
Other Client Code	Character	16	100	M	
Filler	Integer	1	101	O	
Other Depository Id	Integer	8	109	O	
Internal Reference Number/Remarks	Character	35	144	O	Remarks
Sender Reference Number 1	Character	50	194	O	

Sender Reference Number 2	Character	50	244	O	
Internet Transaction Id	Integer	15	259	O	Added for Internet Transaction ID
Internet Instruction ID	Integer	16	275	M	Added for Internet Instruction ID
Consideration	Character	15	290	O	The trailing extra characters, if any, to be filled with spaces No decimal Values should be allowed. Mandatory in case of reason code as 01. For remaining reason codes it will be fillers
Reasons code	Character	2	292	M	Allowed values are 01,02,03,04,05 ,06,07,08,99,09,10,11
Filler	Character	1	293	M	Space should be provided
Reason / Purpose	Character	22	315	M	The trailing extra characters, if any, to be filled with spaces Mandatory for Reason code '99' . and for remaining it will be spaces.
Routing Indicator	Integer	2	317	M	00 in case of SPEED-e batch 01,02,03,04,05 - in case routed through BO
Other Settlement Details	Integer	13	330	O	
Filler	Character	6	336	O	Not in Use

3. **Reason Codes**

Sr. No.	Reason	For Delivery to Client (Off-market) transfer	For Inter depository delivery instruction
1	Off-market Sale	1	1
2	Margin to stock broker	2	2
3	Margin returned by stock broker	3	3
4	Transfer to Own account	4	4
5	Open Offer / Buy-back	5	5
6	Transfers to PMS account	6	6
7	Transfers from PMS account	7	7
8	Gift / Donation	8	8
9	Other (please specify)	99	99
10	Account Closure	---	9
11	On-market Sale (Transfer Towards Pay-in)	---	10
12	Transmission	---	11

Annexure

A. **Manual Instruction Submission:**

1. **Delivery to Client**

Client who wishes to submit delivery instruction(s) to Client through manual mode will be required to select specific reason code provided in the drop down menu for executing the off-mkt transfer(s). In case Client selects reason code as "Off-market Sale", then consideration field will be enabled and the User will be required to capture requisite details of consideration in the aforesaid field. In the consideration field only numerical values will be allowed to capture. Further, if the Client selects reason code as "Other", then the reason / purpose field will be enabled to allow the user to submit requisite details (*refer exhibit 1*).

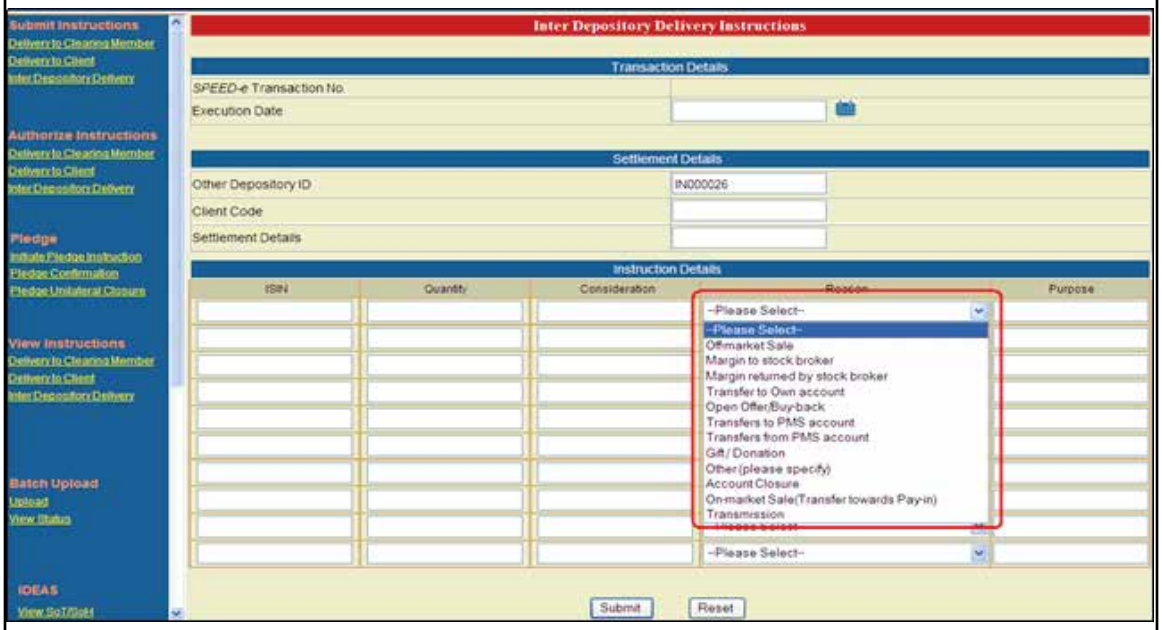


Exhibit 1: Delivery to Client

2. **Details of validation in respect of capturing the consideration and reason / purpose while executing the Delivery instruction to Client are mentioned below.**

Sr. No.	Reason	Consideration	Reason / Purpose
1	Off-market Sale	Required	NA
2	Margin to stock broker	NA	NA
3	Margin returned by stock broker	NA	NA
4	Transfer to Own account	NA	NA
5	Open Offer / Buy-back	NA	NA
6	Transfers to PMS account	NA	NA
7	Transfers from PMS account	NA	NA
8	Gift / Donation	NA	NA
9	Other (please specify)	NA	Required

3. Inter Depository Delivery

Client who wishes to submit inter depository delivery instructions through manual mode will be required to select specific reason code provided in the drop down. In case Client selects reason code as "Off-market Sale", then consideration field will be enabled and the User will be required to capture requisite details of consideration in the field. In the consideration field only numerical values will be allowed to capture. Further, if the Client selects reason code as "Other", then the reason / purpose field will be enabled to allow the user to submit requisite details (*refer exhibit 2*).

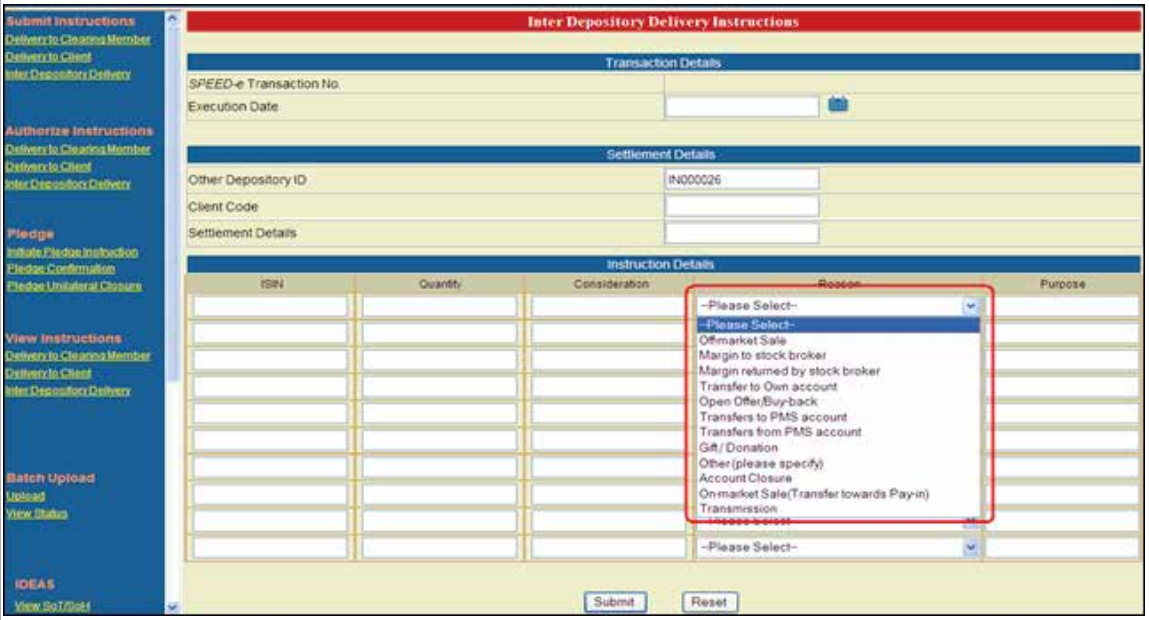


Exhibit 2: Inter Depository Delivery Instructions

4. **Details of validation in respect of capturing the consideration and reason / purpose while executing the Inter Depository Delivery instructions are mentioned below:**

Sr. No.	Reason	Consideration	Reason/ Purpose
1	Off-market Sale	Required	NA
2	Margin to stock broker	NA	NA
3	Margin returned by stock broker	NA	NA
4	Transfer to Own account	NA	NA
5	Open Offer / Buy-back	NA	NA
6	Transfers to PMS account	NA	NA
7	Transfers from PMS account	NA	NA
8	Gift / Donation	NA	NA
9	Other (please specify)	NA	Required
10	Account Closure	NA	NA
11	On-market Sale (Transfer Towards Pay-in)	NA	NA
12	Transmission	NA	NA

B. **Submission of bulk instructions through batch upload mode:**

File format changes

1) Changes in the existing file formats for following types of instructions uploaded by e-token based Clients / CMs on SPEED-e facility are enclosed at Annexure A:
   a) Delivery to Client transfer
   b) Inter Depository transfer
   c) SPICE instructions upload by Margin based beneficiary account to debit Client's beneficiary account and credit margin account of the CM

   Participants are requested to inform such e-token based Users to carry out the changes in their back office.
2) Participants would be required to update their back office with respect to the changes in the file formats in respect of the SPEED-e instructions download (Those Participants who are routing SPEED-e instructions file through their back office). Revised file formats for Participants are enclosed at Annexure B.

Circular No.: NSDL/POLICY/ 2015/0018 Date: February 2, 2015	***Subject: Clarification regarding reason code and consideration for off-market and Inter-Depository Instructions..*** Attention of Participants is invited to Point No. B (2) (iii) of Circular no. NSDL/ POLICY/2014/0092 dated August 25, 2014 wherein Participants were advised that the entry of reason code and consideration (wherever applicable) in the DPM will be optional till April 1, 2015 after which it shall be mandatory to enter such reason and consideration (wherever applicable) in the DPM for off-market and Inter-Depository Instructions. Some of the Participants have sought clarification as to whether the requirement is applicable for delivery instructions in electronic form also. In this context, it is hereby clarified that entering reason code and consideration (wherever applicable) will become mandatory from April 2, 2015 for all off market and Inter Depository instructions irrespective of whether received by Participant in physical or electronic form.
Circular No.: NSDL/POLICY/ 2016/0029 Date: March 15, 2016	***Subject: Compliance with DIS Scanning requirements.*** Attention of Participants is invited to NSDL Circular No. NSDL/ POLICY/2014/0004 dated January 8, 2014 enclosing SEBI Circular no. CIR/ MRD/DP/ 01/2014 dated January 7, 2014 regarding Delivery Instruction Slip (DIS) standardization, monitoring and scanning and NSDL Circular No. NSDL/POLICY/2014/0085 dated August 5, 2014 giving detailed guidelines for scanning of Delivery Instruction Slip (DIS). In view of above, every DIS executed in the DPM system must be scanned alongwith all Annexures / Computer printouts etc. (if any) by the end of the next working day. It has been observed that some of the Participants are not posting the scanned images of DIS's within the prescribed timelines. In order to assist the Participants to monitor compliance of the same, a GAP report is provided to the Participants on a daily basis (Ref: Circular No. NSDL/ POLICY/2014/0132 dated December 26, 2014).
Circular No.: NSDL/POLICY/ 2015/0016 Date: January 30, 2015	***Subject: Limited Purpose Holiday Master for DIS Monitoring.*** As Participants are aware, SEBI had vide its Circular No. CIR/MRD/DP/ 01/2014 dated January 07, 2014 issued guidelines regarding standardization, monitoring and scanning of DIS. Accordingly, Participants were advised to enter details of DIS issued to Clients in DPM immediately but not later than two days and to scan and upload images of DIS executed by end of the next working day to DIVS. These guidelines are effective from October 1, 2014. In order to ensure proper monitoring, a Limited Purpose Holiday Master for the calendar year 2015 is enclosed which can be used for monitoring of upload of

	DIS issuance details in eDPM and scanned images in the DIVS of the Local DPM. This Limited Purpose Holiday Master will include all Saturdays, Sundays and all other days, as may be included in it from time to time. In view of the above, Participants are hereby informed that aforesaid Limited Purpose Holiday Master will be incorporated in depository system in next version release. This master will be referred for the purpose of adherence to time lines prescribed for aforesaid activities only. It may be clarified that it does not indicate Depository System Holiday in terms of Rule 4.2.1 which states "the Depository shall operate on all days except Sundays and such holidays as the Depository may declare from time to time". NSDL Depository system is working on all days except Sundays i.e. also working on holidays such as 15th August.
Circular No.: NSDL/POLICY/ 2014/0132 Date: December 26, 2014	***Subject: DIVS GAP Report utility on i-Assist.*** As Participants are aware, Participants are required to scan the Delivery Instruction Slip (DIS) images and post the scanned images of DIS on 'DIS Image Validation System (DIVS)' on Local DPM system within prescribed timelines (Ref.: NSDL/POLICY/2014/0085 dated August 5, 2014). In order to enable Participants to verify that the DIS instructions which are executed in the eDPM system and are posted on the DIVS within prescribed timelines, a utility i.e. DIVS GAP Report has been developed. This utility features the following reports:

Name of Report (out file)	Description of Report
(i) DIS images pending to be posted to DIVS (DIS_NOT_IN_DIVS.txt)	This report will give list of DIS serial numbers present in eDPM but corresponding DIS scanned image is not present in DIVS. The period for this report would be from October 1, 2014 to till T-2 of the date of generation of report.
(i) DIS images posted on DIVS, but entry not made in eDPM (DIS_NOT_IN_COD.txt)	This report will give list of DIS serial numbers for which scanned image is present in DIVS but corresponding DIS serial number is not present in eDPM. The period for this report would be from October 1, 2014 to till T-2 of the date of generation of report.
(i) DIS image posted late (DIVS_COD_COMPLI-ANCE.txt)	This report will give list of DIS serial numbers for which scanned image was posted in DIVS after T+1* days. The period for this report would be from October 1, 2014 to till the date of generation of report.

(T=Business Date)

**** Currently for the computation of T+1 days, holiday master has not been considered. This will be incorporated in subsequent release of utility.***

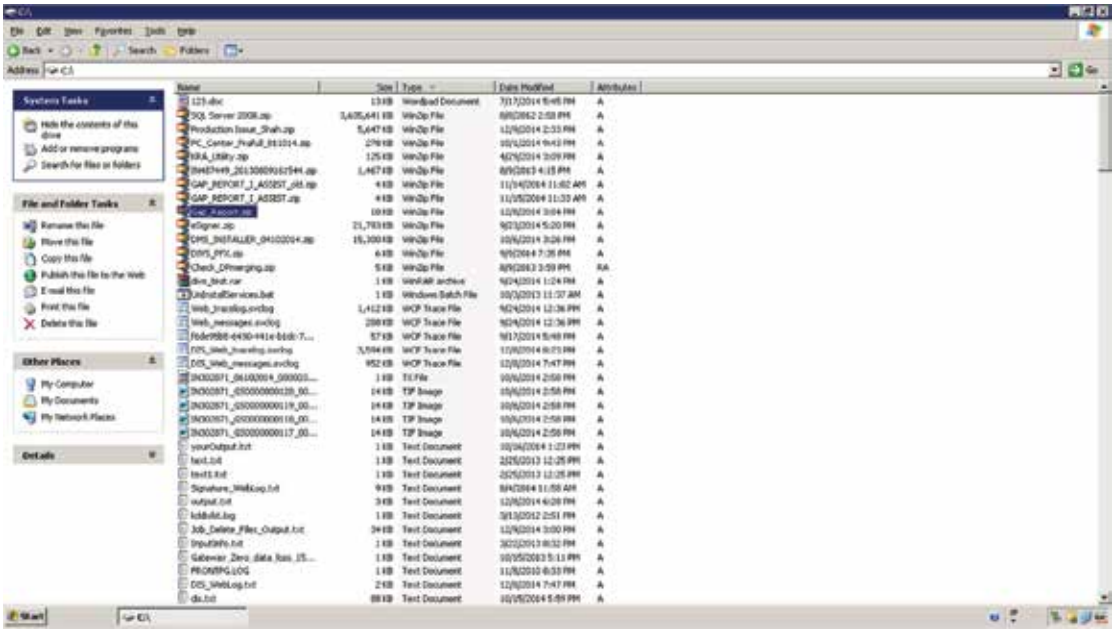
In this regard, a manual is enclosed containing steps to generate above reports. The utility is being made available under the link 'DIVS Gap Report' in 'Download' section on homepage of i-Assist.

Further, in respect of DIS issued in old format, it is observed that some *Participants are uploading DIS Serial number as 'AB 123456' (with spaces between AB & 123456).* Participants are advised to mention DIS Serial number without any spaces / fillers (*as 'AB123456' -without any spaces/fillers in between DIS Serial No.).*

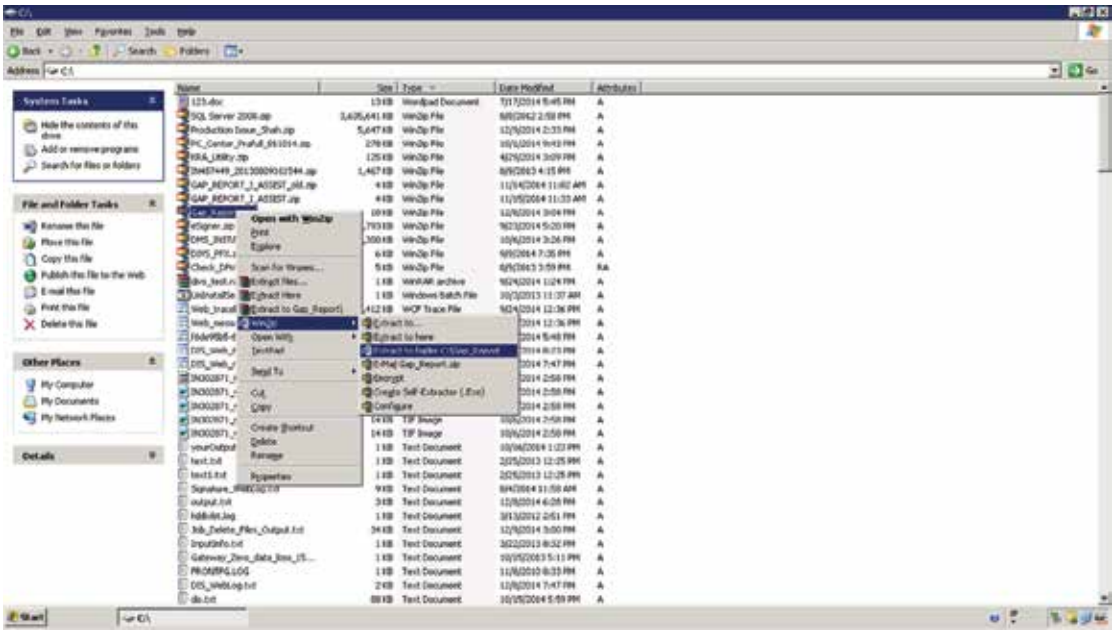
For any further information/clarifications, Participants are requested to contact NSDL Helpdesk on telephone numbers 022-24994601-4610.

Steps to generate Gap Report:

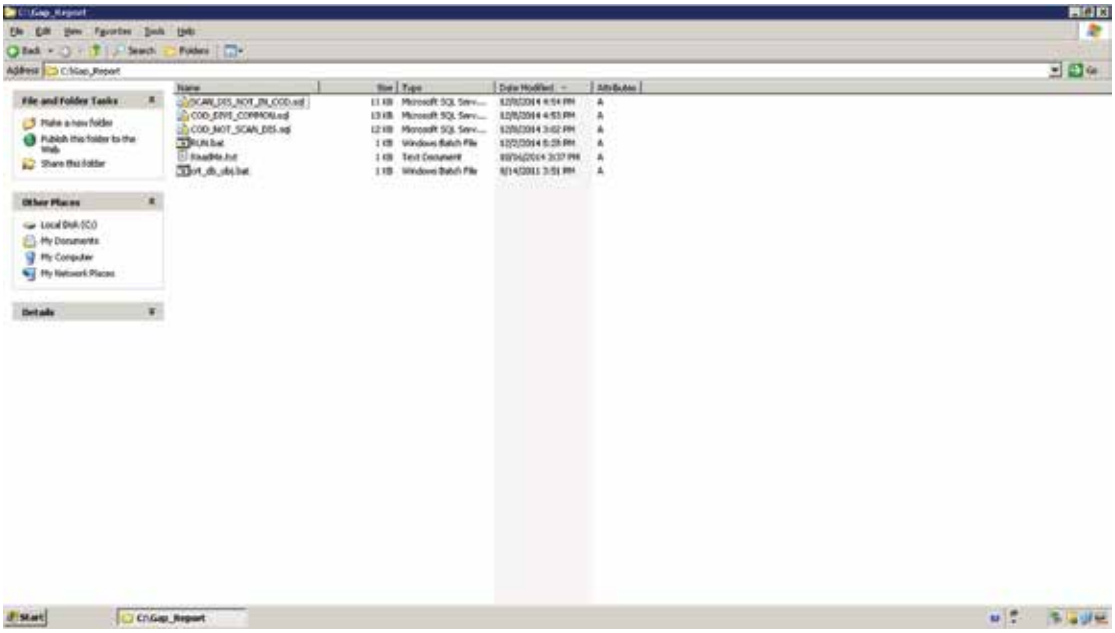
Step 1: Copy Gap_Report.zip file on C drive of **server**.



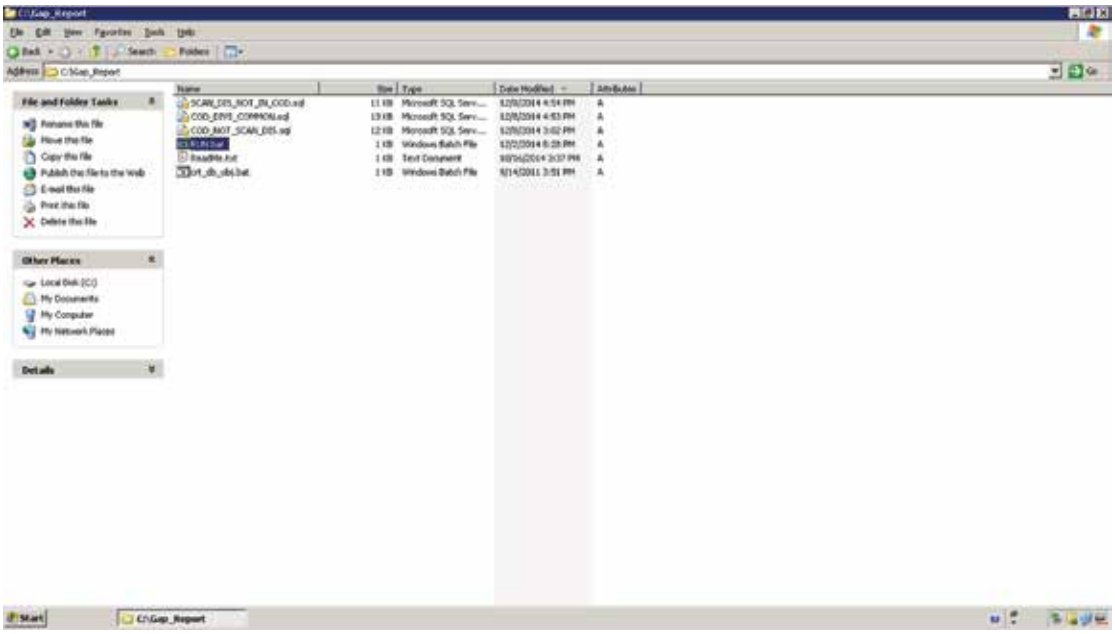
Step 2: Unzip Gap_Report.zip file.



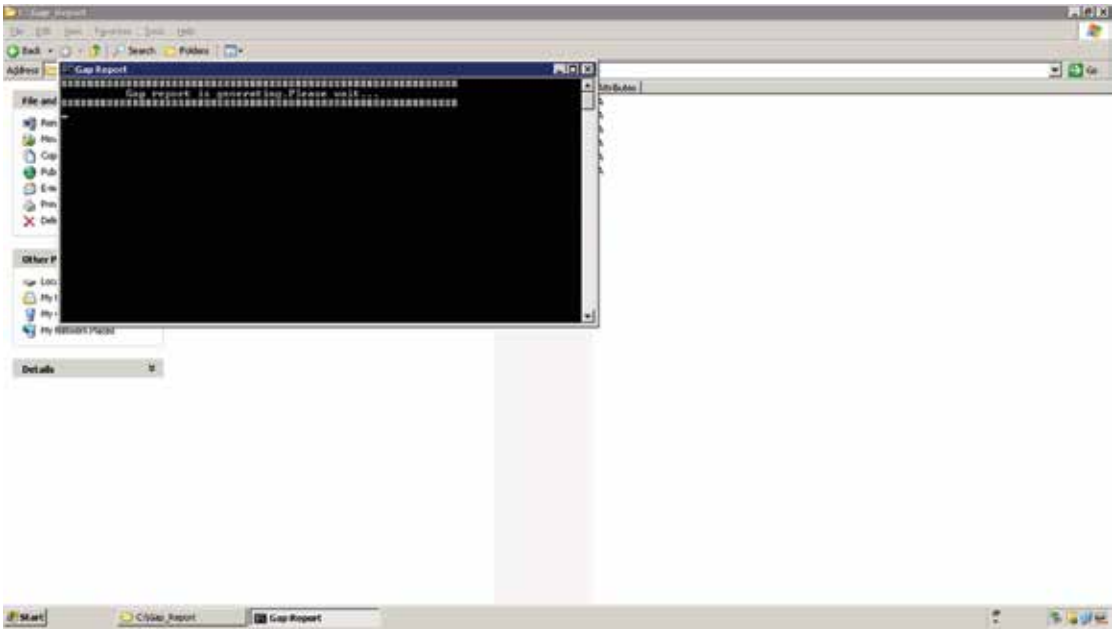
Step 3: Open Gap Report folder which is generated post unzipping the file.



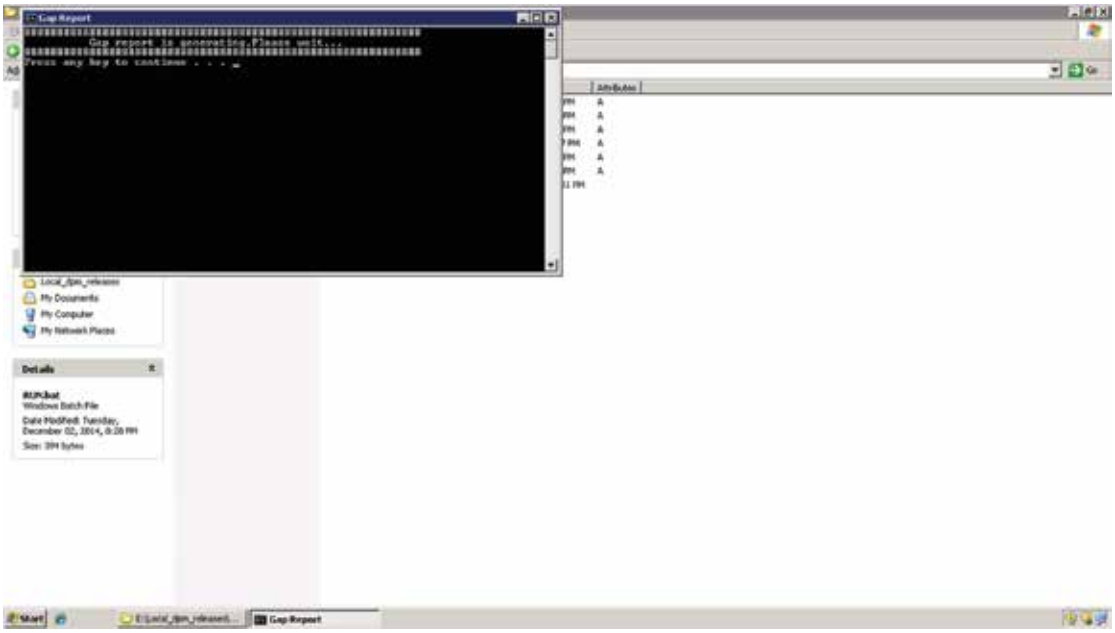
Step 4: Double click on Run.bat file.



Step 5: Gap Report is generating. Please wait.

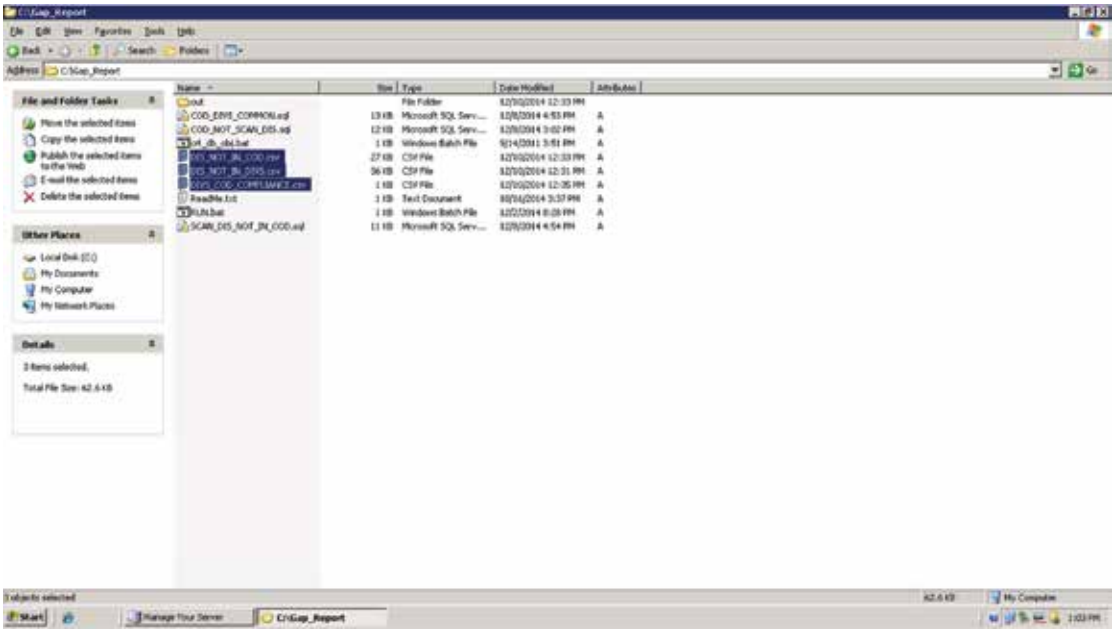


Step 6: Press any key to continue.



Step 7: Reports are generated:

1. DIS_NOT_IN_COD
2. DIS_NOT_IN_DIVS
3. DIVS_COD_COMPLIANCE



Circular No.: NSDL/POLICY/ 2014/0108 Date: October 13, 2014	***Subject: Combined Delivery Instruction Slip (DIS) Issuance and Processing.*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2014/0105 dated September 30, 2014 regarding Combined Delivery Instructions by Client and Amendment to Business Rules. In this context, Participants are requested to take note of the following: 1. The DPM system validates mapping between Client ID and DIS serial number and other details viz. transaction type, format of DIS etc. at the time of execution of DIS. In respect of combined DIS, it may be mentioned that Participants may upload DIS details in DIS Issuance Master under any of the 'Transaction Type' viz., 'Account Transfer' or 'Inter Depository Transfer'. Further, in order to facilitate Participants, a feature has been incorporated in the DPM system to allow execution of both transaction types i.e. 'Account Transfer' or 'Inter Depository Transfer' even though the DIS is uploaded in the DIS Issuance Master under any of the transaction type. 2. A DIS serial number can be used for same transaction type either for 'Account Transfer' or 'Inter Depository Transfer'. The transaction type and execution date for a DIS serial number will be determined by the DPM system on the basis of first instruction entered in DPM system. For example: if first instruction against a DIS serial number is a 'Account Transfer', then the other instructions being entered under the same DIS serial number must be for transaction type 'Account Transfer' only.

	3. The same DIS shall not be used for giving both **'Account Transfer' and 'Inter-Depository Transfer'** instructions and shall not be used for transactions with **multiple** execution dates. Participants are requested to take note of the same and ensure the compliance.
Circular No.: NSDL/POLICY/ 2014/0105 Date: September 30, 2014	***Subject: Combined Delivery Instructions by Client and Amendment to Business Rules*** All Participants are hereby notified that following new forms (*copies enclosed as Annexure A*) have been inserted in Business Rules for combined delivery instructions by Client: 1. FORM 36 - COMBINED DELIVERY INSTRUCTIONS BY CLIENT 2. FORM 37 - COMBINED DELIVERY INSTRUCTIONS BY POA HOLDER ON BEHALF OF CLIENT In this context, Participants are requested to take note of the following: 1. Ensure the compliance with respect to point no. A of NSDL Circular No. NSDL/POLICY/2014/0092 dated August 25, 2014 related to Standardisation of DIS. 2. FORM 37 must be issued only to Power of Attorney (POA) holders provided the POA holder is registered with SEBI as stock broker or custodian or portfolio manager. FORM 37 issued to POA holder must contain pre-printed or pre-stamped POA ID which is generated from the DPM and is mapped to the demat account of the Client in DPM. Accordingly, Participants must create POA ID for all such POA holders in DPM and map the same to the respective demat account(s), if not done so already. 3. Illustrative formats of annexure for computer print-outs (copy enclosed as Annexure B) are designed for the FORM 36 and FORM 37 which are accepted as per the stipulated procedure (Ref. point no. 16 of Master Circular on Delivery Instruction Slips, Version 1.3, dated July 26, 2013). Participants may continue to accept Annexures in any other format or computer print-outs provided it meets with the stipulated procedure and the size of Annexure is not more than A4 size. 4. On the inside front cover of the DIS booklet, the information as per the format specified at Annexure C must be printed and the inside back cover of the DIS booklet should be printed with information on Grievances Redressal Mechanism as specified by SEBI (*Ref.: Circular No. NSDL/POLICY/2012/0100 dated September 25, 2012*) 5. To facilitate printing of the DIS, the '.cdr' printable files may be used. The same are kept at i-Assist intranet site of NSDL at the link ***'DIS (new formats) - Printable Files (.cdr)'*** provided in ***'Download'*** menu [Download -> DIS (new formats) - Printable Files (.cdr)].

Annexure A

Participant's copy / Client's copy

DP LOGO
DP NAME

FORM 36 – COMBINED DELIVERY INSTRUCTIONS BY CLIENT

Instructions: (1) Submit two copies of DIS - Participant's copy (to be retained by Participant) and Client's copy (for acknowledgment). (2) In case of joint holdings, all joint holders must sign. (3) Please strike off unused rows. (4) For Off– market trades and Inter Depository Instructions, please mention reason code from the list given at reverse side of cover page (5) Please write correct ISIN and Quantity (both in figures and words).

NSDL Technology, Trust & Reach

I/ We hereby request you to debit my / our account as per following details: | Serial No. | Pre-printed

DP ID	Pre –printed	Client ID	Pre-printed/ Pre-stamped	Date	D D M M Y Y Y Y

(Please tick any one and fill up the relevant box. Strike off whichever is not applicable)

☐ For Market Trades (*Receiver Details*)

CM-BP-ID	IN
CM Name	
Market Type	
Settlement No.	

☐ For Off - Market Trades (*Receiver Details*) ☐ Inter Depository Instructions (*Receiver Details*

DP-ID	
Client ID	
DP Name	

Reason Code	Reason / Purpose	Consideration (In Rs.)
Refer instruction no. 4	Specify for reason code 99 (others)	Mandatory for reason code 1 (off-market sale)
Settlement details	*For Inter Depository Instructions*	

Sr. No.	ISIN	Security Name	Quantity (*in figures*)	Quantity (*in words*)	Instruction No. (*to be filled by DP*)
1	IN				
2	IN				
3	IN				
4	IN				

No. (count) of ISINs to be transferred | Phone No. | Execution Date D D M M Y Y Y Y

1._____ 2._____ 3._____

Authorised Signatory (ies)

Date and Time of Receipt
and
DP Stamp with Signature

Instruction will be accepted by DP at 'Client's risk' without any liability / claim in following cases:
a) Non-pay in (Off-market) related instruction received on the day of execution.
b) Pay-in (Market) instruction received after 4 p.m. on the previous day of the settlement date.

To be filed by DP

Maker	Checker	Additional Checker (*if applicable*)	Remarks (*For High value transactions/Dormant accounts if any*)

This DIS is issued by <DP Name>. If found, please return to <DP name> at <DP Address>

Participant's copy / Client's copy

DP LOGO
DP NAME

FORM 37 – COMBINED DELIVERY INSTRUCTIONS BY POA HOLDER ON BEHALF OF CLIENT

Instructions: (1) Submit two copies of DIS - Participant's copy (to be retained by Participant) and Client's copy (for acknowledgment). (2) In case of joint holdings, all joint holders must sign. (3) Please strike off unused rows. (4) For Off– market trades and Inter Depository Instructions, please mention reason code from the list given at reverse side of cover page (5) Please write correct ISIN and Quantity (both in figures and words).

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I/ We hereby request you to debit my / our account as per following details: | Serial No | Pre-printed

DP ID	Pre –printed	POA ID	Pre-printed/ Pre-stamped	Date	D D M M Y Y Y Y

(Please tick any one and fill up the relevant box. Strike off whichever is not applicable)

☐ For Market Trades (*Receiver Details*)

CM-BP-ID	IN
CM Name	
Market Type	
Settlement No.	

☐ For Off - Market Trades (*Receiver Details*) ☐ Inter Depository Instructions (*Receiver Details*

DP-ID	
Client ID	
DP Name	

Reason Code	Reason / Purpose	Consideration (In Rs.)
Refer instruction no. 4	Specify for reason code 99 (others)	Mandatory for reason code 1 (off-market sale)
Settlement details	*For Inter Depository Instructions*	

Sr. No.	Source Client ID	ISIN	Security Name	Quantity (*in figures*)	Quantity (*in words*)	Instruction No. (*to be filled by DP*)
1		IN				
2		IN				
3		IN				
4		IN				

No. (count) of ISINs to be transferred | Phone no. | Execution Date D D M M Y Y Y Y

1._____ 2._____ 3._____

Authorised Signatory (ies)

Date and Time of Receipt
and
DP Stamp with Signature

Instruction will be accepted by DP at 'Client's risk' without any liability / claim in following cases:
a) Non-pay in (Off-market) related instruction received on the day of execution.
b) Pay-in (Market) instruction received after 4 p.m. on the previous day of the settlement date.

To be filed by DP

Maker	Checker	Additional Checker (*if applicable*)	Remarks (*For High value transactions/Dormant accounts if any*)

This DIS is issued by <DP Name>. If found, please return to <DP name> at <DP Address>

Annexure B

FORM 36 – COMBINED DELIVERY INSTRUCTIONS BY CLIENT - ANNEXURE

[For Market Trades]

DP NAME

DP ID		Source Client ID		DIS Serial No.				Execution Date	D	M	M	Y	Y	Y	Y

Sr. No.	CM BP-ID	CM Name	Market Type	Settle-ment no.	ISIN	Security Name	Quantity (in figures)	Quantity (in words)	Instruction No. (to be filled by DP)
1					IN				
2					IN				
3					IN				
4					IN				
5					IN				
6					IN				
7					IN				
8					IN				
9					IN				
10					IN				

1._____ 2._____ 3._____

Authorised Signatory(ies)

OR

FORM 36 - COMBINED DELIVERY INSTRUCTIONS BY CLIENT - ANNEXURE

[For Off-Market Trades / For Inter Depository Instructions]

DP NAME

DP ID		Source Client ID		DIS Serial No.				Execution Date	D	M	M	Y	Y	Y	Y

Sr. No.	Target account details			ISIN	Security Name	Quan-tity (in figures)	Quan-tity (in words)	Reason Code	Reason / Purpose	Conside-ration (in Rs.)	Instruc-tion No. (to be filled by DP)	Settle-ment details (For Inter depository instructions)
	DP ID	Client ID	DP Name									
1				IN								
2				IN								
3				IN								
4				IN								
5				IN								
6				IN								
7				IN								
8				IN								
9				IN								
10				IN								

1._____ 2._____ 3._____

Authorised Signatory(ies)

Annexure C

Format of inside cover of DIS book for FORM 12 and FORM 13 —(this line is a header for identification and not for printing)

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Tips

- Accept the DIS book from your DP only if each slip has been pre-printed with a serial number along with your demat account number.
- Keep DIS booklet in safe custody. Do not leave your DIS booklet with anyone else.
- Fill in all details and then sign on DIS. Never sign a blank DIS.
- Please strike off unused rows on DIS.
- Avoid over-writing, cancellations and changes in the DIS.
- Know the deadline for submitting the DIS from your DP. You can submit DIS early with a future dated execution date so that shares move from your account only on the execution date.

Go Green Initiative: Save paper and time by availing hassle free NSDL e-services

- IDeAS: Use IDeAS facility to view your holdings and transactions in demat account online.
- SPEED-e: Use SPEED-e facility to submit delivery instructions directly on internet.

Ask your DP or visit https://eservices.nsdl.com/ for details on above.

List of Reason Codes for Off Market Trades

Reason code	Reason/ purpose	Reason code	Reason/ purpose	Reason code	Reason/ purpose
1	Off-market Sale	4	Transfer to own account	7	Transfers from PMS account
2	Margin to stock broker	5	Open offer / Buy-back	8	Gift / Donation
3	Margin returned bystock broker	6	Transfers to PMS account	99	Others (please specify)

List of Reason codes for Inter Depository Instructions

Reason code	Reason/ purpose	Reason code	Reason/ purpose	Reason code	Reason/ purpose
1	Off-market Sale	5	Open offer / Buy-back	9	Account Closure
2	Margin to stock broker	6	Transfers to PMS account	10	On-market Sale (Transfer towards Pay-in)
3	Margin returned by stock broker	7	Transfers from PMS account	11	Transmission
4	Transfer to own account	8	Gift / Donation	99	Others (please specify)

Circular No.: NSDL/POLICY/ 2014/0104 Date: September 30, 2014	***Subject: Digital Signature Certificate (DSC) for Signing and posting of DIS images.*** As all Participants are aware, in terms of Circular No. NSDL/POLICY/2014/0085 dated August 5, 2014, Participants were advised to digitally sign the scanned image of the Delivery Instruction Slip (DIS) and post the same to DIS Image Validation System (DIVS) for validation and affixing of digital signature by NSDL. The DSC required for this purpose can either be of e-Mudhra Consumer Services Limited (e-Mudhra) or of Sify Technologies Limited (Sify). Participants have made representations that it takes time to procure the DSC from the aforesaid agencies. Accordingly, it is clarified that the Participants may use the DSC issued by NSDL CA for the time being. Participants are advised to avail DSC from e-Mudhra or Sify on or before **November 29, 2014** to be used for the aforesaid activity.

Circular No.: NSDL/POLICY/ 2014/0093 Date: August 28, 2014	***Subject: Specifications for tamper proof of storage of DIS image.*** As Participants are aware, SEBI Circular No. CIR/MRD/DP/01/2014 dated January 7, 2014 (*which was attached to the NSDL Circular dated January 8, 2014*) requires depositories to put in place adequate checks and procedures to prevent unauthorized changes to scanned DIS. Accordingly, the guidelines on signing and posting the DIS image and tamper proof storage were issued vide Circular No. NSDL/POLICY/2014/0085 dated August 5, 2014. As mentioned at para 3 (d) of this NSDL Circular dated August 5, 2014, the detailed specifications for tamper proof storage of DIS image are given below: 1. The DIS serial number or any other reference key (*which is mapped to DIS number*) used as index field to access DIS image in storage system or as a file name of the DIS image must be stored in an encrypted form. This will make it difficult for any unauthorized user to locate the DIS image in storage system. The encryption key used for encryption should be stored in a secured manner in storage system and should not be accessible to any unauthorized person. 2. Users of the storage system should have rights on need to know and need to do basis. 3. Storage system must store control information i.e. '*Date*' and '*Count of number of DIS image stored for the date*' separately in encrypted form at all times. 4. Storage system should be designed to only add new records. When an authorized replacement of the original DIS image is required, the original image record for that DIS should only be marked as 'replaced' and must not be physically deleted. Further, new DIS image for the aforesaid DIS will also be stored with the same DIS serial number by incrementing the version number of DIS in file name of scanned image. 5. Storage System should process the response file (i.e. zip file) received from DIVS System. Storage System should have following checks while processing response file: (a) DIS serial numbers mentioned in the index files should match with the file name of the DIS images. (b) Verification of NSDL Signature affixed with each accepted DIS image should be done before storing in the storage system. 6. Backend updates (i.e. through SQL commands) must be strictly discouraged and if it is required to be carried out then the same must be carried out after consulting the vendor. Such activity must be carried out in a controlled environment and system should maintain complete audit trail of date, time of update and pre and post image in a separate text file. Ordinarily User-ID with rights for the backend database updates (i.e. Database Administrator ID) shall be disabled by system administrator, and this should be enabled only on a need basis after due authorization. 7. Any database specific activity like back up of database, reorganization of the database, housekeeping requiring data base administration rights, must be carried out using front end application in the Storage System.

	8. Integrity Checks: (a) Storage system should have integrity check program which can be executed at any point in time as desired. This program shall be executed atleast once in a day, either at the beginning or at the end of the day. This program should generate count of all DIS image records stored and verify the same with the control information stored separately in encrypted form. (b) Storage System should also have integrity check once a week to identify unauthorized change involving additions/ modifications. This can be done either - i. by performing verification of NSDL signature associated with each DIS image. **or** ii. any other means involving checksum/ HASH of all the DIS image stored with encryption so that integrity algorithm can generate such checksum / HASH afresh and compare the same with one stored with encryption to detect unauthorized modifications carried out to existing DIS image(s). (c) An alert should be generated in case of any mismatch found in process (a) and (b) above and should be recorded in exception table in the system. Participant should monitor the alert(s) thus generated, take corrective action and report the same to NSDL. (d) Internal / Concurrent auditor is also required to check the alert(s) generated during the audit period and report the same in the audit report.
Circular No.: NSDL/POLICY/ 2014/0092 Date: August 25, 2014	***Subject: Standardisation and Monitoring of Delivery Instruction Slips (DIS) and Amendment to Business Rules.*** Attention of Participants is invited to Circular Nos. NSDL/POLICY/2014/0004 dated January 8, 2014 and NSDL/POLICY/2014/0080 dated July 4, 2014 regarding standardization, monitoring and scanning of DIS which shall be effective from October 1, 2014. In this context, the guidelines in respect of scanning of DIS were communicated vide Circular No. NSDL/POLICY/2014/0085 dated August 5, 2014. In regard to standardization and monitoring of DIS, all Participants are requested to note the following and ensure compliance: **A) Standardisation of DIS:** 1. The formats for DIS to be submitted by the Clients and the clearing members to the Participants have been revised and the consequent amendments to Business Rules are given at Annexure A. New formats *(copies enclosed as Annexure B*) are prescribed in respect of the following types of instructions: i. FORM 12 : Delivery Instruction by Client

ii. FORM 13 : Delivery Instructions by Power of Attorney Holder on behalf of Clients
iii. FORM 15 : Inter-Depository Delivery Instructions
iv. FORM 16 : Inter-Depository Delivery Instructions by Power of Attorney Holder
v. FORM 18 : Delivery-Out Instructions for Pay-in by Clearing Member
vi. FORM 19 : Inter-Settlement Instructions by Clearing Member
vii. FORM 20 : Pool to Pool Instructions by Clearing Member
viii. FORM 22 : Delivery Instructions upon Pay-out by Clearing Member

2. FORM 13 and FORM 16 must be issued only to Power of Attorney (POA) holders provided the POA holder is registered with SEBI as stock broker or custodian or portfolio manager. FORM 13 and FORM 16 issued to POA holder must contain pre-printed or pre-stamped POA ID which is generated from the DPM and is mapped to the demat account of the Client in DPM. Accordingly, Participants must create POA ID for all such POA holders in DPM and map the same to the respective demat account(s), if not done so already.
3. Illustrative formats of the Annexure (*copies enclosed as Annexure C*) are designed for the instructions of the Clients, Clearing Members or POA holder which are accepted alongwith computer print-outs as per the stipulated procedure (Ref. point no. 16 of Master Circular on Delivery Instruction Slips, Version 1.3, dated July 26, 2013). Participants may continue to accept Annexures in any other format provided it meets with the stipulated procedure and the size of Annexure is not more than A4 size.
4. The same DIS shall not be used for giving both **market and off-market** instructions and shall not be used for transactions with **multiple** execution dates.
5. On the inside front cover of the DIS booklet, the information as per the format specified at Annexure D must be printed and the inside back cover of the DIS booklet should be printed with information on Grievances Redressal Mechanism as specified by SEBI (*Ref.: Circular No.* NSDL/POLICY/2012/0100 dated September 25, 2012).
6. If a Participant desires, DIS personalized by printing the name(s) of the Client (*or POA holder*) may be issued.
7. DIS must meet the following specifications:
   i. The printable area of DIS should be 13 x 19 cm (Length x Breadth) excluding space for margin.
   ii. Font must be Arial Narrow with font size 7.
   iii. DIS must have a pre-printed unique serial number with the maximum length of 12 characters consisting 2 alphabets (not mandatory) followed by 10 numeric digits. The numeric part of DIS serial number must contain minimum 8 digits. This means serial number should not be less than 10000000.
   iv. DIS serial number should be unique within a DP ID.
   v. All DIS must bear the pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID (or POA ID for FORM 13 and FORM 16).

8. To facilitate printing of the DIS, the '.cdr' printable files may be used. The same are kept at i-Assist intranet site of NSDL at the link **'DIS (new formats) – Printable Files (.cdr)'** provided in **'Download'** menu [*Download – > DIS (new formats) – Printable Files (.cdr)*].
9. Participants must ensure that the formats prescribed in the aforesaid Annexures including the watermark and the placement of the logo are strictly adhered to. DIS Forms printed on or after October 1, 2014 must adhere to the aforesaid specifications.
10. For DIS received after the deadline prescribed by Participant for accepting instructions from Clients, Participants were earlier required to put remarks on the DIS (*'At Client Risk' – ref.: Circular Nos. NSDL/PI/2003/0406 dated March 7, 2003 and NSDL/PI/2004/1911 dated October 21, 2004*). Participants are requested to take note that such remarks need not be affixed for instructions received after the deadlines since the required remarks are incorporated in the new format of DIS [*'Instruction will be accepted by DP at 'Client's risk' without any liability / claim in following cases: a) Non-pay in (Off-market) related instruction received on the day of execution. b) Pay-in (Market) instruction received after 4 p. m. on the previous day of the settlement date'*].
11. In case of off-market and Inter-Depository Instruction, reason and consideration was required to be specified by the Client on the DIS. In the new DIS formats, reason codes are assigned for the 'reasons' and included as a part of the DIS format. Accordingly, the reason codes will have to be specified by the Clients on the DIS alongwith consideration (wherever applicable).
12. In view of stock of DIS Forms already printed, Participants can continue to use those DIS forms, provided it is in compliance with the following:
    i. DIS serial number is not greater than 12 digits.
    ii. DIS serial number is unique within a DP ID.
    iii. DIS has pre-printed DIS serial number, DP ID and a pre-printed/ pre-stamped Client ID
13. While issuing new DIS to Client, the Participant must intimate to Client that old DIS cannot be used after the new DIS is received by him / her. Once DIS in new format is issued to a Client, a time upto **one month** may be considered for receipt of old DIS from the Client. Participants should not accept instruction in old format after a month from the date of receipt of new DIS by the Client and must block the same in the back-office and also DPM system (if old DIS master is entered in the DPM system).
14. As advised by SEBI, Participant must phase out all DIS which are not as per the provisions of this Circular within a period of two years i.e. by January 6, 2016. After January 6, 2016, DIS issued as per the provisions of this circular only should be accepted by Participants.

B) Monitoring of DIS:

As per guidelines provided by SEBI, following features will be provided in DPM for monitoring of DIS by Participants:

1. **DIS Issuance:**
   i. A facility will be provided in eDPM system to enter the details of DIS issued to Clients through front end screen or through file upload. Details of DIS includes fields like DIS serial number range [From – To], Client ID/ POA ID, DIS Issuance Date, DIS Transaction Type, etc. The Client ID or the POA ID for which DIS details are entered/ uploaded must be in 'Active' status. To enter these details through file upload, Participants may refer to file formats provided vide Circular Nos. NSDL/POLICY/2014/0072 dated June 4, 2014 and NSDL/POLICY/2014/0076 dated June 24, 2014.
   ii. With effect from October 1, 2014, Participant must ensure that upon issuance of DIS booklet or loose slip to the Client, DIS details are entered in eDPM immediately but not later than within two days.
   iii. For DIS which are issued to Clients before October 1, 2014, Participant, if so desires, may upload details of **unused** DIS in eDPM as old DIS (DIS Format Indicator "2", refer *Circular Nos. NSDL/POLICY/2014/0072 dated June 4, 2014 and NSDL/POLICY/2014/0076 dated June 24, 2014*). Participant must ensure that DIS serial number uploaded in eDPM is unique within a DP ID. Once the DIS details of such DIS are entered, eDPM will validate mapping between Client ID and DIS serial number and other details viz. type of instructions, format of DIS etc. at the time of execution of DIS.
   iv. In case any Client reports (in writing) that DIS(s) has/ have been lost/ misplaced/ stolen or the account is closed, Participant must block unused DIS serial number(s) in eDPM.
   v. In case of any error in DIS issuance entry by the Participant, a facility to cancel the DIS details entered/uploaded in eDPM and to re-enter/ re-upload the same is provided. Audit trail for the same will be maintained in the eDPM.
   vi. In case of requests executed through Account Transmission/Account Closure module, the DIS range mapped with the Client ID will get immediately blocked if there are no securities lying in the account. In case some securities are pending in the account, the DIS will be blocked whenever all securities move out of the account.
2. **DIS Execution:**
   i. For DIS executed in the DPM System on or after October 1, 2014, Participant must enter DIS serial number in eDPM at the time of DIS execution. The DIS serial number will be required to be entered irrespective of whether the old DIS formats or new DIS formats are used.
   ii. The eDPM system will be enhanced to facilitate Participants to enter DIS serial number, DIS Format Indicator and DIS Type Indicator for following types of instructions:
      a) Account transfer
      b) Inter-Depository transfer
      c) Delivery out
      d) CM Pool to Pool transfer
      e) Inter-settlement transfer
      f) Transfer of holding (Account closure)

iii. For off market and Inter-Depository Instructions, a facility to enter reason code and consideration in the DPM will be provided. The entry of reason code and consideration (wherever applicable) in the DPM will be **optional** till **April 1, 2015** after which it shall be mandatory to enter such reason and consideration (wherever applicable) in the DPM for off-market and Inter-Depository Instructions.

iv. For account closure where the securities are to be transferred to an account of the same holder(s) or for transmission by using account closure/transmission module, entering DIS serial number is not mandatory.

v. For account closure where the securities are to be transferred to an account of the same holder(s) with another Depository, for execution of inter-depository instructions, Participant may capture 'CL9999999999' against DIS serial number and execute the instruction.

vi. For transmission of securities where the securities are to be transmitted to an account with another Depository, for execution of inter-depository instructions, Participant may capture 'TR9999999999' against DIS serial number and execute the instruction.

vii. For instructions to be executed in the DPM system based on a court or regulatory orders where no delivery instructions are available, Participant may capture 'RO9999999999' against DIS serial number and execute the instruction.

3. **DIS Validation:** eDPM will validate the DIS details while executing the instructions. Details of validation are given below:

i. eDPM will validate the DIS serial number as entered with the DIS issuance details and will ensure that no instruction with a DIS serial number of used DIS or unissued DIS or blocked DIS is accepted. For DIS issued to POA holder, system will validate POA ID and mapping of POA ID with the Client ID.

ii. Once an instruction is 'captured' in the eDPM, DIS serial number will be marked as 'used' in the DIS Master.

iii. A DIS serial number can be used for multiple instructions being entered/ uploaded for the same execution date. In such case, DIS serial number can be used for same type of instructions i.e. either for 'market trades' or 'off market trades'. The type of instruction and execution date for a DIS serial number will be determined by the system on the basis of first instruction entered in eDPM. For example: if first instruction against a DIS serial number is a 'Market trade', then the other instructions being entered under the same DIS serial number must be for market trades only.

iv. As same DIS serial number cannot be used for execution of transaction with multiple execution dates, after EOD of execution date, Participant will not be able to submit any new instruction with the same DIS serial number.

The above validations will also be applicable for loose DIS issued to a Client i.e. at the time of issuance of loose DIS, an entry will be required to be made in the DPM system and at the time of execution of loose DIS, the DIS serial number will be have to be entered, which will be validated by the DPM system. In case a Participant desires, the DPM system can be configured for the Participant to facilitate entry of loose DIS in the DIS master at the time of execution of DIS thereby avoiding double data entry. To avail this facility, Participant must send request to Participant Interface & Inspection Department (Email ID participant-interface@nsdl.co.in) alongwith confirmation on the following:

a. It has sufficient internal controls for issuance of loose DIS and execution of loose DIS.
b. Concurrent Audit will cover execution of loose DIS instructions on 100% basis, in addition to issuance of loose DIS.

Annexure A

Amendments to Business Rules

1. Annexures LA-I, LA-II, L (new format) of Business Rules are deleted.
2. Annexures to Business Rules which are given at Table 1 (given below) are renumbered and substituted with the corresponding new number (as per Table1) in Business rules. Annexures of Business Rules which are given at Table 2 (given below) are shifted to a new Annexure L i.e. Schedule of Forms and nomenclature of all these Annexures is changed as per Table 2. Accordingly, all the Annexure referred in Table 2 are substituted with Annexure L in Business Rules.
3. FORM 13 - Delivery instructions by Power of Attorney (PoA) holder on behalf of clients and FORM 16 - Inter-Depository Delivery Instructions by POA holder are inserted [as enclosed].
4. The Annexure L (old format) [i.e. FORM 12], Annexure N [i.e. FORM 15], Annexure S [i.e. FORM 18], Annexure SS [i. e. FORM 19], Annexure ST [i.e. FORM 20] and Annexure T [i.e. FORM 22] are amended [as enclosed].

Table 1

Sr. No.	Existing Annexures of Business Rules	Proposed re-numbering of Annexures of Business Rules	Particulars
1	Annexure E	Annexure A	PROFORMA OF SHARE CERTIFICATE
2	Annexure F	Annexure B	PATTERN OF HOLDING AT THE TIME OF DEMATERIALISATION
3	Annexure I	Annexure C	PATTERN OF HOLDING AT THE TIME OF REMATERIALISATION
4	Annexure JB	Annexure D	INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM
5	Annexure R	Annexure E	AGREEMENT BETWEEN THE CLEARING CORPORATION AND NATIONAL SECURITIES DEPOSITORY LIMITED
6	Annexure RR	Annexure F	TRIPARTITE AGREEMENT BETWEEN THE CLEARING HOUSE, THE EXCHANGE AND NATIONAL SECURITIES DEPOSITORY LIMITED
7	Annexure RRA	Annexure G	TRIPARTITE AGREEMENT BETWEEN THE CLEARING HOUSE, THE EXCHANGE AND NATIONAL SECURITIES DEPOSITORY LIMITED
8	Annexure RRR	Annexure H	AGREEMENT BETWEEN THE EXCHANGE AND NATIONAL SECURITIES DEPOSITORY LIMITED

9	Annexure UB	Annexure I	PROFORMA OF GOVERNMENT SECURITIES CERTIFICATE
10	Annexure V	Annexure J	TRANSACTION STATEMENT
11	Annexure X	Annexure K	RIGHTS AND OBLIGATIONS OF THE BENEFICIAL OWNER AND DEPOSITORY PARTICIPANT
12	All annexure referred in table 2	Annexure L	SCHEDULE OF FORMS

Table 2

Sr. No.	Existing Nomenclature of Annexure	Proposed Nomenclature of Forms	Particulars
1	Annexure A	FORM 1	COMPUTATION OF NETWORTH
2	Annexure B	FORM 2	CONVERSION REQUEST FORM FOR EXISTING MUTUAL FUND UNITS (REPRESENTED BY STATEMENT OF ACCOUNT) INTO DEMATERIALISED FORM – THROUGH DEPOSITORY PARTICIPANT
3	Annexure C	FORM 3	RECONVERSION REQUEST FORM FOR CONVERSION OF MUTUAL FUND UNITS HELD IN DEMATERIALISED FORM TO STATEMENT OF ACCOUNT FORM
4	Annexure D	FORM 4	DEMATERIALISATION REQUEST FORM
5	Annexure G	FORM 5	SHARE APPLICATION FORM
6	Annexure H	FORM 6	REMATERIALISATION REQUEST FORM
7	Annexure HA	FORM 7	REPURCHASE / REDEMPTION FORM
8	Annexure HB	FORM 8	ISIN CONVERSION FORM
9	Annexure J	FORM 9	KNOW YOUR CLIENT (KYC) APPLICATION FORM AND ACCOUNT OPENING FORM (FOR INDIVIDUALS)
10	Annexure JA	FORM 10	FORM FOR NOMINATION/ CANCELLATION OF NOMINATION
11	Annexure K	FORM 11	KNOW YOUR CLIENT (KYC) APPLICATION FORM AND ACCOUNT OPENING FORM (FOR NON-INDIVIDUALS)
12	Annexure L (old format)	FORM 12	DELIVERY INSTRUCTIONS BY CLIENT
13	NEW FORM	FORM 13	DELIVERY INSTRUCTIONS BY POWER OF ATTORNEY HOLDER ON BEHALF OF CLIENTS
14	Annexure M	FORM 14	RECEIPT INSTRUCTIONS
15	Annexure N	FORM 15	INTER-DEPOSITORY DELIVERY INSTRUCTIONS
16	NEW FORM	FORM 16	INTER-DEPOSITORY DELIVERY INSTRUCTIONS BY POA HOLDER
17	Annexure NA	FORM 17	INTER-DEPOSITORY RECEIPT INSTRUCTIONS
18	Annexure S	FORM 18	DELIVERY-OUT INSTRUCTIONS FOR PAY-IN BY CLEARING MEMBER
19	Annexure SS	FORM 19	INTER-SETTLEMENT INSTRUCTIONS BY CLEARING MEMBER
20	Annexure ST	FORM 20	POOL TO POOL INSTRUCTIONS BY CLEARING MEMBER

Sr. No.	Existing Nomenclature of Annexure	Proposed Nomenclature of Forms	Particulars
21	Annexure SU	FORM 21	CM POOL TO CM POOL RECEIPT INSTRUCTIONS BY CLEARING MEMBER
22	Annexure T	FORM 22	DELIVERY INSTRUCTIONS UPON PAY-OUT BY CLEARING MEMBER
23	Annexure U	FORM 23	DEMATERIALISATION REQUEST FORM FOR GOVERNMENT SECURITIES
24	Annexure UA	FORM 24	FORM OF TRANSFER
25	Annexure UC	FORM 25	REMATERIALISATION REQUEST FORM FOR GOVERNMENT SECURITIES
26	Annexure UD	FORM 26	INTER SGL TRADES (SALE INSTRUCTION)
27	Annexure UE	FORM 27	INTER SGL TRADES (PURCHASE INSTRUCTION)
28	Annexure W	FORM 28	PLEDGE/HYPOTHECATION FORM
29	Annexure LB	FORM 29	ERRONEOUS TRANSFER FORM
30	Annexure LC		FORMAT FOR ERRONEOUS TRANSFER INDEMNITY
31	Annexure O	FORM 30	TRANSMISSION FORM
32	Annexure OC		LETTER OF INDEMNITY
33	Annexure OD		AFFIDAVIT
34	Annexure OE		NO OBJECTION CERTIFICATE
35	Annexure OF		DEED OF INDEMNITY (FOR HUF)
36	Annexure OG		AFFIDAVIT (FOR HUF)
37	Annexure OA	FORM 31	TRANSPOSITION FORM (FOR TRANSPOSITION AND DEMAT CASES)
38	Annexure OB	FORM 32	FORM FOR TRANSMISSION ALONGWITH DEMATERIALISATION
39	Annexure P	FORM 33	APPLICATION FOR FREEZING/UNFREEZING OF AN ACCOUNT AND/OR ISIN AND/OR SPECIFIC NUMBER OF SECURITIES
40	Annexure Q	FORM 34	APPLICATION FOR CLOSING AN ACCOUNT (FOR BENEFICIARY ACCOUNT ONLY)
41	Annexure QA	FORM 35	APPLICATION FOR CLOSING AN ACCOUNT (FOR CLEARING MEMBER ACCOUNT ONLY)

Circular No.: NSDL/POLICY/ 2014/0085 Date: August 5, 2014	***Subject: Scanning of Delivery Instruction Slip (DIS)***. Attention of Participants is invited to Circular Nos. NSDL/POLICY/2014/0004 dated January 8, 2014 and NSDL/POLICY/2014/0080 dated July 4, 2014 regarding standardization, monitoring and scanning of DIS which shall be effective from October 1, 2014. In regard to scanning of DIS, all Participants are requested to note the following and ensure compliance: 1. **Scanning of DIS**: Every DIS executed in the DPM on or after October 1, 2014 must be scanned alongwith all annexures / computer printouts (*if any*) by the end of the next working day. Detailed specifications regarding scanning of DIS are given at Annexure A.

2. **Signing and posting of DIS images**: SEBI Circular No. CIR/MRD/DP/01/2014 dated January 7, 2014, which has been attached to the aforesaid NSDL Circular dated January 8, 2014, requires depositories to put in place adequate checks and procedures to prevent unauthorized changes to scanned DIS. In view of the same, NSDL will implement a 'DIS Image Validation System' (DIVS). Participants must digitally sign the scanned image of the DIS and post the same to DIVS for validation and affixing of digital signature by NSDL. The DIVS will be hosted on the Local DPM. Participants are required to prepare a zip file containing (a) digitally signed text file having details of the DIS scanned images being posted and (b) all digitally signed scanned images, as per the procedure given at Annexure B. The DIVS will validate the Participant's digital signature associated with each DIS scanned image and generate a response file. The response file is a zip file containing (a) text file digitally signed by NSDL indicating successful validation or rejection by DIVS of the posted scanned images, (b) successfully validated scanned images returned after affixing NSDL's digital signature and (c) rejected scanned images returned as they are. File formats for the .in and .out files are given at Annexure C.

3. **Tamper proof storage**: The NSDL signed DIS images (*i.e. aforesaid response files generated by DIVS*) must be stored in the system set up by the Participants. Such system must maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and put in place adequate checks and procedures to prevent unauthorized changes to scanned DIS images. To store the NSDL signed DIS images, the following measures must be adapted:

   a) The system must not permit unauthorized alteration or deletion.

   b) In the event of any authorized replacement required in the original DIS after scanning and storage, the DIS must be scanned again. The nomenclature of such rescanned DIS image file must be in accordance with the file naming convention given at Annexure A. The reason for such replacement must be recorded in the Index file. The Participant must follow above mentioned procedure for signing and posting the new scanned image to DIVS to obtain NSDL signed DIS image. Participant must store both old as well as new DIS image which are digitally signed by NSDL.

   c) For instructions received through fax, the Participant must scan the DIS received through fax and post the same to the DIVS in the same manner as prescribed above. Subsequently, when original DIS is received [*which is expected within three working days (excluding Sundays and Bank holidays) from the date of receipt of the fax instruction*], the Participant shall post details of the same in DIVS within one working day from receipt of original DIS.

d) NSDL signed DIS images must be preserved as per record keeping requirements. Detailed specifications for storage will be provided subsequently.

4. **Exemption from putting Participant official's signatures on original DIS:** For those Participants who process the DIS based on the scanned image, the Participant's officials need not put his/her signature on the osriginal DIS, provided details of the maker, checker and additional checker, as may be applicable, who have captured and verified the DIS are maintained in the back-office system of the Participant and such records are made available, as and when required.

For information / clarification about the above process, Participants are requested to contact the following NSDL officials:

Name of the official	Contact details	Email ID
Mr. Parag Joshi	022-2499 4758	joship@nsdl.co.in
Mr. Dipesh Salkar	022-2499 4724	dipeshs@nsdl.co.in
Mr. Aswin Menon	022-2499 4874	aswinm@nsdl.co.in
Ms. Gayatri P. Mane	022-2499 4884	gayatrim@nsdl.co.in

Annexure A – Detailed specifications regarding scanning of DIS

1. Participant may scan DIS in **black and white** or in **color** format.
2. The scanned DIS image must be legible and clearly visible.
3. Minimum recommended Dots Per Inch (DPI) required for scanning is **100 DPI**.
4. Participant must scan DIS image in **'TIFF4'** format (.tiff file).
5. Expected size of DIS scanned image with 100 DPI would be:

Type	Size of image
Black and White	50 KB
Color	500 KB

6. To ensure proper association of scanned images with DIS Serial Number, Participant must ensure that the file naming convention of scanned image of DIS and its annexure must be as under – <*DP ID_DIS serial number_Page No. of Annexure(s)_Version No.*>. Default 'Page No. of Annexure(s)' in case of DIS without Annexure will be "000". Default 'Version No.' will be "1" of each DIS image. In case of authorised replacement of old DIS image with new DIS image, '*Version No.*' will be incremented by 1 in file name of new DIS image i.e. 2, 3 and so on.

Example:

Example	DP ID	DIS serial number	Annexure/ Computer printout	No. of pages in Annexure	File Nomenclature of Scanned Image	File Nomenclature of Annexure
1	IN300001	AB1234567890	No	0	IN300001_AB1234567890_000_1	Not applicable
2	IN300001	AB1234567890	Yes	1	IN300001_AB1234567890_000_1	IN300001_AB1234567890_001_1
3	IN300001	AB1234567890	Yes	20	IN300001_AB1234567890_000_1	IN300001_AB1234567890_001_1 to IN300001_AB1234567890_020_1
4	IN300001	A1234567891	No	0	IN300001_ A1234567891_000_1	Not applicable
5	IN300001	A123456789	No	0	IN300001_ A123456789_000_1	Not applicable
6	IN300001	A12345678	No	0	IN300001_ A12345678_000_1	Not applicable
7	IN300001	1234567891	No	0	IN300001_ 1234567891_000_1	Not applicable
8	IN300001	123456789	No	0	IN300001_ 123456789_000_1	Not applicable
9	IN300001	12345678	No	0	IN300001_ 12345678_000_1	Not applicable

In case of first replacement of any DIS image, version number needs to be updated as highlighted in the below example :

Example	DP ID	DIS serial number	Annexure/ Computer printout	No. of pages in Annexure	File Nomenclature of Scanned Image	File Nomenclature of Annexure
1	IN300001	AB1234567890	No	0	IN300001_AB1234567890_000_2	Not applicable

Annexure B – Signing and posting of DIS image

7. All scanned images of DIS and annexure to DIS must be digitally signed by the Participant. The nomenclature of each individual DIS image file must be in accordance with the file naming convention given at Annexure A except that, after digital signature by the Participant, extension of the file would become '.sgn'. This file will contain DIS image and Participant's DSC. For example, file IN300001_AB1234567890_000_1.tiff after getting digitally signed should be named as IN300001_AB1234567890_000_1.sgn
8. Once a batch of digitally signed DIS image files to be validated in the DIVS is ready, an Index file of the digitally signed DIS images is also required to be prepared as per the format given at Annexure C. The Index file, which is a text file, should also be digitally signed by the Participant. The file naming convention of text file will be DPID_DDMMYYYY_batchnumber.txt [*Example: If DP ID IN300001, business date is 15-July-2014 and batch number is 1, file name should be IN300001_15072014_00000001.txt*], which after getting digitally signed by the Participant, will bear .sgn extension.
9. Digitally signed DIS image files and digitally signed index file for the batch should be zipped in a single file. The file naming convention of zipped file will be DPID_DDMMYYY_batchnumber.zip. The Participant can generate any number of batches during the day and post them to DIVS for validation.

   ***Example**: If DP ID is IN300001, business date is 15-July-2014 and batch number is 1, file name of zip file should be IN300001_15072014_00000001.zip*. If Participant has scanned 100 DIS in a batch, then total 101 files should be generated (*100 digitally signed image files and 1 text file containing details of DIS*) and all these 101 files should be zipped to create one single file to be posted to DIVS.
10. This zipp file should be placed in a pre-defined folder viz. 'DIS_Input folder' on Local DPM. The same

will required to be posted to DIVS, by invoking a menu option on the Local DPM. The procedure for the same will be informed to the Participants in due course.

11. DIVS will validate the Participant's digital signature associated with DIS image. After successful validation, DIVS will sign the content in DIS image file posted by the Participant with NSDL's digital signature and generate a response file. The response file is a zip file containing (a) Index file digitally signed by NSDL in the format specified in Annexure C, which also contains the status indicator of successful validation or rejection of the image by DIVS, (b) successfully validated images returned after affixing NSDL's digital signature, and (c) rejected images returned as they are.
12. The response zip file will be placed at a pre-defined folder viz. 'DIS_output folder' on local DPM.
13. Participants are required to pick the aforesaid files (*mentioned at step no. 6 above*) from DIS output folder and take appropriate action. Rejected images will need to be reposted after correcting errors. Successfully validated images which are digitally signed by NSDL, need to be stored by the Participant.
14. Files which are more than seven days old will be deleted from DIS_Input and DIS_output folders on Local DPM.
15. In the event of any authorized replacement required in the original DIS after scanning and storage, the DIS must be scanned again. The nomenclature of such rescanned DIS image file must be in accordance with the file naming convention given at Annexure A. The reason for such replacement must be recorded in the Index file. The Participant must follow above mentioned procedure for signing and posting the new scanned image to DIVS to obtain NSDL signed DIS image. Participant must store both old as well as new DIS image which are digitally signed by NSDL.
16. Subsequently, when NSDL requests scanned image of a specific DIS, Participant will be required to provide DIS scanned image file which is digitally signed by NSDL (*as per step no. 5 above*).
17. Participants need to digitally sign files as per above procedure. In case Participant does not already have a Digital Signature Certificate (DSC), it may be procured from e-Mudhra Consumer Services Limited (e-Mudhra) or Sify Technologies Limited (Safescrypt). For detailed guidelines regarding procurement of the DSC, please refer to Circular No. NSDL/POLICY/2014/0082 dated July 14, 2014.
18. Participants may obtain scanning, signing and storage software from any vendor.

Annexure – C

File format for text file generated by DIS Image Validation System (DIVS)

HEADER RECORD

Description	Data Type	Size	End	Status*	Remarks
Batch No.	Integer	8	8	M	
Record Type	Integer	2	10	M	Header Record (01)
Filler	Character	6	16	O	
DP ID	Character	8	24	M	
Filler	Character	2	26	O	
Accepted Flag	Character	1	27	M	A – Accepted, R – Rejected
Total records	Integer	6	33	M	
Accepted records	Integer	6	39	M	
Date	Date	8	47	M	
User ID	Character	8	55	O	
Filler	Character	9	64	O	

DETAIL RECORD					
Description	**Data Type**	**Size**	**End**	**Status***	**Remarks**
Batch No.	Integer	8	8	M	Detail Record (02)
Record Type	Integer	2	10	M	
Line Number	Integer	6	16	M	
Instruction Type	Integer	2	18	M	01' – Addition record, '02' – Replaced Record
DIS Slip No.	Character	12	30	M	
Acceptance/Rejection Flag	Character	1	31	M	A – Accepted, R – Rejected
Error code 1	Character	6	37	O	Code description will be provided later
Error code 2	Character	6	43	O	
Error code 3	Character	6	49	O	
Sequence Number	Character	14	63	M	Sequence Number generated by DIVS
Filler	Character	87	150	O	

***(M -Mandatory, O – Optional)**

Circular No.: NSDL/ POLICY/2014/0080
Date: July 4, 2014

Subject: Delivery Instruction Slip (DIS) Issuance and Processing.

All Participants are hereby informed that SEBI has vide its Circular No. CIR/MRD/DP/ 22 /2014 dated July 4, 2014 issued following clarification with respect to SEBI Circular No. CIR/MIRSD/01/2014 dated January 7, 2014 (Ref. Circular No.: NSDL/POLICY/2014/0004 dated January 8, 2014) regarding standardization of DIS, Monitoring of DIS and Scanning of DIS:

1. In light of the difficulties expressed by the depositories and the depository participants (DPs) and considering their request, it has been decided to make the circular effective from October 01, 2014.
2. Further, with regard to the provision under para 14 that DPs shall not accept old DIS for execution from a Beneficial Owner (BO) who has been issued new DIS, it is clarified that a period of one month may be given for receipt of DIS by the BOs. The DPs may accept old DIS during this transit period. Further, while issuing new DIS the DPs shall intimate the BO that old DIS cannot be used after the new DIS is received.

Copy of the SEBI circular dated July 4, 2014 is enclosed for information and compliance.

CIRCULAR

CIR/MRD/DP/ 22 /2014 **July 04, 2014**

To, The Depositories,
Dear Sir,

Subject: Delivery Instruction Slip (DIS) Issuance and Processing

1. SEBI has vide circular no. CIR/MRD/DP/ 01 /2014 dated January 07, 2014 introduced guidelines to strengthen the supervisory and monitoring role of the depositories and their participants with respect to issuance and processing of Delivery Instruction Slips.

2. In light of the difficulties expressed by the depositories and the depository participants (DPs) and considering their request, it has been decided to make the circular effective from October 01, 2014.

3. Further, with regard to the provision under para 14 that DPs shall not accept old DIS for execution from a Beneficial Owner (BO) who has been issued new DIS, it is clarified that a period of one month may be given for receipt of DIS by the BOs. The DPs may accept old DIS during this transit period. Further, while issuing new DIS the DPs shall intimate the BO that old DIS cannot be used after the new DIS is received.

4. The depositories shall ensure the implementation of the above within the stipulated timelines. Other provisions of the circular would remain unchanged.

5. The Depositories are advised to:-
   a) bring the provisions of this circular to the notice of their DPs and also to disseminate the same on their website; and make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision as may be applicable/necessary ;
   c) communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Report.

6. This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 and section 19 of the Depositories Act, 1996 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Maninder Cheema
Deputy General Manager
maninderc@sebi.gov.in

Circular No.: NSDL/ POLICY/2014/0076 Date: June 23, 2014	***Sub: Revision in file formats in respect of Delivery Instruction Slip (DIS) suance and Processing.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0072 dated June 4, 2014 regarding changes in the file formats in respect of the back-office interface with eDPM and Local DPM system. In this regard, all Participants are hereby informed that based on the suggestion and feedback from Participants, file format has been revised (copies enclosed). The same is also enclosed as Annexure in track change mode alongwith the following: 1. Static data for the reason codes and description for off market instruction tagging 2. DIS Master Upload Format (with ".out" file and ".vrout" file format) 3. Static data for DIS Master Upload error codes. Participants are advised to make necessary changes to their back office system as per the enclosed file formats. Further, guidelines related to issuance of new DIS in standard format, DIS processing and scanning will be notified in due course.
Circular No.: NSDL/ POLICY/2014/0072 Date: June 4, 2014	***Sub: Changes in file format in respect of Delivery Instruction Slip (DIS) Issuance and Processing.*** Attention of Participants is invited to SEBI Circular No. CIR/MRD/ DP/01/2014 dated January 7, 2014 (informed vide NSDL Circular No. NSDL/ POLICY/2014/0004 dated January 8, 2014) regarding Delivery Instruction Slip (DIS) Issuance and Processing. In view of the above, the changes in the file formats in respect of the back-office interface with eDPM and Local DPM system are enclosed at Annexure. Participants are advised to make necessary changes to their back office system by incorporating aforesaid facility as per the enclosed file formats.

1.1 CHANGE ORDER OF THE DAY DOWNLOAD

1.1.1 OVERVIEW

This download helps the DP to view the order that has been changed from one status to another during the day.

1.1.2 INPUT CRITERIA

Field/Range	Valid Values
Full or Incremental option or online	Need to choose from given options
Statement Date	The current business date
From Date And time	Enabled and set in case of incremental download
To Date and time	Enabled and set in case of incremental download

1.1.3 SORTING

Field	Ascending
Line number	Yes

2. In case of "Full" download, all the orders whose status have been changed are downloaded corresponding to a particular business date.
3. In case of "Incremental" download, all the orders whose status have been changed are downloaded corresponding to a particular business date. Only those records are including whose status have been changed from the last download date.

1.1.4 PROCESSING LOGIC

1. The download will provide two options full and incremental.
1. 4.The downloaded file will be a ZIP file which can be extracted to obtain the .TEXT file inside it. . This is applicable for all types of download (full and incremental).

1.1.5 FILE FORMATS

Record Type	Record Identifier	Record length	Remarks
Header	'01'	129	One (First) record per file
Detail	'02'	1080	Second record onwards, multiple per file.

1.1.6 HEADER RECORD

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Header Record (01)
DP Id	Character	8	10	M	
Download Type	Char	1	11	M	I - Incremental F - Full
Statement Business Date	Date	8	19	M	Business date
Last Download Date From	Date	8	27	O	Mandatory if Download Type is "I" (DATE FORMAT ::YYYYMMDD)

Description	Data Type	Size	End	Status	Remarks
Last Download Time From	Time	6	33	O	Mandatory if Download Type is "I"(TIME FORMAT ::HHMMSS)
Last Download Date To	Date	8	41	O	Mandatory if Download Type is "I" (DATE FORMAT ::YYYYMMDD)
Last Download Time To	Time	6	47	O	Mandatory if Download Type is "I"(TIME FORMAT::HHMMSS)
Statement Preparation Date	Date	8	55	M	System Date (YYYYMMDD)
Statement Preparation Time	Time	6	61	M	System Time(HHMMSS)
Total number of Detail Records	Integer	9	70	M	
Filler	Character	59	129	O	

1.1.7 DETAIL RECORD

Each detail record will be further identified with a transaction type:

Transaction Type	Transaction Description
801	Pool – Pool Account transfer (valid only from CC's CM Pool)
900	Repurchase Instruction
901	Demat Instruction
902	Remat Instruction
904	Delivery Free of Payment (Inter DP) Instruction
905	Receipt Free of Payment (Inter DP) Instruction
906	Delivery Out Instruction
907	Inter Settlement Transfer Instruction
908	Pledge initiation
909	Hypothecation initiation
910	Pledge invocation
911	Pledge closure instruction
912	Irreversible Delivery Out Instruction
916	Pledging confirmation (Pledgee end – Confirmation of Pledge)
917	Hypothecation confirmation (Pledgee end – Confirmation of Hypothecation)
918	Invocation confirmation (Pledgor end – Confirmation of invocation)
919	Closure confirmation (Pledgee end)
920	Receipt-In Intimation
921	Corporate Action (Debit)
922	Corporate Action (Credit)
923	Lock-in Release
925	Inter Depository Transfer Instruction (DELIVERY)

Transaction Type	Transaction Description
926	Inter Depository Transfer Instruction (RECEIPT)
927	Auto Do Transfer Instruction
934	CM Pool Delivery Instruction
935	CM Pool Receipt Instruction
936	Account Freezing Instruction
937	Account Unfreezing Instruction
938	ACA Debit
939	ACA Credit
940	Account Transmission
941	Account Closure
942	**Freeze For Delivery**

Detail Record (900 to 907; 913; 914; 915; 920 to 924; 927,930,931,938,939,942)

Sr. No.	Description	Data Type	Size	End	Status	Remarks
1	Record Type	Integer	2	2	M	Detail Record (02)
2	Line Number	Integer	9	11	M	
3	Branch Code	Character	6	17	M	
4	Transaction Type	Integer	3	20	M	
5	BP Instruction ID	Integer	14	34	M	For CA (921/922) and ACA (938 / 939) , it will be DM Request ID
6	Order Status from	Integer	2	36	M	
7	Order Status to	Integer	2	38	M	
8	Status change user	Character	8	46	M	Login id of user
9	Cancellation Status from	Integer	2	48	M	Not Applicable for 920, 921, 922,923,938,939
10	Cancellation Status to	Integer	2	50	M	Not Applicable for 920, 921, 922,923,938,939
11	Status change date time	Date time	14	64	M	System date time (YYYYMMDDHHMMSS)
12	Original BP Instruction ID	Integer	14	78	O	
13	Client Id	Integer	8	86	M	
14	ISIN	Character	12	98	M	
15	Requested Quantity / Redemption Amount	Decimal	18	116	M	15+3 without decimal point (for manual and automatic Delivery Out, quantity executed, i.e. sent to DM) 1) In case the instruction type is 901 (Conversion of Units) with 'ALL Units' option, this field will have 'Zero' quantity and "All Units/ Amount Indicator" field (sr. no. 41) will have 'A'.

							2) In case the instruction type is 901(Demat /Conversion of Units) with specific Quantity, this field will have the 'Requested Quantity' and "All Units/Amount Indicator" field (sr. no. 41) will have 'Space'. 3) In case the instruction type is 900 (MF Redemption) with option 'All Units', this field will have the available quantity (in Client Account) and "All Units/Amount Indicator" field (sr. no. 41) will have 'A'. 4) In case the instruction type is 902 (Remat / Reconversion of Units) / 900 (Repurchase) with specific Quantity, this field will have 'Requested Quantity' and "All Units/ Amount Indicator" field (sr. no. 41) will have 'Space'.
	16	Lock-in Reason Code / Block Code	Integer	2	118	O	
	17	Lock-in Release Date	Date	8	126	O	Not Applicable for 920 (YYYYMMDD)
	18	Market Type	Integer	2	128	O	
	19	Settlement Number	Character	7	135	O	
	20	Execution Date	Date	8	143	O	Execution date for account transfer/DO /Corporate Action/Auto Corporate Action , Intersettlement. (YYYYMMDD)
	21	Other Branch Code	Character	6	149	O	Not in Use
	22	Other DP Id/Related DP Id	Character	8	157	O	Applicable in case of DFP/RFP
	23	Other Client Id/No. of certificates	Integer	8	165	O	Applicable in case of DFP/RFP. No. of Certificates in case of Remat.
	24	Beneficiary Account Category	Integer	2	167	O	Mandatory for 921,922.938,939
	25	Other CM BP Id	Character	8	175	O	Only for DFP/RFP subject to other a/c is of CM
	26	Other Market Type	Integer	2	177	O	Applicable in case of Inter Settlement transfer
	27	Other Settlement Number	Character	7	184	O	Applicable in case of Inter Settlement transfer

	28	Internal Reference Number/ Remarks	Character	35	219	O	User Remarks/ACA Description
	29	Filler	Character	20	239	O	
	30	Settled Quantity/Delivered Quantity	Integer	18	257	O	Applicable for manual and automatic delivery out and for account transfer instruction for which quantities are partially settled.
	31	Rejection Reason Code 1	Character	6	263	O	Applicable Only for DEMAT / Conversion of Units / REMAT instructions
	32	Rejection Reason Code 2	Character	6	269	O	Applicable Only for DEMAT / Conversion of Units / REMAT instructions
	33	Rejection Reason Code 3	Character	6	275	O	Applicable Only for DEMAT / Conversion of Units / REMAT instructions
	34	Rejection Reason Code 4	Character	6	281	O	Applicable Only for DEMAT / Conversion of Units / REMAT instructions
	35	Filler	Character	1	282	O	
	36	Filler	Date	8	290	M	(YYYYMMDD)
	37	Filler	Character	115	405	O	
	38	Mutual Fund Indicator	Character	1	406	O	'M' or space. M in case of MF ISIN Space for other ISINs.
	39	Folio Number	Character	20	426	O	Mandatory only when MF indicator is M and Instrcution Type is Conversion of Units(901). Otherwise Space.
	40	Number of SOA	Character	3	429	O	Mandatory only when MF indicator is M and Instruction Type is Conversion of Units(901). Otherwise Space.
	41	All Units/Amount Indicator	Character	1	430	O	(I) If Mutual Fund Indicator is 'M' (Sr.No.38) i) 'A' - in case Conversion of Units / MF Redemption request is initiated with option 'All Units'. ii) 'N' - in case MF Redemption request is initiated with option 'Amount'.

							iii) 'Space' - in case Conversion of Units / MF Redemption request is initiated with specific Quantilty.
							(II) If Mutual Fund Indicator has 'Space' (in case of non-MF ISINs), then this field will have space.
	42	Filler	Character	10	440	O	
	43	Filler	Character	171	611	O	For Future use
	44	NOW FLAG	Character	1	612	O	NOW FLAG (BFD FLAG)Mandatory only 942
	45	NOW Reference no	Integer	16	628	O	NOW Reference no Mandatory only 942 and NOW SPICE INST DFP (904)/RFP (905)
	46	Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
	47	Target Client Name	Character	135	765	O	This will be provided only for first transition of Account Transfer Instruction.
	48	Filler	Character	46	811	O	For Future use
	49	DIS Serial No.	Character	12	823	O	DIS Serial No.; Only for record type 904,906,907 This will be present only in case of physical and Fax based DIS.
	50	DIS Format Indicator	Character	1	824	O	'1' for DIS issued in Old format, '2' for DIS issued in New standardized format; Only for record type 904,906,907 This will be present only in case of physical and Fax based DIS
	51	DIS Type Indicator	Character	1	825	O	'1' For Physical, '2' for FAX, '3' For Electronic-SPEEDe, '4' for Electronic-SPICE, '5' for Electronic- DSC, '6' for Electronic- Others; Only for record type 904,906,907
	52	DIS Issued to Client or POA Holder	Character	1	826	O	'1' For DIS issued to Client, '2' For DIS issued POA Holder: Only for record type 904 This will be present only in case of physical and Fax based DIS

	53	POA ID	Character	8	834	O	Mandatory if Flag for POA is '1' ; Only for record type 904, This will be present only in case of physical and Fax based DIS
	54	Flag of loose slip	Character	1	835	O	Mandatory for Loose Slips, '1' for Loose Slip; Only for record type 904,906,907 This will be present only in case of physical and Fax based DIS
	55	No of instructions	Character	6	841	O	No of Instruction in DIS; Only for record type 904,906,907 This will be present only in case of physical and Fax based DIS
	56	Transfer Reason Code	Character	2	843	O	Only for record type 904- Off market instruction (Margin Tagging)
	57	Reason/ Purpose	Character	22	865	O	Mandatory for Transfer Reason Code = 'Others'
	58	Consideration	Integer	15	880	O	Mandatory for record type 904 and Transfer reason code = '01'Without Decimal digit
	59	Priority Flag	Character	1	881	O	
	60	Back Office reference details	Character	32	913	O	
	61	Sender Reference No 1	Character	50	963	O	
	62	Sender Reference No 2	Character	50	1013	O	
	63	File Reference Id	Character	20	1033	O	
	64	DM Order Number	Integer	10	1043	O	
	65	Original DM Order Number	Integer	10	1053	O	
	66	Filler	Integer	8	1061	O	
	67	DPI flag	Character	1	1062	O	Only for the DPI Instruction (DFP -904, DO -906) Y – Direct PayIn Instructions
	68	Filler	Character	1	1063	O	
	69	CC ID	Character	8	1071	O	For RGESS Margin Transfer
	70	Market Type	Integer	2	1073	O	For RGESS Margin Transfer
	71	Settlement Number	Character	7	1080	O	For RGESS Margin Transfer

Detail Record (908 , 909 , 910 , 911)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	Transaction number of DPM. For ACA generated Pledge Instruction 10 digit BP Instruction ID will be generated in case of 908 / 909. **Closure Cancellation BP instruction ID in case of 911(Closure Cancellation)**
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login id of user
Cancellation Status from	Integer	2	48	M	
Cancellation Status to	Integer	2	50	M	
Status change date time	Date time	14	64	M	System date time(YYYYMMDDHHMMSS)
Original BP Instruction ID	Integer	14	78	O	Used for pledge closure, pledge invocation, closure confirmation, and invocation confirmation, Closure Cancellation(BP Instruction ID of Pledge Normal Closure in case of Pledge Closure Cancellation)
Client Id	Integer	8	86	M	
ISIN	Character	12	98	M	
Requested Quantity	Decimal	18	116	M	15+3 without decimal point
Lock-in Reason Code / Block Code	Integer	2	118	O	
Lock-in Release Date	Date	8	126	O	
Market Type	Integer	2	128	O	NA
Settlement Number	Character	7	135	O	NA
Execution Date	Date	8	143	O	Execution date (YYYYMMDD)
Other Branch Code	Character	6	149	O	Not in Use
Other DP Id/Related DP Id	Character	8	157	M	
Other Client Id	Integer	8	165	M	
Beneficiary Account Category	Integer	2	167	O	

Description	Data Type	Size	End	Status	Remarks
Other CM BP Id	Character	8	175	O	Not applicable
Other Market Type	Integer	2	177	O	Not applicable
Other Settlement Number	Character	7	184	O	Not applicable
Internal Reference Number/Remarks	Character	35	219	O	User Remarks
Agreement No.	Character	20	239	M	
Settled Quantity/Delivered Quantity	Integer	18	257	O	Not Applicable
Rejection Reason Code 1	Character	6	263	O	
Rejection Reason Code 2	Character	6	269	O	
Rejection Reason Code 3	Character	6	275	O	
Rejection Reason Code 4	Character	6	281	O	
Closure Type	Character	1	282	O	Mandatory for 911
Closure Date	Date	8	290	M	(YYYYMMDD)
Filler	Character	115	405	O	For Future use
ACA Remarks	Character	35	440	O	This field only be populated for ACA generated Pledge Instructions (908/909) Format will be "Base ISIN " + "$#$#" + "DM Order No. of ACA" e.g.**INE456L01UB9$#$#9000026490**
Filler	Character	188	628	O	For Future use
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
Target Client Name	Character	135	765	O	Not applicable
Filler	Character	115	880	O	For Future use
Priority Flag	Character	1	881	O	
Back Office reference details	Character	32	913	O	
Sender Reference No 1	Character	50	963	O	
Sender Reference No 2	Character	50	1013	O	
File Reference Id	Character	20	1033	O	
DM Order Number	Integer	10	1043	O	
Original DM Order Number	Integer	10	1053	O	
Filler	Integer	8	1061	O	
Filler	Character	19	1080	O	

Detail Record (925,926)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Record Type
Line Number	Integer	9	11	M	Line Number
Branch Code	Character	6	17	M	Branch Code
Transaction Type	Integer	3	20	M	Transaction Type
BP Instruction ID	Integer	14	34	M	BP Instruction ID
Order Status from	Integer	2	36	M	Order Status from
Order Status to	Integer	2	38	M	Order Status to
Status change user	Character	8	46	M	Status change user
Cancellation Status from	Integer	2	48	M	Cancellation Status from
Cancellation Status to	Integer	2	50	M	Cancellation Status to
Status change date time	Date time	14	64	M	Status change date time (YYYYMMDDHHMMSS)
Filler	Integer	14	78	O	
Client Id	Integer	8	86	M	Client Id
ISIN	Character	12	98	M	ISIN
Quantity	Decimal	18	116	M	Quantity
Filler	Character	2	118	O	
Filler	Character	8	126	O	
Market Type	Integer	2	128	O	Market Type
Settlement Number	Character	7	135	O	Settlement Number
Execution Date	Date	8	143	O	Execution Date(YYYYMMDD)
Filler	Character	6	149	O	
Other Depository ID	Character	8	157	O	Other Depository ID
Filler	Character	8	165	O	
Beneficiary Account Category	Integer	2	167	O	Beneficiary Account Category
Filler	Character	8	175	O	
Filler	Character	2	177		
Filler	Character	7	184	O	
Internal Reference Number/ Remarks	Character	35	219	O	Internal Reference Number/Remarks
Other DP Code	Character	8	227	M	Other DP Code
Other Client Code	Character	8	235	M	Other Client Code
Filler	Character	4	239	O	
Other settlement Details	Integer	13	252	O	Other settlement Details
Filler	Character	5	257	O	
Rejection Reason Code 1	Character	6	263	O	
Rejection Reason Code 2	Character	6	269	O	

Description	Data Type	Size	End	Status	Remarks
Rejection Reason Code 3	Character	6	275	O	
Rejection Reason Code 4	Character	6	281	O	
Filler	Character	9	290	O	
Filler	Character	115	405	O	
Filler	Character	223	628	O	
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
Filler	Character	181	811	O	
DIS Serial No.	Character	12	823	O	DIS Serial No.; This will be present only in case of physical and Fax based DIS
DIS Format Indicator	Character	1	824	O	'1' for DIS issued in Old format, '2' for DIS issued in standardized format; only for record type 925 This will be present only in case of physical and Fax based DIS
DIS Type Indicator	Character	1	825	O	'1' For Physical, '2' for FAX, '3' For Electronic-SPEEDe, '4' for Electronic-SPICE, '5' for Electronic- DSC, '6' for Electronic- Others; only for record type 925
DIS Issued to Client or POA Holder	Character	1	826	O	'1' For DIS issued to Client, '2' For DIS issued POA Holder: only for record type 925 This will be present only in case of physical and Fax based DIS
POA ID	Character	8	834	O	Mandatory if Flag for POA is '1'; only for record type 925 This will be present only in case of physical and Fax based DIS
Flag of loose slip	Character	1	835	O	Mandatory for Loose Slips, '1' for Loose Slip; only for record type 925 This will be present only in case of physical and Fax based DIS
No of instructions	Character	6	841	O	No of Instruction in DIS; only for record type 925 This will be present only in case of physical and Fax based DIS
Transfer Reason Code	Character	2	843	O	Only for record type 925- Off market instruction (Margin Tagging)
Reason/ Purpose	Character	22	865	O	Mandatory for Transfer Reason Code = 'Others'
Consideration	Integer	15	880	O	Mandatory for record type 925 and Transfer reason code = '01' Without Decimal Digit
Priority Flag	Character	1	881	O	Priority Flag
Back Office reference details	Character	32	913	O	Back Office reference details

Description	Data Type	Size	End	Status	Remarks
Sender Reference No 1	Character	50	963	O	Sender Reference No 1
Sender Reference No 2	Character	50	1013	O	Sender Reference No 2
File Reference Id	Character	20	1033	O	File Reference Id
DM Order Number	Integer	10	1043	O	DM Order Number
Filler	Integer	10	1053	O	
Filler	Integer	8	1061	O	
Filler	Character	19	1080	O	

Detail Record (934,935)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	Transaction number of DPM
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login id of user
Cancellation Status from	Integer	2	48	M	
Cancellation Status to	Integer	2	50	M	
Status change date time	Date time	14	64	M	System date time (YYYYMMDDHHMMSS)
Filler	Integer	14	78	O	
Client Id	Integer	8	86	M	
ISIN	Character	12	98	M	
Quantity	Decimal	18	116	M	
Filler	Integer	10	126	O	
From Market Type	Integer	2	128	M	
From Settlement Number	Character	7	135	M	
Execution Date	Date	8	143	O	(YYYYMMDD)
Filler	Character	6	149	O	
Filler	Character	8	157	O	
Filler	Character	8	165	O	
Beneficiary Account Category	Integer	2	167	O	
Other CM BP ID	Character	8	175	M	
To Market Type	Integer	2	177	M	
To Settlement Number	Character	7	184		
Internal Reference Number/ Remarks	Character	35	219	O	User Remarks
Other DP ID	Character	8	227	O	
Other Client Code	Character	8	235	M	
Filler	Character	22	257	O	
Rejection Reason Code 1	Character	6	263	O	

Description	Data Type	Size	End	Status	Remarks
Rejection Reason Code 2	Character	6	269	O	
Rejection Reason Code 3	Character	6	275	O	
Rejection Reason Code 4	Character	6	281	O	
Filler	Character	9	290	O	
Filler	Character	115	405	O	
Filler	Character	223	628	O	
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
Filler	Character	181	811	O	For Future use
DIS Serial No.	**Character**	**12**	**823**	**O**	**DIS Serial No. ;only for record type 934 This will be present only in case of physical and Fax based DIS**
DIS Format Indicator	**Character**	**1**	**824**	**O**	**'1' for DIS issued in Old format, '2' for DIS issued in standardized format ; only for record type 934 This will be present only in case of physical and Fax based DIS**
DIS Type Indicator	**Character**	**1**	**825**	**O**	**'1' For Physical, '2' for FAX, '3' For Electronic-SPEEDe, '4' for Electronic-SPICE, '5' for Electronic- DSC, '6' for Electronic- Others; only for record type 934**
Filler	**Character**	**9**	**834**	**O**	
Flag of loose slip	Character	1	835	O	Mandatory for Loose Slips, '1' for Loose Slip; only for record type 934 This will be present only in case of physical and Fax based DIS
No of instructions	Character	6	841	O	No of Instruction in DIS;only for record type 934 This will be present only in case of physical and Fax based DIS
Filler	Character	39	880	O	
Priority Flag	Character	1	881	O	
Back Office reference details	Character	32	913	O	
Sender Reference No 1 Sender Reference No 2	Character Character	50 50	963 1013	O O	
File Reference Id	Character	20	1033	O	
DM Order Number	Integer	10	1043	O	
Filler	Integer	10	1053	O	

Description	Data Type	Size	End	Status	Remarks
Filler	Integer	8	1061	O	
Filler	Character	19	1080	O	

Detail Record (912 - Irreversible Delivery Out)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login id of user
Cancellation Status from	Integer	2	48	M	
Cancellation Status to	Integer	2	50	M	
Status change date time	Date time	14	64	M	System date time (YYYYMMDDHHMMSS)
Filler	Integer	14	78	O	
Client Id	Integer	8	86	M	
ISIN	Character	12	98	M	
Quantity Executed	Decimal	18	116	M	15+3 without decimal point, only if DO is executed
Filler	Character	10	126	O	
Market Type	Integer	2	128	O	
Settlement Number	Character	7	135	O	
Execution Date	Date	8	143	O	Execution date for DO (YYYYMMDD)
Other Branch Code	Character	6	149	O	
Irreversible Reason Code 1	Integer	4	153	O	
Irreversible Reason Code 2	Integer	4	157	O	
Irreversible Reason Code 3	Integer	4	161	O	
Irreversible Reason Code 4	Integer	4	165	O	
Beneficiary Account Category	Integer	2	167	O	
Filler	Character	17	184	O	
Internal Ref Number/ Remarks	Character	35	219	O	User Remarks
Filler	Character	20	239	O	
Settled Quantity/Delivered Quantity	Integer	18	257	O	
Filler	Character	25	282	O	
Filler	Character	115	397	O	
Filler	Character	231	628	O	
Channel Indicator	Integer	2	630	M	Channel Indicator Values: 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
Filler	Character	181	811	O	For Future use

Description	Data Type	Size	End	Status	Remarks
DIS Serial No.	**Character**	**12**	**823**	**O**	**DIS Serial No.; This will be present only in case of physical and Fax based DIS**
DIS Format Indicator	**Character**	**1**	**824**	**O**	**'1' for DIS issued in Old format, '2' for DIS issued in standardized format; only for This will be present only in case of physical and Fax based DIS**
DIS Type Indicator	**Character**	**1**	**825**	**O**	**'1' For Physical, '2' for FAX, '3' For Electronic-SPEEDe, '4' for Electronic-SPICE, '5' for Electronic- DSC, '6' for Electronic- Others;**
Filler	**Character**	**9**	**834**	**O**	
Flag of loose slip	**Character**	**1**	**835**	**O**	**Mandatory for Loose Slips, '1' for Loose Slip; This will be present only in case of physical and Fax based DIS**
No of instructions	**Character**	**6**	**841**	**O**	**No of Instruction in DIS; This will be present only in case of physical and Fax based DIS**
Filler	**Character**	**39**	**880**	**O**	
Priority Flag	Character	1	881	O	
Back Office reference details	Character	32	913	O	
Sender Reference No 1	Character	50	963	O	
Sender Reference No 2	Character	50	1013	O	
File Reference Id	Character	20	1033	O	
DM Order Number	Integer	10	1043	O	
Filler	Integer	10	1053	O	
Filler	Integer	8	1061	O	
Filler	Character	19	1080	O	

Detail Record (801 - Pool-Pool Transfers)

Detail Record (936 - Account Freezing Instruction/937 - Account Unfreezing Instruction)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	List given below
BP Instruction ID	Integer	14	34	M	**For Freeze** :BP Instruction ID of the Freeze Instruction. For ACA generated freeze instructions New BP Instruction ID of 10 Digits will be generated. **For Unfreeze: BP instruction ID of Unfreeze instruction will be generated.**

Description	Data Type	Size	End	Status	Remarks
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	List given below
Status change user	Character	8	46	M	Login id of user
Cancellation Status from	Integer	2	48	M	
Cancellation Status to	Integer	2	50	M	
Status change date time	Date time	14	64	M	System date time (YYYYMMDDHHMMSS)
Original Order Reference Number	Integer	14	78	O	Freeze Order Number in case of Transaction Type 937/ if Source Indicator is 'S' or 'N' then other instruction number
Client Id	Integer	8	86	M	
ISIN	Character	12	98	M	
Quantity	Decimal	18	116	M	15+3 without decimal point
Freeze Level	Integer	2	118	O	
Freeze Reason Code	Integer	2	120	O	
Aca indicator	Char	1	121	O	
Source Indicator	Char	1	122	M	
Filler	Char	1	123	O	
Execution Date/Closure Date	Date	8	131	O	(YYYYMMDD)
Filler	Character	6	137	O	
Freeze Description Reason	Character	35	172	O	
Beneficiary Account Category	Integer	2	174	O	
Filler	Character	13	187	O	
Internal Reference Number/ Remarks	Character	35	222	O	User Remarks.
Agreement No.	Character	20	242	O	
Filler	Integer	18	260	O	
Rejection Reason Code 1	Character	6	266	O	
Rejection Reason Code 2	Character	6	272	O	
Rejection Reason Code 3	Character	6	278	O	
Rejection Reason Code 4	Character	6	284	O	
Filler	Character	4	288	O	
Filler	Character	9	297	O	
Filler	Character	115	412	O	
Filler	Character	216	628	O	
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
Filler	Character	250	880	O	
Priority Flag	Character	1	881	O	

Description	Data Type	Size	End	Status	Remarks
Back Office reference details	Character	32	913	O	
Sender Reference No 1	Character	50	963	O	
Sender Reference No 2	Character	50	1013	O	
File Reference Id	Character	20	1033	O	
DM Order Number	Integer	10	1043	O	
Original DM Order Number	Integer	10	1053	O	
Filler	Integer	8	1061	O	
Filler	Character	19	1080	O	

Pledge Confirmation (916), Hypothecation Confirmation (917), Invocation confirmation (918), Pledge Closure Confirmation (919)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	BP Instruction ID of Pledge Confirmation / Closure Confirmation / Invocation Confirmation. BP Instruction ID of Pledge Normal Closure Initiation to pledgee if pledgor executes Normal Closure. BP Instruction ID of Hypothecation Invocation Initiation to pledgor if pledgee executes Invocation. **BP Instruction ID of Pledge Closure Cancellation to pledgee if pledgor executes Closure Cancellation**
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login id of user
Cancellation Status from	Integer	2	48	M	
Cancellation Status to	Integer	2	50	M	
Status change date time	Date time	14	64	M	System date time (YYYYMMDDHHMMSS)
Original Order Reference Number	Integer	14	78	O	BP Instruction ID of Pledge Initiation. **BP Instruction ID of Pledge Normal Closure in case of Pledge Closure Cancellation**
Client Id	Integer	8	86	M	
ISIN	Character	12	98	M	

Description	Data Type	Size	End	Status	Remarks
Original Pledged Quantity	Decimal	18	116	M	Original Pledged Quantity – 916, 917 Transfer Quantity – 918, 919
Closure Quantity	Decimal	18	134	O	Closure Quantity—916,917 Pending Pledged Quantity- 919
Invoked Quantity	Decimal	18	152	O	Invocation qty For 916, 917
Execution Date	Date	8	160	M	916, 917,918,919(YYYYMMDD)
Pledge Closure Date	Date	8	168	M	916, 917,918, 919(YYYYMMDD)
Target DP ID	Character	8	176	M	
Target Client ID	Integer	8	184	M	
Closure Type		1	185	O	Mandatory for closure confirmation – 919 N- Normal U- Unilateral
Agreement Number	Character	20	205	O	
Rejection Reason 1	Character	6	211	O	
Rejection Reason 2	Character	6	217	O	
Rejection Reason 3	Character	6	223	O	
Rejection Reason 4	Character	6	229	O	
Remarks	Character	35	264	O	
Pledgor Client Name	Character	135	399	O	Applicable for Pledge Confirmation orders
Filler	Character	115	514	O	
Second Holder Pledgor Client Name	Character	45	559	O	Applicable for Pledge Confirmation orders
Third Holder Pledgor Client Name	Character	45	604	O	Applicable for Pledge Confirmation orders
Locking reason Code	Integer	2	606	O	
Lockin release date	Date	8	614	O	(YYYYMMDD)
Filler	Character	14	628	O	
Channel Indicator	Integer	2	630	M	Channel Indicator Values: 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
Filler	Character	250	880	O	
Priority Flag	Character	1	881	O	
Filler	Character	32	913	O	
Filler	Character	50	963	O	
Filler	Character	50	1013	O	
Filler	Character	20	1033	O	
DM Order Number	Integer	10	1043	O	
Original DM Order Number	Integer	10	1053	O	
Beneficiary Account Category	Integer	2	1055	O	
Filler	Integer	6	1061	O	
Filler	Character	19	1080	O	

File Format For Account Transmission (Transaction Type=940)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	Transaction number of DPM.
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login id of user
Cancellation Status from	Integer	2	48	M	Not Applicable
Cancellation Status to	Integer	2	50	M	Not Applicable
Status change date time	Date time	14	64	M	System date time (YYYYMMDDHHMMSS)
Original BP Instruction ID	Integer	14	78	O	Not applicable
Source Client Id	Integer	8	86	M	Source client id for account transmission
ISIN	Character	12	98	O	Not applicable
Requested Quantity	Decimal	18	116	O	Not applicable for account transmission
Lock-in Reason Code / Block Code	Integer	2	118	O	
Lock-in Release Date	Date	8	126	O	
Market Type	Integer	2	128	O	Not applicable for account transmission
Settlement Number	Character	7	135	O	Not applicable for account transmission
Execution Date	Date	8	143	O	Execution date for account transmission (YYYYMMDD)
Other Branch Code	Character	6	149	O	Not in Use
Other DP Id/Related DP Id	Character	8	157	M	Target DP ID
Other Client Id	Integer	8	165	M	Target Client ID for account transmission
Beneficiary Account Category	Integer	2	167	O	Not applicable For account Transmission
Other CM BP Id	Character	8	175	O	Not applicable
Transmission Reasons	Integer	2	177	M	01-Transmission – Survivor(s) 02 – Transmission – Nominee 03- Transmission – Court Order/ Legal heirs
Other Settlement Number	Character	7	184	O	Not applicable
Internal Reference Number/ Remarks	Character	35	219	O	User Remarks.
Agreement No.	Character	20	239	O	Not applicable
Settled Quantity/Delivered Quantity	Integer	18	257	O	Not applicable
Rejection Reason Code 1	Character	6	263	O	

Description	Data Type	Size	End	Status	Remarks
Rejection Reason Code 2	Character	6	269	O	
Rejection Reason Code 3	Character	6	275	O	
Rejection Reason Code 4	Character	6	281	O	
Closure Type	Character	1	282	O	Not applicable
Closure Date	Date	8	290	M	Not applicable
Filler	Character	115	405	O	
Filler	Character	223	628	O	
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web
Target Client Name	Character	135	765	O	This will be provided only for first transition of Account Transfer Instruction.
Filler	Character	115	880	O	
Priority Flag	Character	1	881	O	Not applicable
Back Office reference details	Character	32	913	O	
Sender Reference No 1	Character	50	963	O	
Sender Reference No 2	Character	50	1013	O	
File Reference Id	Character	20	1033	O	
Filler	Integer	10	1043	O	
Filler	Integer	10	1053	O	
Filler	Integer	8	1061	O	
Demise Indictaor	Character	3	1064	O	**Mandatory for Transaction Type 940 [Reason: 01 - Transmission - To Survivor(s)]** **Mention 'Y' against the demised account holder and 'N' against non-demised account holder.** **Provide space in case there are no holders. Example; In case of a beneficiary account having two account holders, provide space against the third account holder.**
Filler	Character	16	1080	O	

File Format For Account Closure (Transaction Type=941)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)

Description	Data Type	Size	End	Status	Remarks
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	Transaction number of DPM.
Order Status from Order Status to	Integer Integer	2 2	36 38	M M	
Status change user	Character	8	46	M	Login id of user
Cancellation Status from	Integer	2	48	M	Not Applicable
Cancellation Status to	Integer	2	50	M	Not Applicable
Status change date time	Date time	14	64	M	System date time (YYYYMMDDHHMMSS)
Original BP Instruction ID	Integer	14	78	O	Not applicable
Source Client Id	Integer	8	86	M	Source client id for account transmission
ISIN	Character	12	98	O	Not applicable
Requested Quantity	Decimal	18	116	O	Not applicable for account transmission
Lock-in Reason Code / Block Code	Integer	2	118	O	
Lock-in Release Date	Date	8	126	O	
Market Type	Integer	2	128	O	Not applicable for account transmission
Settlement Number	Character	7	135	O	Not applicable for account transmission
Execution Date	Date	8	143	O	Execution date for account transmission(YYYYMMDD)
Other Branch Code	Character	6	149	O	Not in Use
Other DP Id/Related DP Id	Character	8	157	M	Target DP ID
Other Client Id	Integer	8	165	M	Target Client ID for account transmission
Beneficiary Account Category	Integer	2	167	O	Not applicable For account Transmission
Other CM BP Id	Character	8	175	O	Not applicable
Transmission Reasons	Integer	2	177	M	05- Account Closure

Description	Data Type	Size	End	Status	Remarks
Other Settlement Number	Character	7	184	O	Not applicable
Internal Reference Number/Remarks	Character	35	219	O	User Remarks.
Agreement No.	Character	20	239	O	Not applicable
Settled Quantity/Delivered Quantity	Integer	18	257	O	Not applicable
Rejection Reason Code 1	Character	6	263	O	
Rejection Reason Code 2	Character	6	269	O	
Rejection Reason Code 3 Rejection Reason Code 4	Character Character	6 6	275 281	O O	
Closure Type	Character	1	282	O	Not applicable
Closure Date	Date	8	290	M	Not applicable
Filler	Character	115	405	O	
Filler	Character	223	628	O	
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web
Target Client Name	Character	135	765	O	This will be provided only for first transition of Account Transfer Instruction.
Filler	Character	46	811	O	For Future use
DIS Serial No.	**Character**	**12**	**823**	**O**	**DIS Serial No.; This will be present only in case of physical and Fax based DIS**
DIS Format Indicator	**Character**	**1**	**824**	**O**	**‘1’ for DIS issued in Old format, ‘2’ for DIS issued in standardized format; only for This will be present only in case of physical and Fax based DIS**
DIS Type Indicator	**Character**	**1**	**825**	**O**	**‘1’ For Physical, ‘2’ for FAX, ‘3’ For Electronic-SPEEDe, ‘4’ for Electronic-SPICE, ‘5’ for Electronic- DSC, ‘6’ for Electronic- Others;**
Filler	**Character**	**9**	**834**	**O**	
Flag of loose slip	**Character**	**1**	**835**	**O**	**Mandatory for Loose Slips, ‘1’ for Loose Slip; This will be present only in case of physical and Fax based DIS**

Description	Data Type	Size	End	Status	Remarks
No of instructions	**Character**	**6**	**841**	**O**	**No of Instruction in DIS; This will be present only in case of physical and Fax based DIS**
Filler	**Character**	**39**	**880**	**O**	
Priority Flag	Character	1	881	O	Not applicable
Back Office reference details	Character	32	913	O	
Sender Reference No 1	Character	50	963	O	
Sender Reference No 2	Character	50	1013	O	
File Reference Id	Character	20	1033	O	
Filler	Integer	10	1043	O	
Filler	Integer	10	1053	O	
Filler	Integer	8	1061	O	
Filler	Character	19	1080	O	

Circular No : NSDL/POLICY/ 2014/0040
Date: March 28, 2014

Sub: Shifting of Settlement activities in respect of BSE from BOISL to ICCL.

As all Participants are aware, Clearing and Settlement activities for the trades executed on Bombay Stock Exchange Limited (BSE) are carried out by BOI Shareholdings Limited (BOISL). In this regard, Indian Clearing Corporation Limited (ICCL) has intimated to NSDL that it has received an in-principle approval from SEBI to carry out the Clearing and Settlement activities in respect of trades executed on BSE. Further, ICCL has also intimated to NSDL that the aforesaid Clearing and Settlement activities will be carried out by ICCL after March 28, 2014. In view of the above, a new CC ID IN001150 has been allotted to ICCL.

ICCL has requested NSDL that Clearing Member (CM) Pool accounts which are at present associated with BOISL, be associated with ICCL after March 28, 2014. Accordingly, NSDL will carry out the migration activity and update CC ID of ICCL (IN001150) in the existing Pool accounts of CMs associated at present with BOISL. This can be viewed in Business Partner details. CMs will continue to use their existing CM Pool account for Clearing and Settlement activities after migration is complete.

I. **Market Type Codes:**

Static data codes pertaining to the market types of ICCL (IN001150) are given at Annexure I.

II. **Updation of CC ID in the Instructions:**

In respect of instructions executed in e-DPM till March 28, 2014 which are in status other than 'Settled', irrespective of the execution date, CC ID of BOISL (IN001019) will be replaced with the CC ID of ICCL (IN001150). Various status of the instructions are given at Annexure II.

III. **Delivery Out instructions:**

As Participants are aware, BOISL uploads the Auto Delivery Out Instructions (ADOs) on T+1 day in respect of the trades executed on BSE. In respect of ADOs uploaded by BOISL in NSDL System on March 28, 2014 for the Pay-in scheduled on April 2, 2014 with the CC ID of BOISL (IN001019), NSDL will update CC ID of ICCL (IN001150) in ADOs after the EOD of March 28, 2014.

IV. **Download Masters:**

Participants will be required to extract the following downloads after the BOD is received on March 29, 2014 in Local DPM System and updates their back office:

i. **Masters**

a. Business Partner

b. Clearing Corporation (CC) Calendar

c. Client Master

ii. **Changed Order of the Day (COD)**

In view of the above, Participants are requested to take note of the following:

(i) To complete the migration activity, Participant will be required to keep the server in power 'ON' mode till the receipt of BOD of March 29, 2014, so as to enable NSDL to complete the migration activity.

(ii) Due to the aforesaid migration activity BOD on Saturday, March 29, 2014 may get delayed in Local DPM System.

V. **Designated CM Pool Account of ICCL for redemption of Mutual Fund Units on BSE:**

As Participants are aware Clients has to transfer securities to the designated CM Pool account of Clearing Corporation for the redemption of Mutual Fund units through the Stock Exchange platform. In this regard, the designated CM Pool account of ICCL is given below for the information of Participants:

Stock Exchange Name	CC Name	CM BP ID	Market Type	Pay-in Deadline
Bombay Stock Exchange Limited	Indian Clearing Corporation Limited	IN620031	Mutual Fund - Redemption	4.30 pm on Trade Day (Order Day)

VI. **Deadline time for submission of pay-in instruction on e-DPM and SPEED-e:**

Deadline time for submission of instructions on e-DPM and SPEED-e in respect of the settlements of various market types of BSE is enclosed at Annexure III. Participants are requested to inform their Clients and CMs accordingly.

Participants must ensure that all the instructions submitted by the Clients (other than SPEED-e Direct) within the aforesaid deadline time are duly executed in e-DPM well before the specified deadline time. In case of any difficulty in downloading the instructions from SPEED-e, Participants are requested to contact Help Desk.

Annexure I

List of Market Type codes of ICCL

CC ID	CC Name	Code	Description
IN001150	Indian Clearing Corporation Limited	1	ROLLING ODD LOT
		2	COMP.OBJECTION
		3	PHYSICAL
		4	AUCTION ROLLING
		5	ROLLING MKT LOT
		6	BAD DELIVERY
		7	AUCTION PHYSICAL
		8	INACTIVE
		9	3D MARKET
		10	MANDI BADLA
		11	F GROUP
		12	ROLLING MANDI BADLA
		13	ODD LOT
		14	CORPORATE BENEFITS
		15	CORPORATE ACTION
		16	T 2 T
		17	INACTIVE
		18	SLB
		19	SLB-R
		20	BUY IN AUCTION
		21	MUTUAL FUND-SUBSCRIPTION
		22	MUTUAL FUND-REDEMPTION
		23	NORMAL DELV DERIVATIVES
		24	AUCTION DELV DERIVATIVES
		25	OFFER FOR SALE
		26	MF SUBSCRIPTION - LIQUID
		27	OFST2
		28	DEBT T1
		29	DEBT T2
		30	ITP

Annexure II	
Transaction Code	**Transaction Status description**
CC Pool Transfer (801)	Captured
	Future Dated
	Overdue
Account Transfer DFP(904)	Captured
	Counterparty instruction awaited
	Future Dated
	Overdue
Account Transfer RFP(905)	Captured
	Accepted
	Future Dated
906/912/927 (DO/ Irreversible DO/ Auto DO)	Captured
	Instruction Available for Settlement
	Future Dated
	Overdue
Inter Settlement (907)	Captured
	Future Dated
Inter depository IDD (925)	Overdue
	Captured
	Acknowledgement awaited from other Depository’
	Matched by Other Depository
	Future Dated
Inter depository IDR (926)	Captured
	Future Dated
	Matched by NSDL
CM POOL TO POOL CMD(934)	Captured
	Counterparty instruction awaited
	Future Dated
	Overdue
CM POOL TO POOL CMR(935)	Captured
	Future Dated
	Counterparty instruction awaited

Annexure III

Deadline time for submission of instructions by Clients / Clearing Members on SPEED-e / SPICE and SPEED-e DIRECT / SPICE DIRECT on a Pay-in day:

Name of the Stock Exchange	Market Types	Deadline time for submission of instructions on a Pay-in day		
		SPEED-e / SPICE	SPEED-e DIRECT / eDPM System	SPICE DIRECT
BSE	SLB	8.45 am	9.10 am	9.20 am
	SLB-R			
	Buy-in Auction			
	Auction Rolling	8.55 am	9.20 am	9.30 am
	Auction Delv. Derivatives	8.55 am	9.20 am	9.30 am
	ITP	9.15 am	9.40 am	9.50 am
	Normal Delv. Derivatives	9:45 am	10:10 am	10:20 am
	Offer For Sale			
	OFST2	10.15 am	10.40 am	10.50 am
	Rolling Market Lot			
	DEBT T1			
	DEBT T2			
	Company Objection	11.00 am	12.50 pm	1.00 pm
				4.00 pm
	Mutual Fund Subscription	1.55 pm	2.20 pm	2.30 pm
	Mutual Fund Redemption	3.55 pm	4.20 pm	4.30 pm
	MF Subscription Liquid	2.55 pm	3.20 pm	3.30 pm

Circular No : NSDL/POLICY/ 2014/0022 Date: March 4, 2014	***Sub: Increase in validity period for registration of IDeAS facility through DIRECT*** As Participants are aware DIRECT (Direct Ideas REgistration of Client accounT) facilitates registration for IDeAS facility directly at NSDL for new as well as existing depository accounts activated in Individual category (*i.e. Resident-Ordinary, Resident-HUF, NRI-Repatriable, NRI-NonRepatriable and Foreign National-FN, refer Circular No. NSDL/POLICY/2010/0058 dated May 25, 2010 and Circular No. NSDL/POLICY/2010/0012 dated February 3, 2010)*. An email for IDeAS registration is sent to the email address captured in the DPM System in respect of the sole holder or one of the account holder in case of joint accounts. Currently, if the accountholder does not login to ***IDeAS*** facility within **30** days of sending of the email, the registration link gets invalid / expired. Accountholder in such case will have to then opt for usual method for IDeAS registration. In this regard, based on the representation received from Participants/clients, the period for registration of IDeAS facility through DIRECT will be extended from **30** days to **60** days with effect from **March 15, 2014**.

Circular No : NSDL/POLICY/ 2014/0004 Date: January 8, 2014	***Sub: Delivery Instruction Slip (DIS) Issuance and Processing*** All Participants are hereby informed that SEBI has vide its Circular No. CIR/MIRSD/01/2014 dated January 7, 2014 issued guidelines regarding standardization of DIS, Monitoring of DIS and Scanning of DIS. Copy of the same is enclosed for information and compliance. The system changes, amendment to Business Rules and the detailed guidelines in this regard will be informed subsequently.
SPEED-e	
Circular No.: NSDL/SPEED-e/ POLICY/2016/0005 Date: May 2, 2016	***Subject: Revised application form for obtaining Digital Signature Certificate from e-Mudhra Limited for SPEED-e facility.*** Attention of Participants registered for SPEED-e is invited to Circular Nos.: NSDL/SPEED-e/POLICY/2014/0012 dated September 4, 2014 and NSDL/ SPEED-e/POLICY/2015/0002 dated January 27, 2015 regarding new procedure for obtaining Digital Signature Certificate (DSC) for e-Token based Users of SPEED-e facility. In this regard, Participants are hereby informed that e-Mudhra Limited (e-Mudhra) has revised its application form for issuance of DSC. In view of the above, e-Mudhra has provided revised application form which is enclosed as Annexure.
Circular No.: NSDL/SPEED-e/ POLICY/2014/0012 Date: September 4, 2014	***Subject: New procedure for obtaining Digital Signature Certificate for e-Token based Users of SPEED-e facility.*** Attention of Participants registered for SPEED-e is invited to Circular No. NSDL/PI/SPEED-e/2008/0002 dated March 18, 2008 regarding process flow for application of Digital Signature Certificate (DSC) by SPEED-e Users viz., DP, Corporate, Clearing Member and Individual Users and subsequent authorization by its Depository Participants acting as Registration Authority. Participants are hereby informed that based on the suggestions/feedback received from various e-Token based SPEED-e Users to allow the DSCs issued by approved Certifying Authorities (CAs) for accessing SPEED-e facility, it has been decided to allow DSCs issued by certain approved CAs. Further, NSDL has decided to discontinue issuance of DSC from NSDL CA website and accordingly, DSC will not be issued with effect from September 30, 2014 from NSDL CA website. It may be mentioned that NSDL has made alternate arrangements with e-Mudhra Consumer Services Limited (e-Mudhra) for issuance of DSC to the e-Token based Users of SPEED-e facility and negotiated the charges for obtaining DSC. e-Mudhra has agreed to issue *Class 2 Gold Organization 2014 or Class 2 Gold Individual 2014* for 2 years validity period at a cost of Rs. 430 plus applicable taxes. For this purpose, e-Token based SPEED-e Users will be required to submit the application form alongwith the requisite documents (as mentioned in the form) to e-Mudhra for issuance of DSC. e-Mudhra has provided application form for Organisation and Individuals, guidelines for procurement of DSC and operations manual to download DSC from their website, which are enclosed at Annexure 1. Participants must note that DSC at the negotiated price can only be obtained by submitting the aforesaid enclosed forms provided by e-Mudhra exclusively for NSDL. Further, e-Token based SPEED-e Users also have option to procure any one of the following type of DSCs from Sify Technologies Limited (Safescrypt): ➢ SafeScrypt sub-CA for RCAI Class 2 2012 ➢ SafeScrypt sub-CA for RCAI Class 3 2012 ➢ SafeScrypt sub-CA for RCAI Class 2 2014 ➢ SafeScrypt sub-CA for RCAI Class 3 2014

Mapping of DSC with User ID of SPEED-e facility

After downloading the certificate, Corporate, Clearing Member and individual Clients would be required to submit the screen shot of DSC issued by CAs (*sample screen shot of DSC issued by e-Mudhra enclosed at Annexure 2*) alongwith the requisite SPEED-e documents for subscription or renewal of e-Token based SPEED-e facility to Participants.

Accordingly, Participants should verify the completeness of the SPEED-e documents and forward the copy of the requisite documents duly signed and stamped by Authorized Signatory to NSDL at:

Business Development and Products Department

National Securities Depository Limited

Trade World, 'A Wing', 4th Floor,

Kamala Mills Compound,

Senapati Bapat Marg,

Lower Parel,

Mumbai – 400 013

On receipt of the SPEED-e documents, NSDL will verify the User details captured in SPEED-e facility and map the DSC with allotted/existing User ID.

For information / clarification about the SPEED-e documents processing or mapping of DSC, Participants are requested to contact the following NSDL officials:

Name of the official	**Contact details**	**Email ID**
Mr. Dhananjay Chauhan	(022) 2499 4647	dhananjayc@nsdl.co.in
Mr. Narain Tanwani	(022) 2499 4355	naraint@nsdl.co.in
Mr. Rahul Gupta	(022) 2499 4372	rahulg@nsdl.co.in

Circular No.: NSDL/POLICY/ SPEED-e/2014/0006
Date: April 3, 2014

Subject: Revision in Annual fee for SPEED-e facility.

As all Participants subscribed for SPEED-e are aware, NSDL's common internet facility called SPEED-e facilitates Users (Beneficial Owners and Clearing Members) to submit delivery instructions on the internet. SPEED-e facilitates Participants to eliminate paper [Delivery Instruction Slips (DIS)] resulting in reduction in cost of storage and processing of DIS and the risk involved in verifying specimen signatures of the account holders at the time of processing DIS.

SPEED-e has been continuously augmented with new features viz. e-DIS, SPICE DIRECT, SPICE margin etc.

Currently, SPEED-e annual fee of ₹ 25,000 is being levied to the Participants in the monthly billing of March for next financial year. Participants are hereby informed that SPEED-e annual fee is being revised based on the number of instructions processed through SPEED-e facility with effect from April 1, 2014. The proposed charge structure of annual fee is given below:

	No. of instructions	Annual fee
	>= 10,00,000	₹ 40,000
	>=5,00,000 and < 10,00,000	₹ 35,000
	>=2,50,000 and < 5,00,000	₹ 30,000
	< 2,50,000	₹ 25,000

Circular No : NSDL/POLICY/ 2014/0002 Date: January 6, 2014	***Sub: Launch of e-DIS facility for pay-in Instructions on SPEED-e*** As Participants are aware, currently password based Users of SPEED-e facility can submit the Pay-in related instructions to their pre-notified Clearing Member (CM) Pool accounts by entering the instruction details on SPEED-e facility. SPEED-e facility has been further enhanced to facilitate password based Users to confirm Pay-in related instructions on SPEED-e facility based on the instructions uploaded by pre-notified Clearing members on SPEED-e. Thus, Clients opting for ***e-DIS*** facility will not be required to enter instruction details on SPEED-e, obviating data entry errors, consumption of time for entering data, etc. In view of the aforesaid, Clients will have two options for submitting instructions to their Participants through SPEED-e facility i.e., either by entering instructions details in favour of the pre-notified CM or by confirming the instruction details uploaded by the pre-notified CM. Clients can register for both these facilities. The salient features of ***e-DIS*** facility are enclosed.

Annexure A

1) Registration process

Password based Users of SPEED-e viz., new as well as existing will be able to register themselves for e-DIS facility. Detailed registration process for e-DIS facility is given below:

(a) **Registration of new Password based Users:**

At the time of registration for SPEED-e facility as a password based User or request for Change Service from IDeAS to SPEED-e / IDeAS, a check box named 'e-DIS Flag' is being provided for Clients to activate the same. In this regard, Client would be required to do the following:

1. Enable 'e-DIS Flag' for the specified Clearing Members (CMs) who would be uploading Pay-in instructions on SPEED-e (*refer exhibit 1*).
2. Take a print-out of the pre-filled SPEED-e application form / pre-filled Change Service Request Form *(as the case may be)* from the website or a new user can also download the SPEED-e application form & manually fill the details that were entered during registration.
3. Submit with requisite documents as mentioned in the SPEED-e operations manual (*i.e. required at the time of SPEED-e registration*) viz., SPEED-e agreement between Client and DP, Consent letter from the CM etc. to Participant for authorization. After Participant authorizes the Client on SPEED-e facility, Client would get registered for e-DIS facility for the respective pre-notified CM(s).

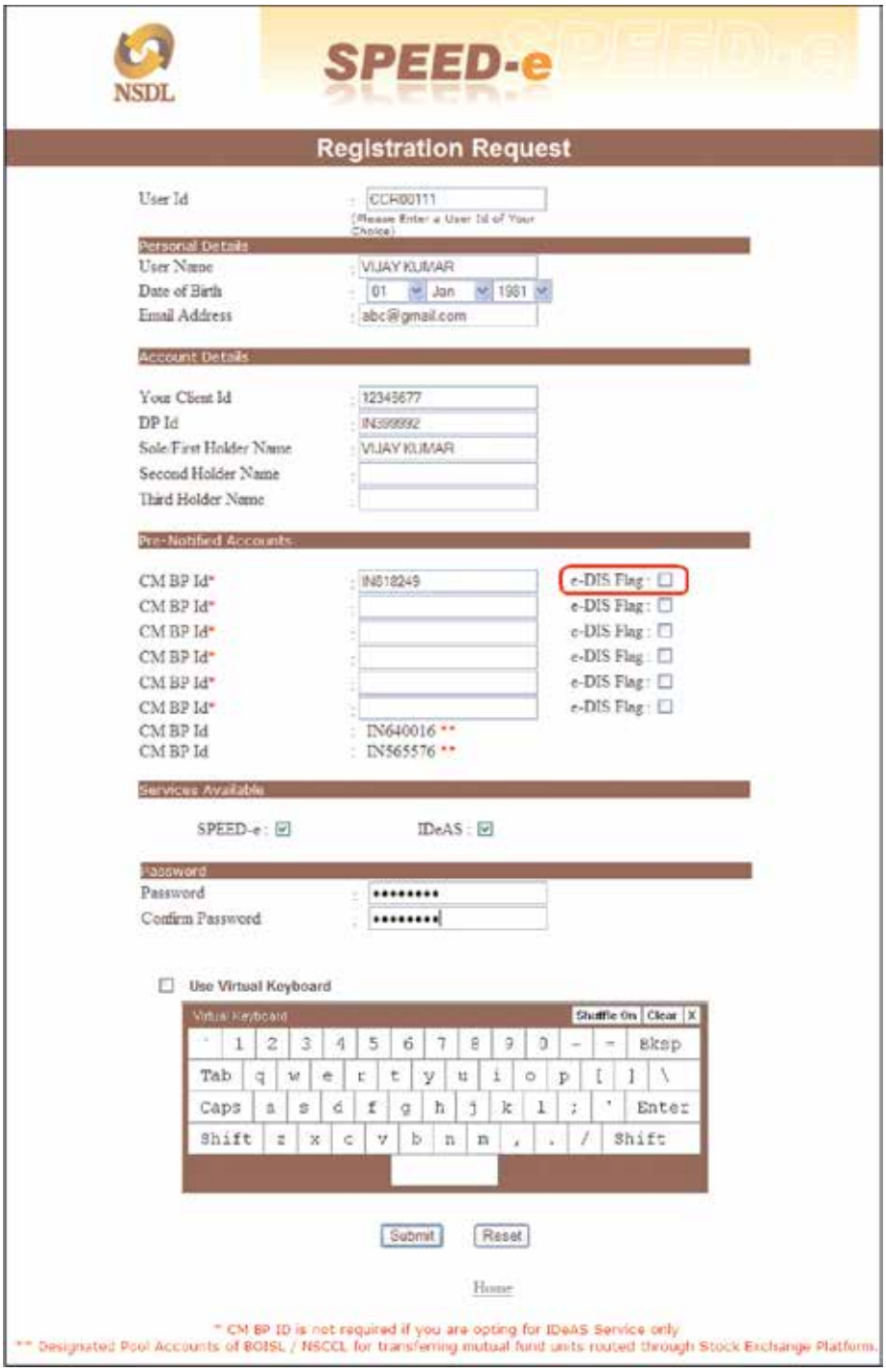


Exhibit 1 – e-DIS registration for New Password based Users

(b) **Registration of existing Password based Users:**

The existing Password based Users of SPEED-e will have the ability to register the existing or new Pre-notified CM Pool Accounts for this facility. In this regard, if Client wishes to add a pre-notified account then Client will be required to submit an online request on SPEED-e

using the 'Add' link, enter the requisite CM BP ID, enable the e-DIS flag and then click on 'Add' button (*refer exhibit 2*). Upon clicking on 'Confirm' button, Client has to take print-out of the "Addition of Pre-Notified Accounts Form" from the link provided at the acknowledge screen, fill the details and submit it along with the requisite documents viz., Consent letter obtained from Clearing Member and a copy of latest Transaction Statement as mentioned in the SPEED-e operations manual to its Participant for authorization of addition of pre-notified account.

Exhibit 2 – e-DIS facility to new CM Pool account

In case Client wishes to provide e-DIS facility to existing pre-notified account, Client will be required to access 'e-DIS Registration for Existing Pre-Notified Accounts' link (*refer exhibit 3*), enable the flag and click on the submit button. Upon clicking on confirm button, Password User will be required to submit the "Registration for e-DIS facility in the existing Pre-Notified Accounts Form" to its DP for authorization.

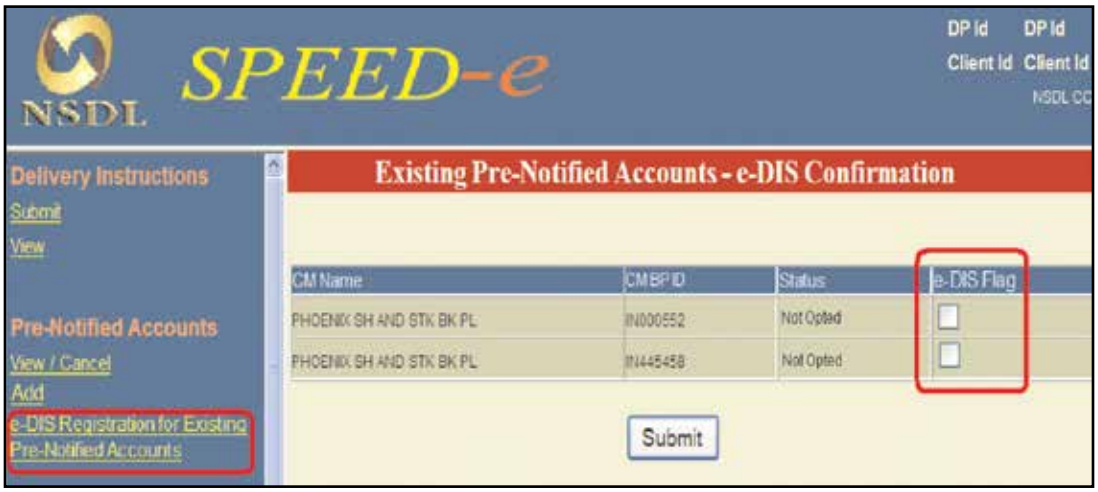


Exhibit 3 – e-DIS facility to existing pre-notified account

Upon receipt of the request for authorization for e-DIS facility in the existing pre-notified account, DP functional user will be required to access the link 'e-DIS Registration For Existing Pre-Notified Accounts' for authorization.

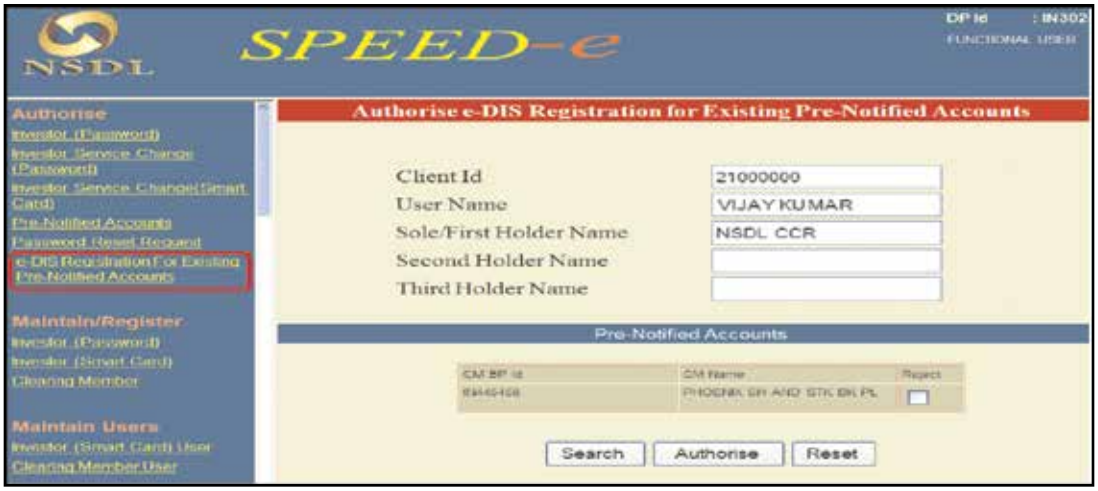


Exhibit 4 – Authorization of e-DIS facility for existing pre-notified account

(c) **List of registered Users**

Participants and CMs can download list of Clients registered for e-DIS facility from 'e-DIS Clients list Download' link respectively.

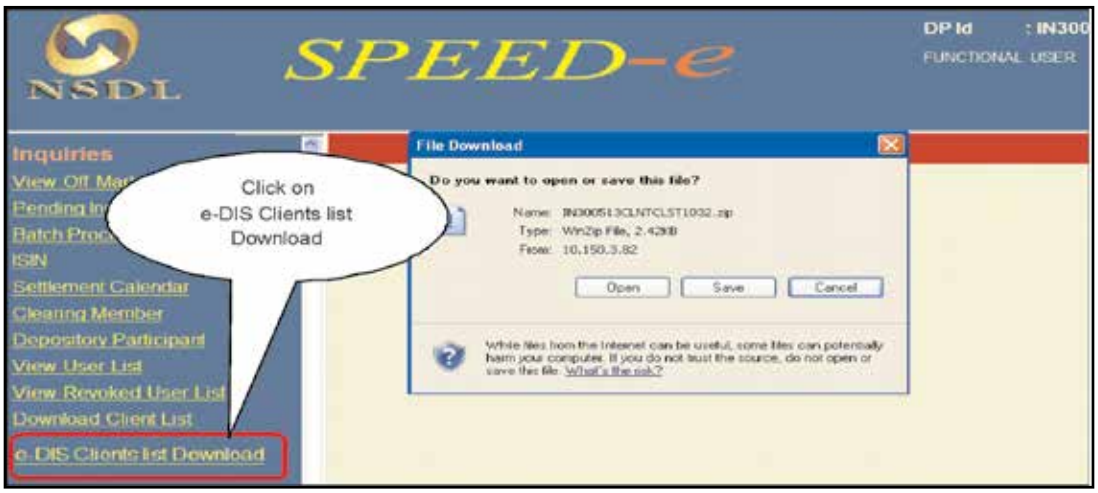


Exhibit 5 – View list of registered Clients for e-DIS facility by DP

Exhibit 6 – View list of registered Clients for e-DIS facility by CM

2) **Submission of instructions:**

CMs who have registered for e-DIS facility can upload the Pay-in instructions for onward confirmation from its Clients through link viz., 'Upload e-DIS Instructions for Client Confirmation' link. The upload file format for CMs is enclosed at Annexure 1.

3) **Confirmation of Instructions:**

Once the CM uploads the Pay-in Instructions on SPEED-e for onward confirmation of Clients, respective Clients will receive intimation through an SMS on the mobile number of Sole Holder / First Holder *(in case of joint accounts)* registered in DPM system. In case the mobile number of the first holder is not available, then SMS will be sent to the second or third holder, as the case may be, whose mobile number is captured in the DPM System. In case mobile number is not captured in the DPM System for Sole Holder / First Holder or Second Holder or Third Holder *(in case of joint account)* the SMS will not be sent to the Client. Client can view and confirm/reject instructions submitted by CM on SPEED-e facility through the link viz., 'View e-DIS Instructions Pending for Confirmation' (*refer exhibit 7*). After confirmation of the instruction, the Participant has to download the instruction and upload the same into e-DPM system or if the Client is registered for *SPEED-e* DIRECT the instructions will be transmitted directly to NSDL.

Exhibit 7 – View e-DIS Instruction Pending for Confirmation

4) **Response file and rejection reason**

CMs can click on 'View e-DIS Instructions Status' link to ascertain the status of the uploaded file (*refer exhibit 8*). CMs would be required to enter the Batch ID (*generated during batch upload*) and click on 'Submit' button. Response file would be generated. Save the file in the desired folder. The file formats for the response file and rejection reason are enclosed at Annexure 1

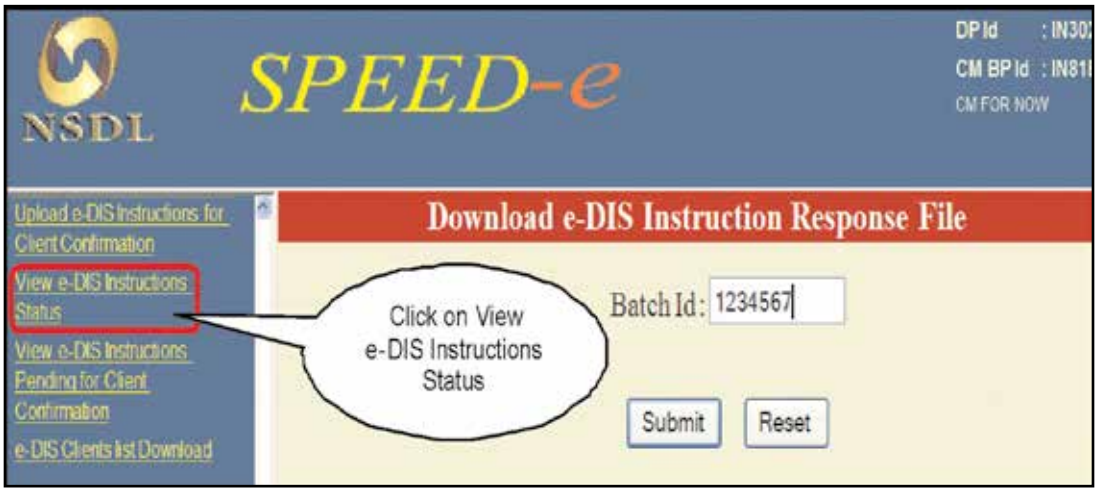


Exhibit 8 – Download e-DIS Instruction Response File

5) **View pending instructions**

CMs will also be able to view the Pay-in instructions which are pending for Client confirmation on Pay-in day through 'View e-DIS Instructions Pending for Client Confirmation' link and if required CM can do the follow up with the client.

6) **Deadline time :**

The deadline time for submission of Pay-in instructions by CMs on a Pay-in day would be 8.00 a.m. and confirmation of Pay-in instructions by Clients would be 9.00 a.m. on a Pay-in day on SPEED-e *(irrespective of the SPEED-e / SPEED-e DIRECT deadline time)*. However, the deadline time for submission of Pay-in instructions on SPEED-e / SPEED-e DIRECT other than e-DIS facility will remain unchanged.

7) **Revised SPEED-e forms:**

In view of the aforesaid, following forms have been revised / added in respect of password based Users are enclosed:

(i) SPEED-e Application form.

(ii) Addition of Pre-Notified Accounts form.

(iii) Registration for e-DIS facility in the existing Pre-Notified Accounts form.

==========

Annexure 1

1) Instructions file upload by CM

File begin Indicator Record:

Description	Data Type	Size	End	Status	Remarks
File begin Indicator	Character	2	2	M	It should be '{}' by default

Header Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
Filler	Character	6	15	O	Can be used for branch code in future.
CM BP ID	Character	8	23	M	CM BP ID
Total number of Detail Records	Integer	5	28	M	
Role	Character	2	30	M	Mandatory if batch has e-DIS instructions for client confirmation. Role is 'CM'
	Total	**30**			

Detail record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	**942** for e-DIS instruction
Transaction Flag	Character	1	18	M	It should be A for all orders
Filler	Character	7	25	O	Default Spaces
ISIN	Character	12	37	M	
Quantity	Decimal	15	52	M	12+3 without decimal point
Market Type	Integer	2	54	M	
Settlement Number	Character	7	61	M	
Execution Date	Date	8	69	M	
Source DP Id	Character	8	77	M	Source DP Id
Source Client Id	Integer	8	85	M	Source Client Id
Target CM BP ID	Character	8	93	M	Target CM BP ID
Filler	Character	1	94	O	Default Spaces
Internal Reference	Character	20	114	O	Remarks, Populate Reference Number/Remarks Details as in CM BO
Filler	Character	22	136	O	Default Spaces
	Total	**136**			

Trailer Record:					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Trailer Record (19)
Filler	Character	6	15	O	Default spaces
Filler	Decimal	15	30	O	Default 15 Zero's
Filler	Decimal	15	45	O	Default 15 Zero's
Filler	Decimal	15	60	O	Default 15 Zero's
DFP Instruction Total Qty	Decimal	15	75	M	12+3 without decimal point
Filler	Decimal	15	90	O	Default 15 Zero's
Delivery Out Instruction Total Qty	Decimal	15	105	O	12+3 without decimal point
Inter Settlement Instruction Total Qty	Decimal	15	120	O	12+3 without decimal point
Inter Depository Instruction Total Qty	Decimal	15	135	O	12+3 without decimal point
e-DIS Instruction Total Qty	**Decimal**	**15**	**150**	**M**	**12+3 without decimal point**
Filler	Decimal	15	165	O	Default 15 Zero's
Filler	Decimal	15	180	O	Default 15 Zero's
Irreversible Delivery Out Total Qty	Decimal	15	195	O	12+3 without decimal point
Pool to Pool Instruction Total Qty	Decimal	15	210	O	Default 15 Zero's
Filler	Decimal	15	225	O	Default 15 Zero's
Filler	Decimal	15	240	O	Default 15 Zero's
Filler	Character	7	247	O	Default spaces
Grand Total of Qty	Decimal	15	262	M	12+3 without decimal point
	Total	**262**			
File end Indicator Record:					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
File end Indicator	Character	2	2	M	It should be '{}' by default
2) View response file for instructions upload by CM					
Header Record:					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
Filler	Character	6	15	O	Default Spaces
CM BP ID	Character	8	23	M	
Total number of Detail Records	Integer	5	28	M	

Response Creation Date	Date	8	36	M	
Response Creation Time	Character	4	40	M	
Filler	Character	2	42	O	Default Spaces
Detail Record:					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Character	3	17	M	
Transaction Flag	Character	1	18	M	
Internal Reference Number	Character	20	38	M	
Internet Transaction ID	Integer	15	53	M	
Internet Instruction ID	Integer	15	68	M	
Order Status	Integer	2	70	M	
Instruction capture date time	Date time	14	84	M	System date time
Rejection reason code 1	Integer	5	89	O	Default ‘00000’
Rejection reason code 2	Integer	5	94	O	Default ‘00000’
Rejection reason code 3	Integer	5	99	O	Default ‘00000’
Rejection reason code 4	Integer	5	104	O	Default ‘00000’
Filler	Character	10	114	O	Default spaces
	Total	**114**			
Trailer Record:					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Trailer Record (19)
Filler	Character	6	15	O	Can be used for branch code in future
Filler	Decimal	30	45	O	Default 15 Zero’s
Filler	Decimal	30	75	O	Default 15 Zero’s
Filler	Decimal	30	105	O	Default 15 Zero’s
DFP Instruction Accepted Qty	Decimal	15	120	M	12+3 without decimal point
DFP Instruction Rejected Qty	Decimal	15	135	M	12+3 without decimal point
Filler	Decimal	30	165	O	Default 15 Zero’s
Delivery Out Instruction Accepted Qty	Decimal	15	180	O	12+3 without decimal point
Delivery Out Instruction Rejected Qty	Decimal	15	195	O	12+3 without decimal point

Inter Settlement Instruction Accepted Qty	Decimal	15	210	O	12+3 without decimal point
Inter Settlement Instruction Rejected Qty	Decimal	15	225	O	12+3 without decimal point
e-DIS Instruction Accepted Qty	**Decimal**	**15**	**240**	**M**	**12+3 without decimal point**
e-DIS Instruction Rejected Qty	**Decimal**	**15**	**255**	**M**	**12+3 without decimal point**
Filler	Decimal	30	285	O	Default 30 Zero's
Filler	Decimal	30	315	O	Default 30 Zero's
Filler	Decimal	30	345	O	Default 30 Zero's
Irreversible Delivery Out Accepted Qty	Decimal	15	360	O	12+3 without decimal point
Irreversible Delivery Out Rejected Qty	Decimal	15	375	O	12+3 without decimal point
Pool to Pool Accepted Qty	Decimal	15	390	O	12+3 without decimal point
Pool to Pool Rejected Qty	Decimal	15	405	O	12+3 without decimal point
Inter Depository Delivery Instruction Accepted Qty	Decimal	15	420	O	12+3 without decimal point
Inter Depository Delivery Instruction Accepted Qty	Decimal	15	435	O	12+3 without decimal point
Filler	Decimal	30	465	O	Default 30 Zero's
Filler	Character	7	472	O	Default Spaces
Grand Total of Accepted Qty	Decimal	15	487	M	12+3 without decimal point
Grand Total of Rejected Qty	Decimal	15	502	M	12+3 without decimal point
	Total	**502**			

3) e-DIS Instructions pending for client confirmation download for CM

Header Record:

<CMBPID>,<User_Id>,<No of records>,<Timestamp>

Detail Record:

<Instruction Id>,<DP Id>,<Client Id>,<ISIN>,<Quantity>,<Market type>,<Settlement Number>,<Execution date>,<Internal Reference Number>,<CM Batch Id>

4) **e-DIS clients list download for CM**

Header Record:

<CMBPID>,<User_Id>,<No of records>,<Timestamp>

Detail Record:

<DP Id>,<Client Id>,<Status>,<Accepted Date>

5) **e-DIS clients list download for DP**

Header Record:

<DP Id>,<USER Id>,<No. of records>,<Timestamp>

Detail Record:

<DP ID>,<Client Id>,<CM BP Id>,<e-DIS Flag (i.e 'Y')><e-DIS registration accepted date>

6) **Rejection reasons code and Description for CM Instruction Status Download**	
Error Code	**Description**
5002	ISIN does not exist
5003	Invalid execution date
5013	Invalid Settlement details
5015	Quantity should not be in decimals
5021	Pay-in date is less than execution date
5045	Execution date cannot be Sunday
5055	Maturity Date of the ISIN has been passed
5056	Pay-in deadline is over for settlement
5083	ISIN involved in Auto Corporate Action
7070	This date is marked by DP as Holiday
8747	Deadline time is over for e-DIS instructions upload
91234	Invalid source client details
POA registration error codes for CM	
Error Code	**Description**
50005	Client is registered for e-DIS facility
Circular No : NSDL/POLICY/ 2013/0128 Date: November 1, 2013	**Sub: Amendments to Business Rules** All Participants are hereby notified that new Rule 12.7.3 has been inserted in Business Rules. New Rule 12.7.3 is given below: ***"12.7.3. FREEZING OF SECURITIES IN FAVOUR OF A CLEARING MEMBER*** *12.7.3.1. The Client may give an instruction electronically to the Participant to freeze specific number of securities in its account till a pre-determined time in a manner as may be prescribed by the Depository such that it can be unfrozen or can be debited to credit the account of a Clearing Member pre-registered by the Client.* *12.7.3.2 Upon receipt of instructions from the Client as specified at 12.7.3.1, the Depository shall execute the request for freezing of specific number of securities in its account till the pre-determined time prescribed by the Depository.* *12.7.3.3 The Clearing Member pre-registered by the Client at 12.7.3.1 may at any time prior to the pre-determined time submit an instruction electronically in a manner prescribed by the Depository to debit and receive specific number securities or less to the extent frozen by the Client in its account as per Rule 12.7.3.1.* *12.7.3.4 Upon receipt of instructions from the pre-registered Clearing Member prior to the pre-determined time, the Depository shall execute the request for debiting the specific number of securities or less to the extent frozen by the Client in its account as per Rule 12.7.3.1 and crediting the securities to the account of the pre-registered Clearing Member.* *12.7.3.5 In case no instruction is received from the pre-registered Clearing Member prior to the pre-determined time, the Depository shall unfreeze the specific number of securities frozen in the account of the Client as per Rule 12.7.3.1."*

Circular No : NSDL/POLICY/ 2013/0120 Date: October 15, 2013	**Sub: Facility for Clients to freeze securities in their demat accounts through SPEED-e facility**

All Participants are hereby informed that a facility is being developed to enable Clients to freeze securities in their demat accounts in favour of a Clearing Member through SPEED-e with respect to the trade orders routed on NOW (NEAT on Web) facility of National Stock Exchange of India Limited. For this purpose, SPEED-e facility is being integrated with NOW facility. Accordingly, Participants of such Clients will be required make necessary changes in their back office system. The file formats for the same are enclosed. The detailed features of this facility will be informed to Participants shortly.

For information / clarification on file formats and technology related issues, Participants are requested to contact the following officials :

Name of the official	Contact details	Email ID
Mr. Vaibhav Ambre	(022) 2499 4766	vaibhava@nsdl.co.in
Mr. Dattaram Sawant	(022) 2499 4869	dattarams@nsdl.co.in
Mr. Prasad Uttam Phodkar	(022) 2499 4729	prasadp@nsdl.co.in

For information / clarification on operations related issues or understanding of the facility, Participants are requested to contact the following officials :

Name of the official	Contact details	Email ID
Mr. Narain Tanwani	(022) 2499 4355	naraint@nsdl.co.in
Mr. Rahul Gupta	(022) 2499 4372	rahulg@nsdl.co.in
Mr. Yogesh Parve	(022) 2499 4490	yogeshp@nsdl.co.in
Mr. Narayan Venkat	(022) 2499 4479	narayanv@nsdl.co.in

Annexure 1

Client registration for Freeze for Delivery facility by Clearing Member (File Upload)

Batch upload file format will be as follows. The file will be comma delimited.

Header Record:

<Batch ID>,<CMBP ID>,<No. Of Records>

Detail Record:

<Line Number>,<DPID>,<CLIENT ID>,<EMAIL ID>,<ADD/REMOVE FLAG>

<ADD/REMOVE FLAG> can be: **A** – Add or **R** – Remove

Client registration for Freeze for Delivery facility (Response Download)

Download file format will be as follows:

Header Record:

<Batch ID>,<CMBP ID>,<No. Of Records>,<File generation timestamp>

Detail Record:

<Line Number>,<DPID>,<CLIENT ID>,<Accepted/Rejected>.<Rejection Reason>

CM has to provide a batch ID for which he wants to download response file

Annexure 2

CM batch Upload - Client registration for SPICE facility

Batch upload file format will be as follows:

File begin Indicator Record

Description	Data Type	Size	End	Status	Remarks
File begin Indicator	Character	2	2	M	It should be '{}' by default

Header Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
CM BP ID	Character	8	17	M	
Total number of Detail Records	Integer	5	22	M	
Filler	Character	10	32	O	Default Spaces
	Total	**32**			

Detail record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (12)
Line Number	Integer	5	14	M	
DP Id	Character	8	22	M	
Client ID	Integer	8	30	M	
POA ID	Integer	8	38	O	
Freeze for Delivery Flag	Character	1	39	O	N or ' ' for SPICE Registration of Clients, Y for SPICE Freeze for Delivery Registration of Clients, mandatory for Freeze for Delivery facility
Filler	Character	11	50	O	Default spaces
	Total	**50**			

File end Indicator Record

Description	Data Type	Size	End	Status	Remarks
File end Indicator	Character	2	2	M	It should be '{}' by default

Response file

Response download file format is as follows:

Header Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
CM BP ID	Character	8	17	M	

Total number of Detail Records	Integer	5	22	M	
Response Creation Date	Date	8	30	M	
Response Creation Time	Character	4	34	M	
Detail Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Flag	Character	1	15	M	
Instruction ID	Integer	15	30	M	
Instruction capture date time	Date time	14	44	M	System date time
Order Status	Character	2	46		
Rejection reason code 1	Integer	5	51	O	Default ‘00000’
Rejection reason code 2	Integer	5	56	O	Default ‘00000’
Rejection reason code 3	Integer	5	61	O	Default ‘00000’
Rejection reason code 4	Integer	5	66	O	Default ‘00000’
Filler	Character	10	76	O	Default spaces
	Total	**76**			
Trailer Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			

Annexure 3

File Download by DPs - Client registration for SPICE

Registration batch download file format will be as follows:					
Header Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
DP Id	Character	8	17	M	
Total number of Detail Records	Integer	5	22	M	
File create Date	Integer	8	30	O	System Date
File create Time	Integer	4	34	O	System Time
	Total	**34**			
Detail Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	

Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14		
Client Id	Integer	8	22	M	
CM BP Id	Character	8	30	M	
POA ID	Integer	8	38	O	
Freeze for Delivery Flag	Character	1	39	O	N or ‘ ‘ for SPICE, Y for SPICE registration for Freeze for Delivery facility
Status	Character	1	40	M	S – Submitted
Filler	character	10	50	O	Default Spaces
	Total	**50**			
Trailer Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			

Annexure 4

Authorization file upload for Client SPICE registration

The file format is as follows:-

Header Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
DP Id	Character	8	17	M	
Total number of Detail Records	Integer	5	22	M	
File create Date	Integer	8	30	O	
File create Time	Integer	4	34	O	
	Total	**34**			
Detail Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14		
Client Id	Integer	8	22	M	
CM BP Id	Character	8	30	M	
POA ID	Integer	8	38	O	

Freeze for Delivery Flag	Character	1	39	O	N or ‘ ‘ for SPICE Registration of Clients, Y for SPICE Freeze for Delivery Registration of Clients, mandatory for Freeze for Delivery facility
Status	Character	1	40	M	A – Accepted
					R - Rejected
Filler	Character	10	50	O	Default Spaces
	Total	50			
Trailer Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			

View status of batch upload

File format will be as follows:

Header Record

Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
DP ID	Character	8	17	M	
Total number of Detail Records	Integer	5	22	M	
Response Creation Date	Date	8	30	M	
Response Creation Time	Character	4	34	M	

Detail Record

Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Flag	Character	1	15	M	
Internet Instruction ID	Integer	15	30	M	
Order Status	integer	2	32	M	
Instruction capture date time	Date time	14	46	M	System date time
Rejection reason code 1	Integer	5	51	O	Default ‘00000’
Rejection reason code 2	Integer	5	56	O	Default ‘00000’
Rejection reason code 3	Integer	5	61	O	Default ‘00000’
Rejection reason code 4	Integer	5	66	O	Default ‘00000’
Filler	Character	10	76	O	Default spaces
	Total	**76**			

Trailer Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			

Annexure 5

SPICE Client List download for CM

File format for CM user:

Header Record:

<CMBPId>^<User_ID>^<No of records>^<Timestamp>

Detail Record:

<CMBPId>^<DP ID>^<Client Id>^<Status>^<POA ID>^<Type>

Value for Type can be “NORMAL POA” or “NOW POA”

Annexure 6

SPICE client list download for DPs

File format is as follows:

Header Record:

<DP ID>,<User ID>,<No of records>,<Timestamp>

Detail Record:

<DP ID>,<Client Id>,<CM BP ID>,<Status>,<Date>,<Type>

Value for Type can be “NORMAL POA” or “NOW POA”

Annexure 7

Batch upload of Freeze for Delivery / SPICE instructions by CMs

File format for batch upload will be as follows:

File begin Indicator Record

Description	Data Type	Size	End	Status	Remarks
File begin Indicator	Character	2	2	M	It should be ‘{}’ by default

Header Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
Filler	Character	6	15	O	Can be used for branch code in future.
CM BP ID	Character	8	23	M	
Total number of Detail Records	Integer	5	28	M	
Role	Character	2	30	M	Role is CM
	Total	**30**			

Detail Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	940 for Auto-Payin Instruction
Transaction Flag	Character	1	18	M	It should be A for all orders
Filler	Character	7	25	O	Not in Use
ISIN	Character	12	37	M	
Quantity	Decimal	15	52	M	12+3 without decimal point
Market Type	Integer	2	54	M	
Settlement Number	Character	7	61	M	
Execution Date	Date	8	69	M	
Source DP Id	Character	8	77	M	
Source Client Id	Integer	8	85	M	
Target CM BP Id	Character	8	93	M	
Filler	Character	1	94	O	Not in Use
Internal Reference Number/ Remarks	Character	20	114	O	Remarks, Populate Reference Details as in CM BO
POA ID	Integer	8	122	O	
Freeze for Delivery Flag	Character	1	123	O	N or ‘ ‘ for SPICE Registration of Clients, Y for SPICE Freeze for Delivery Registration of Clients, mandatory for Freeze for Delivery facility.
NOW Reference Number	Integer	16	139	O	NOW Reference ID (Mandatory if it is SPICE Freeze for Delivery Instruction)
Filler	Character	5	144	O	Not in Use
Trailer Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Trailer Record (19)
Filler	Character	6	15	O	Default spaces
Filler	Decimal	15	30	O	Default 15 Zero’s
Filler	Decimal	15	45	O	Default 15 Zero’s
Filler	Decimal	15	60	O	Default 15 Zero’s
DFP Instruction Total Qty	Decimal	15	75	O	12+3 without decimal point
Filler	Decimal	15	90	O	Default 15 Zero’s
Delivery Out Instruction Total Qty	Decimal	15	105	O	12+3 without decimal point
Inter Settlement Instruction Total Qty	Decimal	15	120	O	12+3 without decimal point

Inter Depository Instruction Total Qty	Decimal	15	135	O	12+3 without decimal point
Auto – Payin Instruction Total Qty	Decimal	15	150	O	12+3 without decimal point
Filler	Decimal	15	165	O	Default 15 Zero's
Filler	Decimal	15	180	O	Default 15 Zero's
Irreversible Delivery Out Total Qty	Decimal	15	195	O	12+3 without decimal point
Pool to Pool Instruction Total Qty	Decimal	15	210	O	Default 15 Zero's
Filler	Decimal	15	225	O	Default 15 Zero's
Filler	Decimal	15	240	O	Default 15 Zero's
Filler	Character	7	247	O	Default spaces
Grand Total of Qty	Decimal	15	262	M	12+3 without decimal point
	Total	**262**			

Response download of Freeze for Delivery/SPICE instruction batch for CM

File format for response download will be as follows:

Header Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
Filler	Character	6	15	O	Default Spaces
CM BP ID	Character	8	23	M	
Total number of Detail Records	Integer	5	28	M	
Response Creation Date	Date	8	36	M	
Response Creation Time	Character	4	40	M	
Filler	Character	2	42	O	Default Spaces

Detail Record

Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Character	3	17	M	
Transaction Flag	Character	1	18	M	
Internal Reference Number	Character	20	38	M	
Internet Transaction Id	Integer	15	53	M	
Internet Instruction ID	Integer	15	68	M	
Order Status	integer	2	70	M	
Instruction capture date time	Date time	14	84	M	System date time
Rejection reason code 1	Integer	5	89	O	Default '00000'
Rejection reason code 2	Integer	5	94	O	Default '00000'

Rejection reason code 3	Integer	5	99	O	Default ‘00000’
Rejection reason code 4	Integer	5	104	O	Default ‘00000’
Filler	Character	10	114	O	Default spaces
	Total	**114**			

Trailer Record:

Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Trailer Record (19)
Filler	Character	6	15	O	Can be used for branch code in future
Filler	Decimal	30	45	O	Default 15 Zero’s
Filler	Decimal	30	75	O	Default 15 Zero’s
Filler	Decimal	30	105	O	Default 15 Zero’s
DFP Instruction Accepted Qty	Decimal	15	120	O	12+3 without decimal point
DFP Instruction Rejected Qty	Decimal	15	135	O	12+3 without decimal point
Filler	Decimal	30	165	O	Default 15 Zero’s
Delivery Out Instruction Accepted Qty	Decimal	15	180	O	12+3 without decimal point
Delivery Out Instruction Rejected Qty	Decimal	15	195	O	12+3 without decimal point
Inter Settlement Instruction Accepted Qty	Decimal	15	210	O	12+3 without decimal point
Inter Settlement Instruction Rejected Qty	Decimal	15	225	O	12+3 without decimal point
Auto-Payin Instruction	Decimal	15	240	0	12+3 without decimal point
Accepted Qty					
Auto-Payin Instruction	Decimal	15	255	O	12+3 without decimal point
Rejected Qty					
Filler	Decimal	30	285	O	Default 30 Zero’s
Filler	Decimal	30	315	O	Default 30 Zero’s
Filler	Decimal	30	345	O	Default 30 Zero’s
Irreversible Delivery Out	Decimal	15	360	O	12+3 without decimal point
Accepted Qty					
Irreversible Delivery Out	Decimal	15	375	O	12+3 without decimal point
Rejected Qty					
Pool to Pool Accepted Qty	Decimal	15	390	O	12+3 without decimal point
Pool to Pool Rejected Qty	Decimal	15	405	O	12+3 without decimal point
Inter Depository Delivery Instruction Accepted Qty	Decimal	15	420	O	12+3 without decimal point

Inter Depository Delivery Instruction Rejected Qty	Decimal	15	435	O	12+3 without decimal point
Filler	Decimal	30	465	O	Default 30 Zero's
Filler	Character	7	472	O	Default Spaces
Grand Total of Accepted Qty	Decimal	15	487	M	12+3 without decimal point
Grand Total of Rejected Qty	Decimal	15	502	M	12+3 without decimal point
	Total	502			

Annexure 8

1.1 CHANGE ORDER OF THE DAY DOWNLOAD

1.1.1 OVERVIEW

This download helps the DP to view the order that has been changed from one status to another during the day.

1.1.2 INPUT CRITERIA

Field/Range	**Valid Values**
Full or Incremental option or online	Need to choose from given options
Statement Date	The current business date
From Date And time	Enabled and set in case of incremental download
To Date and time	Enabled and set in case of incremental download

1.1.3 SORTING

Field	Ascending
Line number	Yes

1.1.4 PROCESSING LOGIC

1. The download will provide two options full and incremental.
2. In case of "Full" download, all the orders whose status have been changed are downloaded corresponding to a particular business date.
3. In case of "Incremental" download, all the orders whose status have been changed are downloaded corresponding to a particular business date. Only those records are including whose status have been changed from the last download date.
4. The downloaded file will be a ZIP file which can be extracted to obtain the .TEXT file inside it. . This is applicable for all types of download (full and incremental).

1.1.5 FILE FORMATS

Record Type	Record Identifier	Record length	Remarks
Header	'01'	129	One (First) record per file
Detail	'02'	1080	Second record onwards, multiple per file.

1.1.6 HEADER RECORD

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Header Record (01)
DP Id	Character	8	10	M	
Download Type	Char	1	11	M	I – Incremental
F – Full					
Statement Business Date	Date	8	19	M	Business date
Last Download Date From	Date	8	27	O	Mandatory if Download Type is “I” (DATE FORMAT ::YYYYMMDD)
Last Download Time From	Time	6	33	O	Mandatory if Download Type is “I”(TIME FORMAT ::HHMMSS)
Last Download Date To	Date	8	41	O	Mandatory if Download Type is “I” (DATE FORMAT ::YYYYMMDD)
Last Download Time To	Time	6	47	O	Mandatory if Download Type is “I”(TIME FORMAT::HHMMSS)
Statement Preparation Date	Date	8	55	M	System Date (YYYYMMDD)
Statement Preparation Time	Time	6	61	M	System Time(HHMMSS)
Total number of Detail Records	Integer	9	70	M	
Filler	Character	59	129	O	

1.1.7 DETAIL RECORD

Each detail record will be further identified with a transaction type:

Transaction Type	Transaction Description
801	Pool – Pool Account transfer (valid only from CC’s CM Pool)
900	Repurchase Instruction
901	Demat Instruction
902	Remat Instruction
904	Delivery Free of Payment (Inter DP) Instruction
905	Receipt Free of Payment (Inter DP) Instruction
906	Delivery Out Instruction
907	Inter Settlement Transfer Instruction
908	Pledge initiation
909	Hypothecation initiation
910	Pledge invocation
911	Pledge closure instruction
912	Irreversible Delivery Out Instruction
916	Pledging confirmation (Pledgee end – Confirmation of Pledge)
917	Hypothecation confirmation (Pledgee end – Confirmation of Hypothecation)
918	Invocation confirmation (Pledgor end – Confirmation of invocation)
919	Closure confirmation (Pledgee end)

920	Receipt-In Intimation
921	Corporate Action (Debit)
922	Corporate Action (Credit)
923	Lock-in Release
925	Inter Depository Transfer Instruction (DELIVERY)
926	Inter Depository Transfer Instruction (RECEIPT)
927	Auto Do Transfer Instruction
934	CM Pool Delivery Instruction
935	CM Pool Receipt Instruction
936	Account Freezing Instruction
937	Account Unfreezing Instruction
938	ACA Debit
939	ACA Credit
940	Account Transmission
941	Account Closure
942	Freeze For Delivery

Detail Record (900 to 907; 913; 914; 915; 920 to 924; 927,930,931,938,939,942)

Sr. No.	Description	Data Type	Size	End	Status	Remarks
1	Record Type	Integer	2	2	M	Detail Record (02)
2	Line Number	Integer	9	11	M	
3	Branch Code	Character	6	17	M	
4	Transaction Type	Integer	3	20	M	
5	BP Instruction ID	Integer	14	34	M	For CA (921/922) and ACA
(938/939) , it will be DM Request ID						
6	Order Status from	Integer	2	36	M	
7	Order Status to	Integer	2	38	M	
8	Status change user	Character	8	46	M	Login id of user
9	Cancellation Status from	Integer	2	48	M	Not Applicable for 920, 921, 922, 923, 938, 939
10	Cancellation Status to	Integer	2	50	M	Not Applicable for 920, 921, 922, 923, 938, 939
11	Status change date time	Date time	14	64	M	System date time (YYYYMMDDHHMMSS)
12	Original BP Instruction ID	Integer	14	78	O	
13	Client Id	Integer	8	86	M	
14	ISIN	Character	12	98	M	

15	Requested Quantity / Redemption Amount	Decimal	18	116	M	15+3 without decimal point (for manual and automatic Delivery Out, quantity executed, i.e. sent to DM) 1) In case the instruction type is 901(Conversion of Units) with 'ALL Units' option, this field will have 'Zero' quantity and "All Units/ Amount Indicator" field (sr. no. 41) will have 'A'. 2) In case the instruction type is 901(Demat /Conversion of Units) with specific Quantity, this field will have the 'Requested Quantity' and "All Units/Amount Indicator" field (sr. no. 41) will have 'Space'. 3) In case the instruction type is 900 (MF Redemption) with option 'All Units', this field will have the available quantity (in Client Account) and "All Units/Amount Indicator" field (sr. no. 41) will have 'A'. 4) In case the instruction type is 902 (Remat / Reconversion of Units) / 900 (Repurchase) with specific Quantity, this field will have 'Requested Quantity' and "All Units/Amount Indicator" field (sr. no. 41) will have 'Space'.
16	Lock-in Reason Code / Block Code	Integer	2	118	O	
17	Lock-in Release Date	Date	8	126	O	Not Applicable for 920(YYYYMMDD)
18	Market Type	Integer	2	128	O	
19	Settlement Number	Character	7	135	O	
20	Execution Date	Date	8	143	O	Execution date for account transfer/ DO /Corporate Action/Auto Corporate Action , Intersettlement. (YYYYMMDD)
21	Other Branch Code	Character	6	149	O	Not in Use
22	Other DP Id/Related DP Id	Character	8	157	O	Applicable in case of DFP/RFP
23	Other Client Id/No. of certificates	Integer	8	165	O	Applicable in case of DFP/RFP . No. of Certificates in case of Remat.
24	Beneficiary Account Category	Integer	2	167	O	Mandatory for 921,922.938,939
25	Other CM BP Id	Character	8	175	O	Only for DFP/RFP subject to other a/c is of CM

26	Other Market Type	Integer	2	177	O	Applicable in case of Inter Settlement transfer
27	Other Settlement Number	Character	7	184	O	Applicable in case of Inter Settlement transfer
28	Internal Reference Number/ Remarks	Character	35	219	O	User Remarks/ACA Description
29	Filler	Character	20	239	O	
30	Settled Quantity/ Delivered Quantity	Integer	18	257	O	Applicable for manual and automatic delivery out and for account transfer instruction for which quantities are partially settled.
31	Rejection Reason Code 1	Character	6	263	O	Applicable Only for DEMAT / Conversion of Units / REMAT instructions
32	Rejection Reason Code 2	Character	6	269	O	Applicable Only for DEMAT / Conversion of Units / REMAT instructions
33	Rejection Reason Code 3	Character	6	275	O	Applicable Only for DEMAT / Conversion of Units / REMAT instructions
34	Rejection Reason Code 4	Character	6	281	O	Applicable Only for DEMAT / Conversion of Units / REMAT instructions
35	Filler	Character	1	282	O	
36	Filler	Date	8	290	M	(YYYYMMDD)
37	Filler	Character	115	405	O	
38	Mutual Fund Indicator	Character	1	406	O	'M' or space. M in case of MF ISIN Space for other ISINs.
39	Folio Number	Character	20	426	O	Mandatory only when MF indicator is M and Instruction Type is Conversion of Units(901). Otherwise Space.
40	Number of SOA	Character	3	429	O	Mandatory only when MF indicator is M and Instruction Type is Conversion of Units(901). Otherwise Space.
41	All Units/Amount Indicator	Character	1	430	O	(I) If Mutual Fund Indicator is 'M' (Sr. No.38)
						i) 'A' - in case Conversion of Units / MF Redemption request is initiated with option 'All Units'.
						ii) 'N' - in case MF Redemption request is initiated with option 'Amount'.
						iii) 'Space' - in case Conversion of Units / MF Redemption request is initiated with specific Quantilty.
						(II) If Mutual Fund Indicator has 'Space' (in case of non-MF ISINs), then this field will have space.

42	Filler	Character	10	440	O	
43	Filler	Character	171	611	O	For Future use
44	Freeze for Delivery FLAG	Character	1	612	O	Freeze for Delivery (FFD Flag -Y) Mandatory only 942
45	NOW Reference no	Integer	16	628	O	NOW Reference no Mandatory only 942 and NOW SPICE INST DFP (904)/RFP (905)
46	Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
47	Target Client Name	Character	135	765	O	This will be provided only for first transition of Account Transfer Instruction.
48	Filler	Character	115	880	O	For Future use
49	Priority Flag	Character	1	881	O	
50	Back Office reference details	Character	32	913	O	
51	Sender Reference No 1	Character	50	963	O	
52	Sender Reference No 2	Character	50	1013	O	
53	File Reference Id	Character	20	1033	O	
54	DM Order Number	Integer	10	1043	O	
55	Original DM Order Number	Integer	10	1053	O	
54	Filler	Integer	8	1061	O	
55	Filler	Character	2	1063	O	
56	CC ID	Character	8	1071	O	For RGESS Margin Transfer
57	Market Type	Integer	2	1073	O	For RGESS Margin Transfer
58	Settlement Number	Character	7	1080	O	For RGESS Margin Transfer

Annexure 9

Booking Narration Codes for Freeze for Delivery (SOT)

Sr. No.	Booking Code	Description
1	11508	ACCOUNT_TRANSFER_HOUSE_TO_TRANSITHOUSE
2	11509	ACCOUNT_TRANSFER_NONHOUSE_TO_TRANSITNONHOUSE
3	11510	ACCOUNT_TRANSFER_TRANSITHOUSE_TO_POOL
4	11511	ACCOUNT_TRANSFER_TRANSITNONHOUSE_TO_POOL
5	11512	ACCOUNT_TRANSFER_TRANSITHOUSE_TO_HOUSE
6	11513	ACCOUNT_TRANSFER_TRANSITNONHOUSE_TO_NONHOUSE

Circular No : NSDL/POLICY/ 2013/0070 Date: May 10, 2013	***Sub: Enhancement of SPICE facility for Margin based beneficiary accounts of Clearing Members***

As Participants are aware, SPICE facility enables Clearing Members (CMs) who have Power of Attorney of their Clients to submit digitally signed Auto Pay-in instructions to debit the depository accounts of the Clients and credit their CM Pool Accounts (Ref.: Circular No. NSDL/POLICY/2009/0126 dated December 31, 2009). Participants are hereby informed that in addition to crediting CM Pool Accounts, SPICE is enhanced to facilitate debit of Client's beneficiary accounts (who has given POA) and credit to the margin account of the CM maintained with a Participant. The procedure for aforesaid enhancement will be same as applicable for debiting a beneficiary owner account and crediting CM Pool Account as given at Circular No. NSDL/POLICY/2009/0126 dated December 31, 2009. The additional steps required to be followed at the time of registration by the Participant of the Client whose account is to be debited are as follows:

1 The Participant of the Client must obtain a copy of the Client Master Report/other report in respect of DP ID/Client ID and name of the account where securities are to be credited in the Margin based beneficiary account of the CM.

2 The Participant must verify the Client ID as specified in the Power of Attorney document with the copy of Client Master Report/other report (as mentioned in point no.1 above).

3 Upon such verification, the Participant may confirm the registration request.

The procedure for crediting securities to CM Pool account as well as Margin based beneficiary account of the Clearing Members is given at Annexure A.

(I) Pre-requisites:

Entity	Subscription to	Remark
Clearing Member	***SPEED-e*** *(e-token based User)*	Clients should have given POA in favour of the CM Pool account / Margin based beneficiary account for submission of instructions to debit their demat accounts and credit CM Pool account / Margin based beneficiary account of the CM.
Participant *(where CM is maintaining their CM Pool account / Margin based beneficiary account)*	***SPEED-e***	-
Client *(beneficiary account holder)*	-	Clients must have given POA in favour of the CM Pool account / Margin based beneficiary account of the CM and such POA documents must have been submitted to the Participant.
Participant of the Client	Either ***SPEED-e*** or ***IDeAS***	Participant must have taken the POA *(given by clients in favour of the CM Pool account / Margin based beneficiary account of the CM)* documents in its records.

(II) Registration:

To avail the aforesaid facility, the Participant (where CM Pool account / Margin based beneficiary accounts of the CM are maintained) should have subscribed for the SPEED-e facility. In case the CM Pool account / Margin based beneficiary accounts of the CMs are not registered for SPEED-e facility, then they will be required to register as e-token based Users on SPEED-e by following the existing process.

CMs who wish to avail SPICE facility for their CM Pool accounts and their Margin based beneficiary accounts (existing as well as new subscribers of SPEED-e) will be required to submit an application as per Annexure 1 (enclosed) to their Participants (subscribed for SPEED-e facility). POA documents must be available with the Participants where the Clients are maintaining their demat accounts. Participants will be required to forward Annexure 1 (duly authorized by their Compliance Officer / Alternate Compliance Officer) to NSDL for activating the SPICE facility for such CMs in respect of their CM Pool accounts / Margin based beneficiary accounts. CMs who already avail SPICE facility for their CM Pool account will be once again required to submit Annexure 1 to their respective Participant for registration of SPICE facility for their Margin beneficiary account.

(III) Back office file formats:

The Back-office file formats for CM Pool account and Margin based beneficiary accounts of CMs to interface with SPEED-e system are enclosed at Annexure 2 and 3 respectively Further, the file formats are also displayed on SPEED-e website (https://eservices.nsdl.com) and NSDL's intranet site (https://i-Assist).

(IV) Deadline time for submission of instructions by CM / Margin based beneficiary account of CM with current date as the execution date:

In case Participants encounter any difficulty in downloading the instructions from SPEED-e, the same should be reported to Help Desk immediately and a Token Number for the same should be obtained.

Sr. No.	Particulars	Deadline time for CM / Margin based beneficiary account holder to submit SPICE instructions with current date as execution date for such Clients	Remark
1	Client enabled for SPICE DIRECT	9:15 pm on Weekdays & 4:15 pm on Saturdays	Instructions submitted by the CM / Margin based beneficiary account holder till 9:15 pm and 4:15 pm on Weekdays and Saturdays respectively will get directly transmitted to NSDL.

2	Client enabled for SPICE	Participant-wise deadline as set by Participant of the Client which can be anytime between 6:00 pm and 8:15 pm on weekdays and anytime between 1:30 pm and 4:15 pm on Saturdays	Participant of the Client will have to download instructions after its set deadline time *(i.e., Participant-wise deadline time)* and upload the same into the eDPM System well before the NSDL deadline time *(i.e., 9:30 pm on weekdays and 4:30 pm on Saturdays)*. CM / Margin based beneficiary account holder cannot submit SPICE instructions after the Participant-wise deadline time set by the Participant of the Client. Example: If the Participant of the Client has set its Participant-wise deadline as 7:00 pm for submitting SPICE instructions with execution date as current date, CM / Margin based beneficiary account holder cannot submit SPICE instructions with execution date as current date after 7:00 pm for such Clients.

(V) Charges:

This aforesaid feature will be released on SPEED-e facility with effect from Saturday, May 11, 2013. For more information / clarification, Participants are requested to contact the following officials:

Particulars	Charges payable
Client	Free
Participant	Free
CM Pool account / Margin based beneficiary account of the CM	No additional charges for CM / Margin based beneficiary account holder for availing SPICE facility. The existing charge of Rs.125 payable per quarter towards subscription for e-token based facility of SPEED-e will continue.

This aforesaid feature will be released on ***SPEED-e*** facility with effect from **Saturday, May 11, 2013.** For more information / clarification, Participants are requested to contact the following officials:

Name of the official	Telephone Number	Email address
Mr. Dhananjay Chauhan	(022) 2499 4647	dhananjayc@nsdl.co.in
Mr. Narain Tanwani	(022) 2499 4355	naraint@nsdl.co.in
Mr. Rahul Gupta	(022) 2499 4372	rahulg@nsdl.co.in
Mr. Narayan Venkat	(022) 2499 4479	narayanv@nsdl.co.in

Sr. No.	Work Flow for CMs Pool account and their Margin based beneficiary accounts	Entity	Access Link		Reference no. of the file format	
			For CM Pool accounts	For Margin based beneficiary accounts of the CM	Annexure 2 for CM Pool accounts	Annexure 3 for Margin based beneficiary accounts of the CM
1	Registration of the Client IDs on SPEED-e on behalf of whom instructions will be submitted using Digital Signature Certificate (DSC)	CM	"Upload (POA Registration)"	"Upload (PBO Registration)"	1.1 - Client Registration for SPICE	1.1 - Client Registration for SPICE
2	To ascertain Status of the Client registration (Download of the registration response file)	CM	"View status (POA Registration)"	"View status (PBO Registration)"	1.2 - Response file for Client Registration	1.2 - Response file for PBO Registration
3	Participants (where the Client has the demat account) will download the Client registration file through SPEED-e / IDeAS (IDeAS in case the Participant has not subscribed for SPEED-e facility)	Partici-pant	"Download (POA Registration)"	"Download (PBO Registration)"	1.3 - Batch Download by Participant with respect to batch uploaded for SPICE registration.	1.3 - Batch Download by Participant with respect to batch uploaded for SPICE registration.
4	The downloaded file will carry the signature of NSDL. Participants will verify the file using signature verification utility (SVU). An EXE file is provided in download link on e-Services website. Thereafter, the authorisation file as per the prescribed file format will be uploaded by Participants using DSC. The file will contain details as to whether the Participant has accepted or rejected the Client registration for this facility. *Participants should ensure that acceptance is provided only for those Clients (on whose behalf instructions will be submitted through* **SPEED-e***) who have given POA*	Partici-pant	"Upload (POA Authoris-ation)"	"Upload (PBO Authoris-ation)"	1.4 - Batch Upload by Participant for accepting / rejecting the requests	1.4 - Batch Upload by Participant for accepting / rejecting the requests
5	Participants of the clients can register the SPICE Clients for SPICE DIRECT facility. In respect of Clients registered by Margin based beneficiary account of the CM, Participants can enable SPICE DIRECT facility by uploading the registration file having Status code as 'B'.	Partici-pant	"SPICE Direct (Registration/ De-Registration)"	"Upload (PBO Authorisation)"	Refer NSDL Circular No. NSDL/ POLICY/ 2012/0042 dated April 12, 2012	1.4 - Batch Upload by Participant for accepting / rejecting the requests

Sr. No.	Work Flow for CMs Pool account and their Margin based beneficiary accounts	Entity	Access Link		Reference no. of the file format	
			For CM Pool accounts	For Margin based beneficiary accounts of the CM	Annexure 2 for CM Pool accounts	Annexure 3 for Margin based beneficiary accounts of the CM
6	Participants can ascertain the status of the records with respect to the file uploaded by them by downloading a response file.	Partici-pant	"View Status (POA Authorisation)"	"View Status (PBO Authorisation)"	1.5 - View Response file for Client Authorisation	1.5 - View Response file for Client Authorisation
7	Client List Download for ascertaining the Clients registered for SPICE.	CM	"POA Client List Download"	"PBO Client List Download"	1.6 - Download POA Client List	1.6 - Download PBO Client List
8	Client List Download for Participants	Partici-pant	"Download SPICE Client List"	"Download SPICE for PBO Client List"	1.7 - Download SPICE Client List by Participant	1.7 - Download SPICE - PBO Client List by Participant
9	In case the Client revokes the POA then Participant should immediately ensure to upload rejection file on ***SPEED-e / IDeAS*** as the case may be and discontinue the facility for the Client.	Partici-pant	"Upload (POA Authorisation)".	"Upload (PBO Authoris-ation)".	1.4 - Batch Upload by Participant for accepting / rejecting the requests	1.4 - Batch Upload by Participant for accepting / rejecting the requests
10	Once Clients are registered for this facility, instructions can be submitted on behalf of these Clients on ***SPEED-e***	CM	"Upload Auto Pay-in Instruction"	"Upload PBO Instruction"	1.8 - Batch Upload to submit instructions on behalf of Clients	1.8 - Batch Upload to submit instructions on behalf of Clients
11	Response file for instructions uploaded on behalf of clients	CM	"View Status"	"View Status (PBO Instruction)"	1.9 - Response file of SPICE instruction	1.9 - Response file of SPICE instruction
12	CMs can ascertain the status of the Auto Pay-in instructions submitted by them	CM	"Auto Pay-in Instructions Status Download"	--	1.10 - Download 'Auto Pay-in Instructions status 1.11 - Auto Pay-in instructions status codes and descriptions	--
13	Participants will download the instructions from ***SPEED-e / IDeAS***, Participants can either verify this file with the SVU and upload the same into the eDPM System or directly upload into eDPM System. If client is registered for SPICE DIRECT the instructions will be routed directly to NSDL	Partici-pant	--	--	--	--

Annexure 1

(Draft application to be given on the letter head of the Clearing Member to its Depository Participant)

Date :

Name of the Compliance Officer
DP Name (DP ID)
Address

Dear Sir/Madam,

We wish to subscribe our ☐ Clearing Member (CM) Pool Account / ☐ Margin based beneficiary account *(tick any one or both, as applicable)* for **SPICE** *(**S**ubmission of **P**ower of attorney based **I**nstructions for **C**lients **E**lectronically)* facility which will facilitate us to submit instructions on behalf of Clients *(who have given Power of Attorney in favour of us)* on ***SPEED-e*** to debit Client's beneficiary account and credit our CM Pool Account / Margin based beneficiary account. We agree that if any securities are moved to our CM Pool Account / Margin based beneficiary account which are not due to us for any reasons including but not limited to an error or fraud, we undertake to immediately return the securities to the Client. The details of our account are as under:

DP ID	Client ID	CM BP ID (if any)	Client Name	Type	Sub-Type
IN					
IN					

Yours faithfully,

(Signature / Authorised Signatories)

To be signed by the authorized signator(ies) of the Clearing Member

==========

Authorisation

Received an application for subscription for **SPICE** facility from _____ (name of the ☐ Clearing member Pool Account / ☐ Margin based beneficiary account *[tick any one or both, as applicable]*) having CM BP ID _____ / Client ID _____. The application form has been verified with respect to the mentioned CM Pool Account / Margin based beneficiary account of the CM and certified that the same is in order. We request NSDL to activate the CM Pool Account / Margin based beneficiary account of the CM for **SPICE** facility.

Name of the Compliance Officer / Alternate Compliance Officer _____

Signature of the Compliance Officer / Alternate Compliance Officer _____

Date: ___/___/_____ Place_____ (Stamp of the DP)
DD MM YYYY

Annexure 2
for Clearing Members Pool accounts

1.1 Client Registration for SPICE

File begin Indicator Record

Description	Data Type	Size	End	Status	Remarks
File begin Indicator	Character	2	2	M	It should be '{}' by default
Header Record					
Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
CM BP ID	Character	8	17	M	
Total number of Detail Records	Integer	5	22	M	
Filler	Character	10	32	O	Default Spaces
	Total	32			

Detail record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (12)
Line Number	Integer	5	14	M	
DP Id	Character	8	22	M	
Client ID	Integer	8	30	M	
POA ID	Integer	8	38	O	
Filler	Character	12	50	O	Default spaces
	Total	50			

File end Indicator Record

Description	Data Type	Size	End	Status	Remarks
File end Indicator	Character	2	2	M	It should be '{}' by default

1.2 - Response file for Client Registration

Header Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
CM BP ID	Character	8	17	M	
Total number of Detail Records	Integer	5	22	M	
Response Creation Date	Date	8	30	M	
Response Creation Time	Character	4	34	M	

Detail Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Flag	Character	1	15	M	
Instruction ID	Integer	15	30	M	
Instruction capture date time	Date time	14	44	M	System date time
Order Status	Character	2	46		
Rejection reason code 1	Integer	5	51	O	Default ‘00000’
Rejection reason code 2	Integer	5	56	O	Default ‘00000’
Rejection reason code 3	Integer	5	61	O	Default ‘00000’
Rejection reason code 4	Integer	5	66	O	Default ‘00000’
Filler	Character	10	76	O	Default spaces
	Total	76			
Trailer Record					
Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			
1.3 - Batch Download by Participant with respect to batch uploaded for SPICE registration.					
Header					
Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
DP Id	Character	8	17	M	
Total number of Detail Records	Integer	5	22	M	
File create Date	Integer	8	30	O	System Date
File create Time	Integer	4	34	O	System Time
	Total	34			
Detail Record					
Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14		
Client Id	Integer	8	22	M	
CM BP Id	Character	8	30	M	
POA ID	Integer	8	38	O	

Status	Character	1	39	M	S - Submitted
Filler	character	11	50	O	Default Spaces
	Total	50			

Trailer Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			

1.4 - Batch Upload by Participant for accepting / rejecting the requests

Header

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
DP Id	Character	8	17	M	
Total number of Detail Records	Integer	5	22	M	
File create Date	Integer	8	30	O	
File create Time	Integer	4	34	O	
	Total	34			

Detail Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14		
Client Id	Integer	8	22	M	
CM BP Id	Character	8	30	M	
POA ID	Integer	8	38	O	
Status	Character	1	39	M	A - Accepted
R - Rejected					
Filler	Character	11	50	O	Default Spaces
	Total	50			

Trailer Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			

1.5 - View Response file for Client Authorisation

Header

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
DP ID	Character	8	17	M	
Total number of Detail Records	Integer	5	22	M	
Response Creation Date	Date	8	30	M	
Response Creation Time	Character	4	34	M	

Detail Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Flag	Character	1	15	M	
Internet Instruction ID	Integer	15	30	M	
Order Status	integer	2	32	M	
Instruction capture date time	Date time	14	46	M	System date time
Rejection reason code 1	Integer	5	51	O	Default ‘00000’
Rejection reason code 2	Integer	5	56	O	Default ‘00000’
Rejection reason code 3	Integer	5	61	O	Default ‘00000’
Rejection reason code 4	Integer	5	66	O	Default ‘00000’
Filler	Character	10	76	O	Default spaces
	Total	76			

Trailer Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			

1.6 - Download POA Client List

Header Record

Field	Type	Maximum length	Description
CM BP ID	Character	8	
User ID	Character	8	
Number of records in file	Integer	Length will be according to number of records found	
Timestamp of creation of file	Date Time	14	Ddmmyyyyhhmmss format e.g.:01042010142558

Detail record

Field	Type	Maximum length	Description
CM BP ID	Character	8	
DP ID	Character	8	DP ID of the client
Client ID	Integer	8	
Current Status	Character	22	Registration Submitted/ Downloaded by DP/ Rejected by DP/ Active
POA ID	Integer	8	Default 8 spaces

1.7 - Download SPICE Client List by Participant

Header Record

Field	Type	Maximum length	Description
DP ID	Character	8	
User ID	Character	8	
Number of records in file	Integer	Length will be according to number of records found	
Timestamp of creation of file	Date Time	14	Ddmmyyyyhhmmss format e.g.:01042010142558

Detail record

Field	Type	Maximum length	Description
DP ID	Character	8	DP ID of the client
Client ID	Integer	8	
CM BP ID	Character	8	
Current Status	Character	15	ACCEPTED/REJECTED/DOWN LOADED/ SUBMITTED BY CM
Update date	Date	10	yyyy-mm-dd

1.8 - Batch Upload to submit instructions on behalf of Clients

File begin Indicator Record

Description	Data Type	Size	End	Status	Remarks
File begin Indicator	Character	2	2	M	It should be '{}' by default

Header Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
Filler	Character	6	15	O	Can be used for branch code in future.
CM BP ID / DP Id / CC Id	Character	8	23	M	
Total number of Detail Records	Integer	5	28	M	

Role	Character	2	30	O	Mandatory if batch has POA instructions. Role are as follows:- CM
	Total	30			

Detail record:-

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	940 for Auto-Payin Instruction
Transaction Flag	Character	1	18	M	It should be A for all orders
Filler	Character	7	25	O	Not in Use
ISIN	Character	12	37	M	
Quantity	Decimal	15	52	M	12+3 without decimal point
Market Type	Integer	2	54	M	
Settlement Number	Character	7	61	M	
Execution Date	Date	8	69	M	
Source DP Id	Character	8	77	M	
Source Client Id	Integer	8	85	M	
Target CM BP Id	Character	8	93	M	
Filler	Character	1	94	O	Not in Use
Internal Reference	Character	20	114	O	Remarks, Populate Reference
Number/Remarks					Details as in CM BO
POA ID	Integer	8	122	O	
Filler	Character	22	144	O	Not in Use
	Total	144			

Trailer Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Trailer Record (19)
Filler	Character	6	15	O	Default spaces
Filler	Decimal	15	30	O	Default 15 Zero’s
Filler	Decimal	15	45	O	Default 15 Zero’s
Filler	Decimal	15	60	O	Default 15 Zero’s
DFP Instruction Total Qty	Decimal	15	75	O	12+3 without decimal point
Filler	Decimal	15	90	O	Default 15 Zero’s
Delivery Out Instruction Total Qty	Decimal	15	105	O	12+3 without decimal point

Inter Settlement Instruction Total Qty	Decimal	15	120	O	12+3 without decimal point
Inter Depository Instruction Total Qty	Decimal	15	135	O	12+3 without decimal point
Auto – Payin Instruction Total Qty	Decimal	15	150	O	12+3 without decimal point
Filler	Decimal	15	165	O	Default 15 Zero's
Filler	Decimal	15	180	O	Default 15 Zero's
Irreversible Delivery Out Total Qty	Decimal	15	195	O	12+3 without decimal point
Pool to Pool Instruction Total Qty	Decimal	15	210	O	Default 15 Zero's
Filler	Decimal	15	225	O	Default 15 Zero's
Filler	Decimal	15	240	O	Default 15 Zero's
Filler	Character	7	247	O	Default spaces
Grand Total of Qty	Decimal	15	262	M	12+3 without decimal point
	Total	262			

1.9 - Response file of SPICE instructions

Header Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
Filler	Character	6	15	O	Default Spaces
CM BP ID	Character	8	23	M	
Total number of Detail Records	Integer	5	28	M	
Response Creation Date	Date	8	36	M	
Response Creation Time	Character	4	40	M	
Filler	Character	2	42	O	Default Spaces

Detail Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Character	3	17	M	
Transaction Flag	Character	1	18	M	
Internal Reference Number	Character	20	38	M	
Internet Transaction Id	Integer	15	53	M	
Internet Instruction ID	Integer	15	68	M	
Order Status	integer	2	70	M	
Instruction capture date time	Date time	14	84	M	System date time
Rejection reason code 1	Integer	5	89	O	Default '00000'

Rejection reason code 2	Integer	5	94	O	Default ‘00000’
Rejection reason code 3	Integer	5	99	O	Default ‘00000’
Rejection reason code 4	Integer	5	104	O	Default ‘00000’
Filler	Character	10	114	O	Default spaces
	Total	114			

Trailer Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Trailer Record (19)
Filler	Character	6	15	O	Can be used for branch code in future
Filler	Decimal	30	45	O	Default 15 Zero’s
Filler	Decimal	30	75	O	Default 15 Zero’s
Filler	Decimal	30	105	O	Default 15 Zero’s
DFP Instruction Accepted Qty	Decimal	15	120	O	12+3 without decimal point
DFP Instruction Rejected Qty	Decimal	15	135	O	12+3 without decimal point
Filler	Decimal	30	165	O	Default 15 Zero’s
Delivery Out Instruction Accepted Qty	Decimal	15	180	O	12+3 without decimal point
Delivery Out Instruction Rejected Qty	Decimal	15	195	O	12+3 without decimal point
Inter Settlement Instruction Accepted Qty	Decimal	15	210	O	12+3 without decimal point
Inter Settlement Instruction Rejected Qty	Decimal	15	225	O	12+3 without decimal point
Auto-Payin Instruction Accepted Qty	Decimal	15	240	0	12+3 without decimal point
Auto-Payin Instruction Rejected Qty	Decimal	15	255	O	12+3 without decimal point
Filler	Decimal	30	285	O	Default 30 Zero’s
Filler	Decimal	30	315	O	Default 30 Zero’s
Filler	Decimal	30	345	O	Default 30 Zero’s
Irreversible Delivery Out Accepted Qty	Decimal	15	360	O	12+3 without decimal point
Irreversible Delivery Out Rejected Qty	Decimal	15	375	O	12+3 without decimal point
Pool to Pool Accepted Qty	Decimal	15	390	O	12+3 without decimal point
Pool to Pool Rejected Qty	Decimal	15	405	O	12+3 without decimal point
Inter Depository Delivery Instruction Accepted Qty	Decimal	15	420	O	12+3 without decimal point
Inter Depository Delivery Instruction Rejected Qty	Decimal	15	435	O	12+3 without decimal point
Filler	Decimal	30	465	O	Default 30 Zero’s
Filler	Character	7	472	O	Default Spaces
Grand Total of Accepted Qty	Decimal	15	487	M	12+3 without decimal point

Grand Total of Rejected Qty	Decimal	15	502	M	12+3 without decimal point
	Total	502			

1.10 - Download Auto Pay-in Instructions status

Header Record

Field	Description	madatory / optional
CM BP ID	CM BP ID of CM	mandatory
User Id	User ID of CM	mandatory
Number of records in file	Total Records	mandatory
Timestamp of creation of file	ddmmyyyy Format	mandatory

Detail record

Field	Description	madatory / optional
Batch ID	Batch Id of the Instruction	mandatory
Transaction Number	Transaction number of the instruction.	mandatory
SPEED-e Instruction ID	Instruction Id related to SPEED-e	mandatory
DPM Instruction Id	Instruction Id related too DPM	mandatory
CM BP ID	BP Id of CM	mandatory
DP ID	DP Id of Investor	mandatory
Client ID	Client ID of invester	mandatory
POA ID	POA ID of invester.	optional
ISIN	ISIN	mandatory
Market Type	Market Type	mandatory
Settlement Number	Settlement Number	mandatory
Execution Date	dd-MMM-yyyy format	mandatory
Requested Quantity	Quantity Requested	mandatory
Settled Quantity	Quantity Settled	mandatory
Status code	Status code of the Instruction mandatory	
Rejection reason 1	Reason code for the rejected Instruction mandatory	
Rejection reason 2	Reason code for the rejected Instruction mandatory	
Rejection reason 3	Reason code for the rejected Instruction mandatory	
Rejection reason 4	Reason code for the rejected Instruction mandatory	

1.11 – Auto Pay-in instructions status codes and descriptions

Code	Description
0	Rejected at DP
3	Withheld by DP in Backoffice

4	Rejected by DP in its Backoffice
5	Pending
10	Received by SPEED-e
11	Received by DP
13	Received by DP
31	Received by DP
32	Received by DP
33	Waiting for Counter-Party Instruction
34	Received by DP
35	Closed Partially Settled
37	Received by DP
40	Waiting for Balances
41	Waiting for Balances
51	Transferred
53	Failed
54	Rejected
55	Canceled by DP
99	Updated by DP

1.12 – Auto Pay-in instructions rejection reason codes and descriptions

Code	Description
3045	ISIN not in valid status
3121	Settlement date not equal to system Settlement run date
3166	Cancelled - Overdue status
3167	Cancelled - Not matched status
3182	SI rejected;invalid client id
3333	ACA Execution date is same as the instruction execution
3334	ADO Execution date is before the instruction execution
3801	Invalid client status
9703	Rejected due to ACA
3801	Invalid client status
3334	ADO Exec date is before the instruction execution
3333	ACA Exec date is same as the instruction execution
5013	Invalid Market Details
5046	Your instruction has been received beyond the acceptance deadline
5058	Invalid Other Depository ID
5059	The ISIN is Partially Freezed.

5060	Invalid Target/Source Market Details combination
5061	Isin does not exist
5062	Invalid CM Id & Market Details Combination
5015	Qty should not be in decimals
5045	Execution date cannot be Sunday
5003	Invalid Execution Date
5058	Invalid Other Depository ID
5014	Quantity should be greater than zero and less than 999999999999.999
5002	ISIN does not exist
5021	Pay In Date is Less Than Exec Date
7070	DP holiday
7071	CDSL holiday
5090	You cannot submit an instruction of current execution date after 6 pm IST from Monday to Friday and 3 pm IST on Saturday

Annexure 3

for Margin based beneficiary accounts of the CM

1.1 - Client Registration for SPICE:

File begin Indicator Record:

Description	Data Type	Size	End	Status	Remarks
File begin Indicator	Character	2	2	M	It should be '{}' by default

Header Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
DP ID	Character	8	17	M	DP Id of POA holder
Client Id	Integer	8	25	M	Client Id of POA holder
Total number of Detail Records	Integer	5	30	M	
Filler	Character	10	40	O	Default Spaces
	Total	40			

Detail record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
DP Id	Character	8	22	M	DP Id of source SPICE client
Client ID	Integer	8	30	M	Client Id of source SPICE client

SPICE ID	Integer	8	38	O	
Filler	Character	12	50	O	Default spaces
	Total	50			

File begin Indicator Record:

Description	Data Type	Size	End	Status	Remarks
File end Indicator	Character	2	2	M	It should be '{}' by default

1.2 - Response file for PBO Registration

Header Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
DP ID	Character	8	17	M	DP Id of POA holder
Client Id	Integer	8	25	M	Client Id of POA holder
Total number of Detail Records	Integer	5	30	M	
Response Creation Date	Date	8	38	M	
Response Creation Time	Character	4	42	M	

Detail Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Flag	Character	1	15	M	
Instruction ID	Integer	15	30	M	
Instruction capture date time	Date time	14	44	M	System date time
Order Status	Character	2	46		
Rejection reason code 1	Integer	5	51	O	Default '00000'
Rejection reason code 2	Integer	5	56	O	Default '00000'
Rejection reason code 3	Integer	5	61	O	Default '00000'
Rejection reason code 4	Integer	5	66	O	Default '00000'
Filler	Character	10	76	O	Default spaces
	Total	76			

Trailer Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			

1.3 - Batch Download by Participant with respect to batch uploaded for SPICE registration.

Header record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
DP Id	Character	8	17	M	DP Id of source SPICE client
Total number of Detail Records	Integer	5	22	M	
File create Date	Integer	8	30	O	System Date
File create Time	Integer	4	34	O	System Time
	Total	34			

Detail Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14		
Client Id	Integer	8	22	M	Client id of source SPICE client
DP ID	Character	8	30	M	DP Id of POA holder
Client Id	Integer	8	38	M	Client Id of POA holder
Status	Character	1	39	M	S – Submitted
Filler	Integer	8	47	O	Default Spaces
	Total	47			

Trailer Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			

1.4 - Batch Upload by Participant for accepting / rejecting the requests

Header record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
DP Id	Character	8	17	M	DP ID of Source SPICE client
Total number of Detail Records	Integer	5	22	M	
File create Date	Integer	8	30	O	
File create Time	Integer	4	34	O	
	Total	34			

Detail Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14		
Client Id	Integer	8	22	M	Client ID of Source SPICE client
DP ID	Character	8	30	M	DP ID of POA holder
Client Id	Integer	8	38	M	Client ID of POA holder
Status B – Accepted + SPICE DIRECT	Character	1	39	M	A – Accepted, R- Rejected,
Filler	Integer	8	47	O	Default Spaces
	Total	47			

Trailer Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			

1.5 - View Response file for Client Authorisation

Header:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
DP ID	Character	8	17	M	DP ID of Source SPICE client
Total number of Detail Records	Integer	5	22	M	
Response Creation Date	Date	8	30	M	
Response Creation Time	Character	4	34	M	

Detail Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Flag	Character	1	15	M	
Internet Instruction ID	Integer	15	30	M	
Instruction capture date time	Date time	14	44	M	System date time
Order Status	Integer	2	46		
Rejection reason code 1	Integer	5	51	O	Default ‘00000’
Rejection reason code 2	Integer	5	56	O	Default ‘00000’
Rejection reason code 3	Integer	5	61	O	Default ‘00000’
Rejection reason code 4	Integer	5	66	O	Default ‘00000’

Filler	Character	10	76	O	Default spaces
	Total	76			

Trailer Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			

1.6 - Download PBO Client List

Header:

Field	Type	Maximum length	Description
DP ID	Character	8	PBO account DP ID (i.e. DP ID of Margin based beneficiary account of the CM)
Client ID	Integer	8	PBO account Client ID (i.e. Client ID of Margin based beneficiary account of the CM)
Number of records in file	Integer	Length will be according to number of records found	Number of records present in the file
Timestamp of creation of file	Date time	14	Ddmmyyyyhhmmss format e.g.:01042010142558

Detail Record:

Field	Type	Maximum length	Description
Source DP ID	Character	8	DP ID of source Client
Source Client ID	Integer	8	Client ID of source Client
Current Status	Integer	8	ACCEPTED/REJECTED/DIRECT
Update date	Date	10	mm/dd/yyyy

1.7 - Download SPICE - PBO Client List by Participant

Header:

Field	Type	Maximum length	Description
DP ID	Character	8	
User ID	Character	8	
Number of records in file	Integer	Length will be according to number of records found	
Timestamp of creation of file	Date time	14	Ddmmyyyyhhmmss format e.g.:01042010142558

Detail Record:

Field	Type	Maximum length	Description
Source DP ID	Character	8	DP ID of Source Client
Source Client ID	Integer	8	Client ID of Source Client
Target DP ID	Character	8	PBO account DP ID (i.e. DP ID of Margin based beneficiary account of the CM)
Target Client ID	Integer	8	PBO account Client ID (i.e. Client ID of Margin based beneficiary account of the CM)
Current Status	Character	16	ACCEPTED/REJECTED/ DOWNLOADED/ DIRECT/SUBMITTED BY PBO
Update Date	Date	10	mm/dd/yyyy

1.8 - Batch Upload to submit instructions on behalf of Clients

File begin Indicator Record:

Description	Data Type	Size	End	Status	Remarks
File begin Indicator	Character	2	2	M	It should be '{}' by default

Header Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
Filler	Character	6	15	O	Can be used for branch code in future.
DP ID	Character	8	23	M	DP ID of POA holder
Client Id	Integer	8	31	M	Client ID of POA holder
Total number of Detail Records	Integer	5	36	M	
Role	Character	2	38	M	For SPICE instructions it should be 'BO'
	Total	38			

Detail Record:

Field	Type	Maximum length			Description
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	941 for SPICE instruction
Transaction Flag	Character	1	18	M	It should be A for all orders
Filler	Character	7	25	O	Default Spaces
ISIN	Character	12	37	M	
Quantity	Decimal	15	52	M	12+3 without decimal point
Filler	Character	9	61	O	Default Spaces

Execution Date	Date	8	69	M	
DP Id	Character	8	77	M	Source DP Id
Client Id	Integer	8	85	M	Source Client Id
DP Id	Character	8	93	M	Target DP Id
Client Id	Integer	8	101	M	Target Client Id
Filler	Character	1	102	O	Default Spaces
Internal Reference Number/	Character	20	122	O	Default Spaces
Remarks					
Consideration	Character	15	137		The trailing extra characters, if any, to be filled with spaces
Reasons/Purpose	Character	20	157		The trailing extra characters, if any, to be filled with spaces
SPICE ID	Integer	8	165	O	
Filler	Character	22	187	O	Default Spaces
	Total	187			

Trailer Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Trailer Record (19)
Filler	Character	6	15	O	Default spaces
Filler	Decimal	15	30	O	Default 15 Zero's
Filler	Decimal	15	45	O	Default 15 Zero's
Filler	Decimal	15	60	O	Default 15 Zero's
DFP Instruction Total Qty	Decimal	15	75	M	12+3 without decimal point
Filler	Decimal	15	90	O	Default 15 Zero's
Delivery Out Instruction Total Qty	Decimal	15	105	O	12+3 without decimal point
Inter Settlement Instruction Total Qty	Decimal	15	120	O	12+3 without decimal point
Inter Depository Instruction Total Qty	Decimal	15	135	O	12+3 without decimal point
SPICE Instruction Total Qty	Decimal	15	150	M	12+3 without decimal point
Filler	Decimal	15	165	O	Default 15 Zero's
Filler	Decimal	15	180	O	Default 15 Zero's
Irreversible Delivery Out Total Qty	Decimal	15	195	O	12+3 without decimal point
Pool to Pool Instruction Total Qty	Decimal	15	210	O	Default 15 Zero's
Filler	Decimal	15	225	O	Default 15 Zero's
Filler	Decimal	15	240	O	Default 15 Zero's
Filler	Character	7	247	O	Default spaces
Grand Total of Qty	Decimal	15	262	M	12+3 without decimal point
	Total	262			

File END Indicator Record:

Description	Data Type	Size	End	Status	Remarks
File end Indicator	Character	2	2	M	It should be ‘{}’ by default

1.9 - Response file of SPICE instruction

Header Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
Filler	Character	6	15	O	Default Spaces
DP ID	Character	8	23	M	DP ID of POA holder
Client Id	Integer	8	31	M	Client ID of POA holder
Total number of Detail Records	Integer	5	36	M	
Response Creation Date	Date	8	44	M	
Response Creation Time	Character	4	48	M	
Filler	Character	2	50	O	Default Spaces

Detail Record:

Field	Type	Maximum length			Description
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Character	3	17	M	
Transaction Flag	Character	1	18	M	
Internal Reference Number	Character	20	38	M	
Internet Transaction Id	Integer	15	53	M	
Internet Instruction ID	Integer	15	68	M	
Order Status	integer	2	70	M	
Instruction capture date time	Date time	14	84	M	System date time
Rejection reason code 1	Integer	5	89	O	Default ‘00000’
Rejection reason code 2	Integer	5	94	O	Default ‘00000’
Rejection reason code 3	Integer	5	99	O	Default ‘00000’
Rejection reason code 4	Integer	5	104	O	Default ‘00000’
Filler	Character	10	114	O	Default spaces
	Total	114			

Trailer Record:					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Trailer Record (19)
Filler	Character	6	15	O	Can be used for branch code in future
Filler	Decimal	30	45	O	Default 15 Zero's
Filler	Decimal	30	75	O	Default 15 Zero's
Filler	Decimal	30	105	O	Default 15 Zero's
DFP Instruction Accepted Qty	Decimal	15	120	O	12+3 without decimal point
DFP Instruction Rejected Qty	Decimal	15	135	O	12+3 without decimal point
Filler	Decimal	30	165	O	Default 15 Zero's
Delivery Out Instruction Accepted Qty	Decimal	15	180	O	12+3 without decimal point
Delivery Out Instruction Rejected Qty	Decimal	15	195	O	12+3 without decimal point
Inter Settlement Instruction Accepted Qty	Decimal	15	210	O	12+3 without decimal point
Inter Settlement Instruction Rejected Qty	Decimal	15	225	O	12+3 without decimal point
SPICE Instruction Accepted Qty	Decimal	15	240	0	12+3 without decimal point
SPICE Instruction Rejected Qty	Decimal	15	255	O	12+3 without decimal point
Filler	Decimal	30	285	O	Default 30 Zero's
Filler	Decimal	30	315	O	Default 30 Zero's
Filler	Decimal	30	345	O	Default 30 Zero's
Irreversible Delivery Out Accepted Qty	Decimal	15	360	O	12+3 without decimal point
Irreversible Delivery Out Rejected Qty	Decimal	15	375	O	12+3 without decimal point
Pool to Pool Accepted Qty	Decimal	15	390	O	12+3 without decimal point
Pool to Pool Rejected Qty	Decimal	15	405	O	12+3 without decimal point
Inter Depository Delivery Instruction Accepted Qty	Decimal	15	420	O	12+3 without decimal point
Inter Depository Delivery Instruction Rejected Qty	Decimal	15	435	O	12+3 without decimal point
Filler	Decimal	30	465	O	Default 30 Zero's
Filler	Character	7	472	O	Default Spaces
Grand Total of Accepted Qty	Decimal	15	487	M	12+3 without decimal point
Grand Total of Rejected Qty	Decimal	15	502	M	12+3 without decimal point
	Total	502			

Circular No : NSDL/POLICY/ 2012/0146 Date: December 14, 2012	***Sub: Option to POA Clients to receive DIS alongwith account opening or subsequently*** As Participants are aware, initial issuance of delivery instruction slips (DIS) will be with account opening (*Ref.: Circular No. NSDL/PI/2000/834 dated June 2, 2000*). Participants are hereby informed that: 1. In case the person seeking to open the depository account has given a Power of Attorney to operate the depository account to a stock broker/Participant/ Portfolio Manager, the Participant may give an option (*illustrative format enclosed*) to such Client to either a) receive the DIS at the time of account opening itself; or b) receive the DIS at any later date on request from the Client. If at a later date, the Client makes a request for issuance of DIS, the procedure mentioned at point no. (2) (v) of Master Circular No. NSDL/ POLICY/2009/0082 dated September 9, 2009, must be followed for issuance of DIS and the Participant must promptly issue the DIS to the Client. 2. The above option to the Client may be incorporated as a part of Account Opening Form *(Ref.: Circular No. NSDL/POLICY/2011/0103 dated December 5, 2011)* or may be given separately. 3. No such option must be given to the Client a) in case the Participant desires to provide DIS at the time of account opening itself to all Clients. b) in case the Client opts for Basic Services Demat Account (since it is mandatory to issue atleast two DIS at the time of account opening - Ref.: Circular No. NSDL/POLICY/2012/0086 dated August 28, 2012). 4. Accordingly, necessary changes are made in procedure mentioned at point no. (2) of NSDL Master Circular No. NSDL/POLICY/2009/0082 dated September 9, 2009 on Delivery Instruction Slips and is enclosed at Annexure in track changes mode alongwith updated version 1.2, December 2012 of aforesaid Master Circular. Further, existing point no. (2) (iv) to 2(vi) have been renumbered as point no. 2(v) to 2(vii). **Annexure** (2) **Issuance and Re-issuance of DIS booklets:** (NSDL/PI/2002/0709 dated May 3, 2002, NSDL/PI/2004/1401 dated August 5, 2004, NSDL/POLICY/2007/0011 dated February 15, 2007, NSDL/ POLICY/2007/0030 dated June 18, 2007, NSDL/POLICY/2007/0049 dated August 21, 2007 and NSDL/POLICY/2008/0011 dated February 29, 2008) (i) All DIS must bear pre-stamped Client ID and pre-printed unique identification number (serial number). Participants may consider printing the name(s) of account holder(s) as well, on the DIS. Further, if the DIS booklet is issued to an illiterate person, the same should be pre-stamped as "Thumb Impression", in case of blind person, DIS booklet should be pre-stamped as "Visually Challenged" and in case of blind illiterate person, DIS booklet should be pre-stamped as "Visually Challenged and Thumb Impression". (ii) DIS issued to joint account holders and accounts operated by Power of Attorney holder (POA) may be distinguished either by different coloured stationery or by any other method as the Participant deems fit.

(iii) All DIS booklets must contain a Requisition form that should bear pre-stamped Client ID and a provision to attest the signature of the person to whom the account holder wishes to authorise to collect the booklet on his/her behalf. Participants may consider printing the name(s) of account holder(s) as well on the Requisition form.

(iv) Initial issuance of DIS will be with account opening (Ref.: Circular No. NSDL/PI/2000/834 dated June 2, 2000)

A. In case the person seeking to open the depository account has given a Power of Attorney to operate the depository account to a stock broker/ Participant/Portfolio Manager, the Participant may give an option (as per illustrative format) to such Client to either

a) Receive the DIS at the time of account opening itself; or

b) Receive the DIS at any later date on request from the Client. If at a later date, the Client makes a request for issuance of DIS, the procedure mentioned below at point no. (2) (v) must be followed for issuance of DIS and the Participant must promptly issue the DIS to the Client.

B. The above option to the Client may be incorporated as a part of Account Opening Form (Ref.: Circular No. NSDL/POLICY/2011/0103 dated December 5, 2011) or may be given separately.

C. No such option must be given to the Client

a) in case the Participant desires to provide DIS at the time of account op ening itself to all Clients.

b) in case the Client opts for Basic Services Demat Account (since it is mandatory to issue atleast two DIS at the time of account opening - Ref.: Circular No. NSDL/POLICY/2012/0086 dated August 28, 2012).

(v) Re-issuance of DIS booklet should strictly be on receipt of Requisition form duly signed by all account holder(s). In case a Client reports that the Requisition form has been lost/misplaced/stolen or the Client has opted not to receive DIS booklet with account opening, the Client should make a written request on a plain paper signed by all the account holders(s) and submit the latest Transaction Statement, for issuance of DIS booklet.

(vi) A “DIS Issuance Register” should be maintained, which should have details such as Client’s name, Client ID, unique identification number (serial number) of DIS (start and end), date of issue and mode of issue. In case the DIS booklet is delivered by hand, name of the person to whom it is handed-over (address as well as contact telephone number(s) in case of authorised person) alongwith his/her signature should be obtained on the DIS Issuance Register.

(vii) The inside back cover of the DIS booklet should be printed with information on Grievances Redressal Mechanism as intimated vide NSDL Circular No. NSDL/PI/2004/1286 dated July 19, 2004.

(Illustrative format)

Option for issuance of DIS booklet alongwith account opening

(to be filled by persons seeking to open a depository account who have given Power of Attorney to operate the depository account to a stock broker/Participant/Portfolio Manager and do not intend to open a Basic Services Demat Account)

Name and address of Participant (pre-printed)	DP ID	I	N				

Name(s) of account holder(s)	
	Sole/ First holder
	Second holder
	Third holder

Option for Issue of DIS booklet *(please tick any one)*

Option 1 ☐

I/We wish to receive the Delivery Instruction Slip (DIS) booklet with account opening.

Option 2 ☐

I/We do not wish to receive the DIS booklet with account opening. However, the DIS booklet should be issued to me/ us immediately on my/ our request at any later date.

Beneficial Owner	**Name**	Signature with date
Sole/ First Holder		X
Second Holder		X
Third Holder		X

Circular No : NSDL/POLICY/ 2012/0139 Date: November 30, 2012	***Sub: Reduction in SPEED-e admission fees for Participants*** As all Participants are aware, NSDL's common internet facility called ***SPEED-e*** facilitates Users (Beneficial Owners and Clearing Members) to submit delivery instructions on the internet. ***SPEED-e*** facilitates Participants to eliminate paper [Delivery Instruction Slips (DIS)] resulting in reduction in cost of storage and processing of DIS and the risk involved in verifying specimen signatures of account holders at the time of processing DIS. NSDL is pleased to announce reduction in the Admission fees charged to Participants for ***SPEED-e*** facility from Rs. 2,00,000 to Rs. 50,000. The revised rate will be made effective from January 1, 2013. Further, SPEED-e annual fee of Rs. 25,000 will continue to be levied on Participants every financial year. Features of ***SPEED-e*** facility are enclosed at Annexure I. For further information / clarification, Participants are requested to contact Mr. Narain Tanwani Tel : (022) 2499 4355 (email : naraint@nsdl.co.in) / Mr. Dhananjay Chauhan Tel : (022) 2499 4647 (email : dhananjayc@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in).

Annexure I

Various features and advantages of ***SPEED-e*** facility are given below:

(I) Features

a) **Clients (Beneficial Owners)**

I. Password Users :

- Password based Users can submit market instructions in favour of maximum six pre-notified Clearing Member (CM) Accounts
- Users can initiate an auto password reset request
- Users can View and Change their existing email ID
- Users can submit instructions to pre-notified CM Pool Accounts through GPRS enabled mobile phones
- Users can submit instructions pertaining to Mutual Fund units (*for redemption purpose*) to the designated Pool Accounts of NSCCL and BOISL.

II. E-token Users :

E-token Users can avail the following features both on interactive as well as on a batch submission mode:

- Delivery to Clearing Member
- Delivery to Client
- Inter Depository Delivery
- Submission of instruction(s) to freeze / unfreeze account(s) / ISIN(s) and / or specific quantity of securities under an ISIN. Further, freeze request executed by Clients through ***SPEED-e*** cannot be unfrozen by the Participant *(applicable for e-token based Users)*.

b) **Clearing Members (CMs)**

CM Users can avail the following features both on interactive as well as on a batch submission mode:

- Delivery-out to Clearing Corporation
- Delivery to Client
- Inter-Settlement
- CM Pool to Pool
- Inter Depository Delivery

Further, Clearing Members who have given the POA (*Power of attorney*) by their Clients can submit auto Pay-in instructions to the Participants (*where Clients maintain demat accounts*) to debit the demat accounts of the Clients and credit their CM Pool Accounts.

(II) Advantages

- View status of execution of delivery instructions.
- Save time and efforts in obtaining delivery instruction slips and submitting them to Participant.
- Freeze depository accounts on ***SPEED-e***. Freeze created through ***SPEED-e*** can be unfrozen only through ***SPEED-e*** *(applicable for e-token based Users)*.
- Convenience for NRI Clients to operate their accounts.

Instructions submitted by ***SPEED-e*** / SPICE Users can be directly transmitted to NSDL through ***SPEED-e*** / SPICE Direct facility.

Circular No : NSDL/POLICY/ 2012/0100 Date: September 25, 2012	***Sub: Printing of Grievances Redressal Mechanism on Delivery Instruction Form Book*** Attention of Participants is invited to SEBI's Circular No. CIR/MRD/DP/DA/ 25/2012 dated September 21, 2012 regarding revised contents pertaining to Grievances Redressal Mechanism to be printed in the Delivery Instruction Form (DIF) Book. Participants may note that as per point no. (3) of SEBI Circular No. SEBI/MRD/DOP/Cir-22/2004 dated July 14, 2004, in case where DIF Books have already been printed but are yet to be issued to the Clients, the Participants shall at the time of issuance of such books to the Clients, provide a printed copy of the aforesaid information along with the DIF Book. Copy of the same is enclosed for information and necessary compliance.

CIRCULAR

CIR/MRD/DP/DA/ 25 /2012 September 21, 2012

To

All Depositories

Dear Sir / Madam,

Sub: Printing of Grievances Redressal Mechanism on Delivery Instruction Form Book

1. Please refer to SEBI circular no. SEBI/MRD/DOP/Cir-22/2004 dated July 14, 2004 which specified the information regarding grievance redressal mechanism to be printed on the inside back cover of the Delivery Instruction Form Book issued by all Depository Participants.
2. The contents to be printed in the Delivery Instruction Form Book have been revised in line with recent initiatives taken by SEBI and are enclosed at Annexure A.
3. The Depositories are advised to:-
   a) make amendments to the relevant bye-laws, rules and regulations for the implementation of the above, as may be applicable/necessary ;
   b) bring the provisions of this circular to the notice of their DPs and also to disseminate the same on their website.
4. This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 and section 19 of the Depositories Act, 1996 to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.

Maninder Cheema
Deputy General Manager
022-26449754
email: maninderc@sebi.gov.in

Annexure A

In case you have grievances against a listed company or intermediary registered with SEBI, you should first approach the concerned company or intermediary against whom you have grievance. If you are not satisfied with their response, you may approach SEBI or other regulatory bodies. You can approach SEBI for following types of grievances :

Listed Companies • Refund/ Allotment /Bonus/Dividend/Rights/ Redemption / Interest • Prelisting offer documents (shares). • Prelisting offer documents (debentures and bonds). • Delisting of Securities • Buyback of Securities • Takeover and Restructuring • Corporate Governance and Listing Conditions	**Brokers and stock exchanges** Stock brokers Sub brokers Portfolio managers Stock exchanges
Registrar and Transfer Agents	**Other entities** Collective Investment Schemes Debenture Trustees Merchant Bankers Bankers to Issue Credit Rating Agencies Custodian of Securities Foreign Institutional Investors Underwriters Venture Capital Funds KYC Registration Agency(KRA) Alternative Investment Fund
Mutual Funds	
Depository and Depository participants	
Information to SEBI: Price Manipulation Insider trading	

You can file your complaints online at http://scores.gov.in or alternately send your complaints to Office of Investor Assistance and Education of SEBI at Mumbai or Regional Offices at the following addresses:

- Office of Investor Assistance and Education, SEBI Bhavan, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 Tel : 022-26449188 / 26449199 (http://scores.gov.in)
- SEBI, Northern Regional Office, 5th Floor, Bank of Baroda Building,16, Sansad Marg, New Delhi - 110 001 Tel : 011- 23724001-05 (www.sebinro@sebi.gov.in)
- SEBI, Eastern Regional Office, L&T Chambers, 3rd Floor, 16, Camac Street, Kolkata - 700 016 Tel :033-23023000 (www.sebiero@sebi.gov.in)
- SEBI, Southern Regional Office, 7th Floor, Overseas Towers, 756-L, Anna Salai, Chennai - 600 002 Tel : 044-24674000 / 24674150 (www.sebisro@sebi.gov.in)
- SEBI, Ahmedabad Regional, Office Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge Ashram Road, Ahmedabad - 380 009 Tel : 079-26583633-35 (www.sebiaro@sebi.gov.in)

For more information visit our website - http://scores.gov.in

Circular No.: NSDL/POLICY/ 2014/0082 Date: July 14, 2014	***Subject: New procedure for obtaining Digital Signature Certificate to access DPM system.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2010/0047 dated May 4, 2010 regarding generation of digital signature certificate (DSC) from NSDL CA Website (https://nsdlca.nsdl.com) for NSDL DPM System. Participants are hereby informed that based on the suggestions/feedback received from the various Participants to allow the DSCs issued by approved Certifying Authorities (CAs) for accessing DPM system, it has been decided to allow DSCs issued by certain approved CAs. Further, NSDL has decided to discontinue issuance of DSC from NSDL CA website and accordingly, DSC will not be issued with effect from August 18, 2014 from NSDL CA website. It may be mentioned that NSDL has made alternate arrangements with e-Mudhra Consumer Services Limited (e-Mudhra) for issuance of DSC to the Participants of NSDL and negotiated the charges for obtaining DSC. e-Mudhra has agreed to issue *Class 2 Gold Organisation DSC* for 2 years validity period at a cost of Rs. 430 plus applicable taxes. For this purpose, Participants will be required to submit the application form alongwith the requisite documents (*as mentioned in the form*) to e-Mudhra for issuance of DSC. e-Mudhra has provided application form, guidelines for procurement of DSC and operations manual to download DSC from their website, which are enclosed at Annexure 1. Further, Participants also has option to procure Class 2 / Class 3 DSC from Sify Technologies Limited (Safescrypt). *Participants are requested to note that they would be required to apply for at least 2 DSCs or 50% of total DSCs which presently they are using (as the case may be) before* ***August 16, 2014****.* **Mapping of DSC with User ID of DPM System** After downloading the certificate, Participants would be required to send the intimation to NSDL for mapping of DSC with their DP ID for accessing DPM System. In this regard, Participants would be required to submit the following documents to NSDL at Mumbai: I. Letter signed by Compliance Officer / Alternate Compliance Officer containing the details viz., DP ID, Participant Name, Employee Name and Certificate Sr. No. at the following address of NSDL: Mr. Ganesh Pawar / Mr. Dhananjay Kolpe National Securities Depository Limited Trade World, 'A Wing', 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. II. Screen shot of DSC issued by CAs (*sample screen shot of DSC issued by e-Mudhra enclosed are at Annexure 2*) should be attested by Compliance Officer / Alternate Compliance Officer (*as per the details given below*). • Name of the Compliance Officer / Alternate Compliance Officer • Signature of the Compliance Officer / Alternate Compliance Officer • Stamp of the Participant

III. In case Participants wish to send the DSC details through email, then the same should be emailed at ganeshp@nsdl.co.in / dhananjayk@nsdl.co.in

On receipt of the aforesaid letter / email, NSDL will map the DSC against the DP ID of the Participant.

For information / clarification about the process or mapping of DSC, Participants are requested to contact the following NSDL officials:

Name of the official	Contact details	Email ID
Mr. Ganesh Pawar	(022) 2499 4447	ganeshp@nsdl.co.in
Mr. Dhananjay Kolpe	(022) 2499 4458	dhananjayk@nsdl.co.in
Mr. Joshi Antony	(022) 2499 4448	joshia@nsdl.co.in
Mr. Dhananjay Chauhan	(022) 2499 4647	dhananjayc@nsdl.co.in
Mr. Narain Tanwani	(022) 2499 4355	naraint@nsdl.co.in
Mr. Rahul Gupta	(022) 2499 4372	rahulg@nsdl.co.in

Circular No : NSDL/POLICY/ 2012/0099
Date: September 18, 2012

Sub: Participants and e-token based Users of SPEED-e and IDeAS facility to upgrade system configuration

All Participants are hereby informed that as per the direction of Controller of Certifying Authorities (CCA), format of Digital Signature Certificate (DSC) is required to be enhanced as follows:

1. HASHing algorithm : SHA1RSA to SHA2RSA
2. Key length : 1024 to 2048 bits

In view of the aforesaid, NSDL will be enhancing its PKI solution. The new PKI solution is qualified to be used only on Windows XP with Service Pack 3 (SP3) or Windows 7. As a result, Participants and e-token based Clients accessing e-Services facility of NSDL viz., SPEED-e and IDeAS would be required to upgrade their system configuration as follows :

(i) Supporting Operating System: Windows XP with SP3 or Windows 7.

(ii) Supporting Internet Explorer Version 6 & 7.

(iii) Upgradation of JRE version to 1.6.0_29 / 1.6.0_30 / 1.6.0_31.

Detailed User manual for checking the system configuration is enclosed at Annexure.

Participants and e-token based Clients accessing SPEED-e and IDeAS must carry out the aforesaid installation / upgradation by October 13, 2012 otherwise Participants and such clients will not be able to access SPEED-e / IDeAS facility with effect from October 15, 2012.

Participants are requested to inform their functional / operational Users and e-token based Clients accessing SPEED-e and IDeAS accordingly.

For more information / clarifications, kindly contact the following officials :

Name of the Person	Contact Numbers	Email IDs
Mr. Sunit Save	(022) 2499 4723	sunits@nsdl.co.in
Mr. Anurag Das	(022) 2499 4829	anuragd@nsdl.co.in
Mr. Prasad Phodkar	(022) 2499 4729	prasadp@nsdl.co.in
Mr. Dattaram Sawant	(022) 2499 4869	dattarams@nsdl.co.in

	Annexure User Manual for checking System Configuration		
	Sr. No.	**Index**	**Page No**
	1	Supporting Operating Systems: Windows XP with SP3 or Windows 7	2 – 3
	2	Supporting Internet Explorer Version 6 & 7	3 – 4
	3	Upgradation of JRE version to 1.6.0_29 / 1.6.0_30 / 1.6.0_31	4 – 8

Circular No : NSDL/POLICY/ 2012/0057 Date: May 16, 2012	***Sub: Automatic generation of Delivery-Out instructions for NCDEX CM Pool Accounts*** All Participants are hereby informed that based on the request received from NCDEX facility for automatic generation of Delivery Out (DO) instructions in the Clearing Member (CM) Pool Accounts for NCDEX is being provided. With the introduction of this facility, CMs of NCDEX will not be required to submit DO instructions to their Participants for moving securities from their CM Pool Accounts to DO accounts for Pay-in. This feature will be made operational with effect from June 1, 2012. The salient features of this facility are as follows: **Automatic generation of DO instructions based on the units available in the CM Pool Account:** Reversible DO instructions will be generated automatically for the units available in the CM Pool Account for a specific market type and settlement number at the time of executing the Pay-in. Thus, status of the DO instructions will get updated as "Settled" / "Partially Settled" / Rejected" based on the units available in the CM Pool Account at the time of executing the Pay-in. Reversible DO instructions will not be generated if no units are available in the CM Pool account for a specific market type and settlement number at the time of executing the Pay-in. As automatic DO instructions would be generated for a market type and settlement number at the time of executing the Pay-in, in case units are lying in the CM pool account in other settlement number(s), the CM would be required to submit inter-settlement instructions (*for transferring units to a market type and settlement number*) to their Participants before the Pay-in deadline time, as per the existing practice. **Automatic generation of DO instructions based on Client to CM Pool Account transfer instructions:** Reversible DO instructions will be generated in the CM Pool account in respect of account transfer instructions executed from Client to CM Pool Account transfer instructions for a specific market type and settlement number that are in 'Overdue' status at the time of executing the Pay-in. To illustrate, a Client to CM Pool Account transfer instructions for 100 units held under ICIN 'INC000781509 in settlement number '201200' and market type 'T+2 Days' is in 'Overdue' status due to insufficient balance. In case there is no balance or partial balance available in the Client account, then at the time of executing the Pay-in, reversible DO instruction for 100 units will be automatically generated in the CM Pool Account for this specific market type and settlement number.

	Participants are requested to note that the existing features of submitting DO instructions will remain unchanged i.e., CM can submit DO / Irreversible DO (IDO) instructions to the Participants for moving units from their CM Pool Accounts to DO accounts for Pay-in. Further, Participants will have the ability to cancel reversible DO instructions (*generated through the aforesaid features*) which are in status 'Partially Accepted' / 'Instruction ready for Settlement' till the NSDL deadline time. In case such instructions are cancelled by the Participant, the units (*if any*) would be reversed from DO account to the CM Pool Account of the CM.
Circular No.: NSDL/POLICY/ 2014/0053 Date: April 30, 2014	***Subject: Non availability of Inter Depository transfer instructions on Trading Holidays.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0050 dated April 25, 2014 regarding discontinuation of inter-depository transfer instructions on trading holidays with effect from May 1, 2014. In this regard, list of trading holidays as provided by Central Depository Services (India) Limited for the period from May 1, 2014 to December 31, 2014 is given below-

Sr. No.	Date	Day	Description
1	May 1, 2014	Thursday	Maharashtra Day
2	July 29, 2014	Tuesday	Id-Ul-Fitr (Ramzan Id)
3	August 15, 2014	Friday	Independence Day
4	August 29, 2014	Friday	Ganesh Chaturthi
5	October 2, 2014	Thursday	Mahatma Gandhi Jayanthi
6	October 3, 2014	Friday	Dussehra
7	October 6, 2014	Monday	Bakri Id
8	October 24, 2014	Friday	Diwali Balipratipada
9	November 4, 2014	Tuesday	Muharram
10	November 6, 2014	Thursday	Gurunanak Jayanti
11	December 25, 2014	Thursday	Christmas

Circular No.: NSDL/POLICY/ 2014/0050 Date: April 25, 2014	***Subject: Discontinuation of Inter-Depository transfer instructions on Trading Holidays.*** All Participants are hereby informed that Central Depository Services (India) Limited has intimated that its depository system will not be available for processing of inter-depository transfer (IDT) instructions on trading holidays with effect from May 1, 2014. In view of this, IDT instructions will not be exchanged on trading holidays from May 1, 2014 onwards.
Circular No : NSDL/POLICY/ 2011/0074 Date: September 19, 2011	***Sub: Extension of deadline time for submission of IDT instructions*** Further to our Circular No. NSDL/POLICY/2010/0118 dated October 30, 2010, all Participants are hereby informed that henceforth deadline timings for online inter-depository transfer (IDT) instructions between Mondays and Fridays with effect from September 26, 2011 will be as under:

Particulars	Deadline Time (New)
Deadline time for Participants to verify/release (Manual / Bulk) IDT delivery/receipt instructions with current execution date.	8.00 pm

	Participants are advised to ensure that all IDT instructions are executed and are in the status "Acknowledgement awaited from other Depository" well before 8.00 pm. In case of any difficulty, the problem should be reported to NSDL Help Desk and Token Number for the complaint be obtained.
Circular No : NSDL/POLICY/ 2012/0042 Date: April 12, 2012	***Sub: Launch of SPICE Direct*** As Participants are aware that Clearing Members (CMs) can avail the feature of **SPICE** (**S**ubmission of **P**ower of attorney based **I**nstructions for **C**lients **E**lectronically) for submitting instructions *(Auto Pay-in)* to Participants *(where Clients maintain depository accounts)*. This facility enables CMs to submit digitally signed Auto Pay-in instructions to debit the depository accounts of the Clients through ***SPEED-e*** facility *(refer Circular No. NSDL/POLICY/2009/0126 dated December 31, 2009)*. Currently, Auto Pay-in instructions submitted by CMs are downloaded by respective Participants of the Clients *(where Client maintains depository account)* through ***SPEED-e*** or ***IDeAS*** *(if not subscribed for **SPEED-e** facility)* and then either directly upload into eDPM System or routed through back office system of Participants and then uploaded into eDPM System. All Participants are hereby informed that SPICE is being enhanced to include the feature of SPICE Direct wherein auto pay-in instructions *(submitted by CMs using the feature of SPICE)* can be directly transmitted to NSDL. For Participants using this facility, it will eliminate the need to download and upload instructions into eDPM System or routed through back office system of Participants and then uploaded into eDPM System. The salient features of SPICE Direct are provided at Annexure A. **Annexure A** **1) Introduction** Currently, upon submission of Auto Pay-in instructions by Clearing Members (CMs) using the feature of SPICE, Participants maintaining Client accounts are required to download the instructions and upload the same into eDPM System or routed through back office system of Participants and then uploaded into eDPM System. With the introduction of SPICE Direct, Participants will have a choice of transmitting Auto Pay-in instructions (*submitted by CMs using the feature of SPICE*) directly to NSDL for debiting the depository accounts of the Clients who have given Power of Attorney (POA) to CMs. If Participants wish to register their Clients for SPICE Direct, Participant would be required to authorise Clients on SPICE Direct in addition to regular registration for SPICE, i.e. authorization of registration request submitted by CMs in respect of depository accounts of Clients (*who have given POA in favour of the CM*) for SPICE facility. Further, if Participants de-registers the Clients from SPICE Direct then they will be required to follow the usual method of processing auto pay-in instructions i.e., download instructions and upload into eDPM System or routed through back office system of Participants and then uploaded into eDPM System.

2) Registration

Participants will be required to register Clients *(registered for SPICE)* for SPICE Direct by uploading a file in the specified format. Participants will have to ensure that before registration of the Client accounts on SPICE Direct, registration request submitted by CMs in respect of Clients *(who have given POA in favour of the CM)* for SPICE facility have been authorized by Participant.

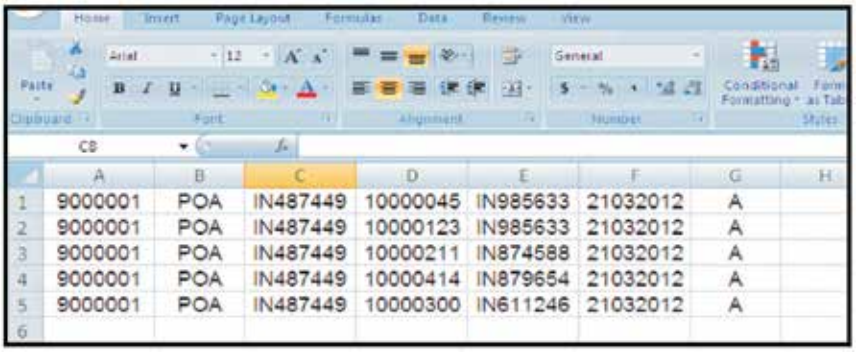
(a) Client account registration for SPICE Direct

To register Clients *(registered for SPICE)* for SPICE Direct, Participants are requested to follow the undermentioned steps :

(i) Prepare Client details in an excel file in the following format. Ensure to enter the details in the columns as follows:

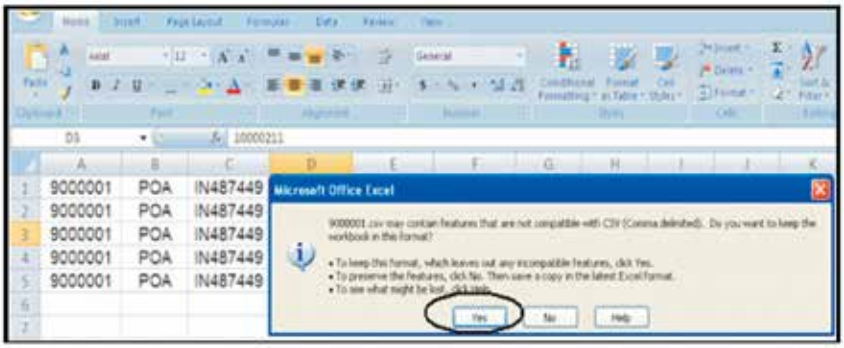
Column	Particulars
A	Batch ID ranging upto 7 digits
B	Client Type as 'POA'
C	DP ID *(where the Client maintains depository account)*
D	Client ID *(registered for SPICE facility)*
E	CM BP ID of the Clearing Member
F	Execution date (ddmmyyyy)
G	Status of each record i.e., ('A' to register and 'R' to de-register)

(ii) After the file is created, 'Save' the excel file as a comma delimited file i.e. *.CSV



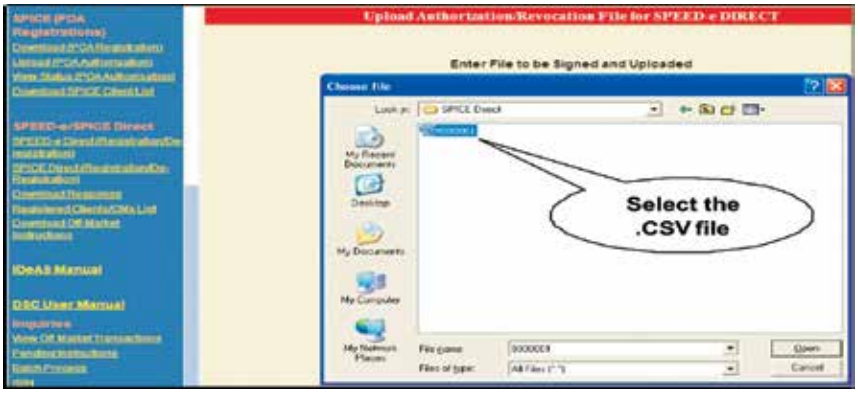
	A	B	C	D	E	F	G
1	9000001	POA	IN487449	10000045	IN985633	21032012	A
2	9000001	POA	IN487449	10000123	IN985633	21032012	A
3	9000001	POA	IN487449	10000211	IN874588	21032012	A
4	9000001	POA	IN487449	10000414	IN879654	21032012	A
5	9000001	POA	IN487449	10000300	IN611246	21032012	A

(iii) A warning message may be displayed on the screen at the time of saving the file. Ignore the warning message and save the file by clicking on 'Yes' button.

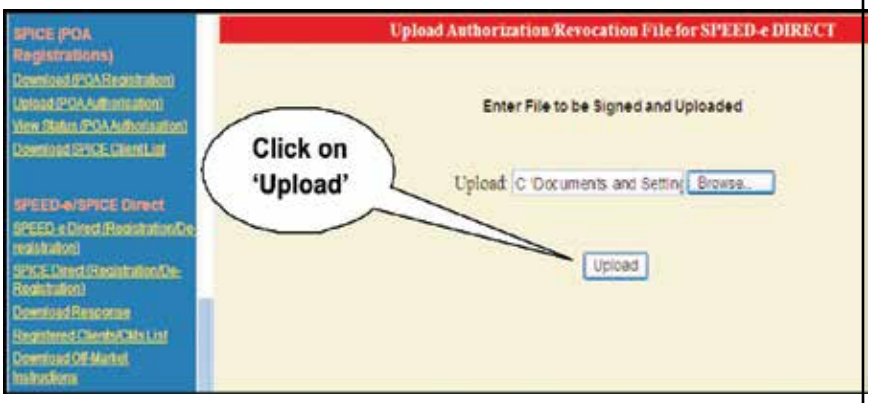


(iv) Participant (*Functional User*) will login to the SPEED-e or IDeAS website *(if not subscribed for SPEED-e facility)*. Click on the link 'SPICE Direct (Registration/De-registration)' under the head 'SPEED-e / SPICE Direct'.

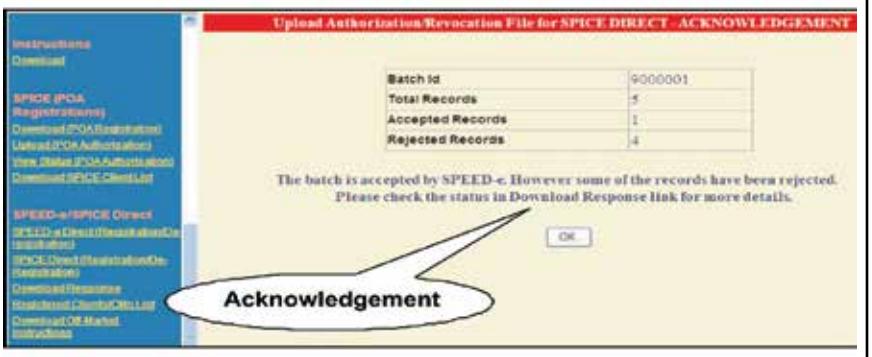
(v) Click on 'Browse' button and select the requisite '.CSV' file (*containing details of the Clients registered for SPICE*) that are required to be registered for SPICE Direct and then click on 'Open' button.



(vi) Click on 'Upload' button and select the requisite digital signature certificate to upload the file.

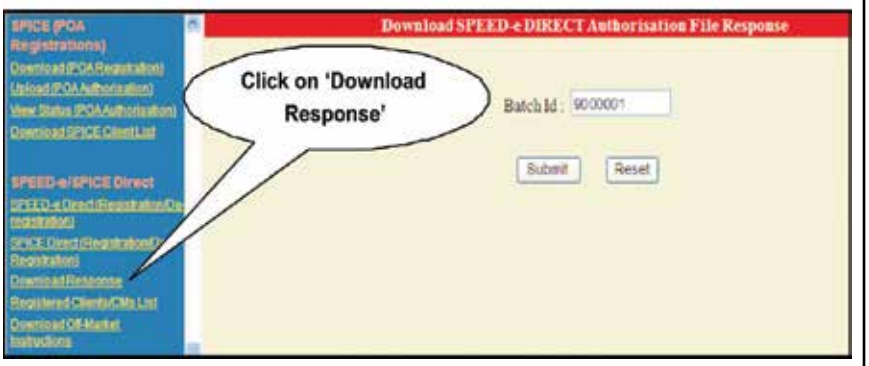


(vii) Once the file is uploaded, there will be an acknowledgement screen displaying the Batch ID, total number of records, number of records accepted and/or number of records rejected.

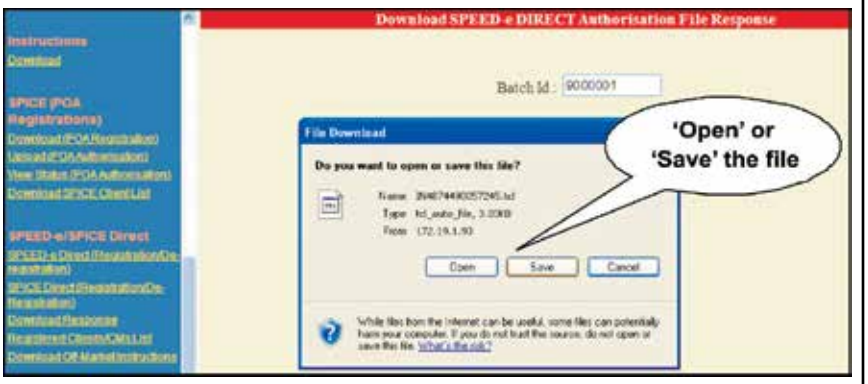


(b)Response file

Click on 'Download Response' to ascertain the status of the uploaded file. Enter the Batch ID (*generated during batch upload*) and click on 'Submit' button.



Response file would be generated. Save the file in the desired folder. The file format of the response file is enclosed at Annexure I.



(c) List of 'SPEED-e/SPICE Direct' registered Clients/CMs

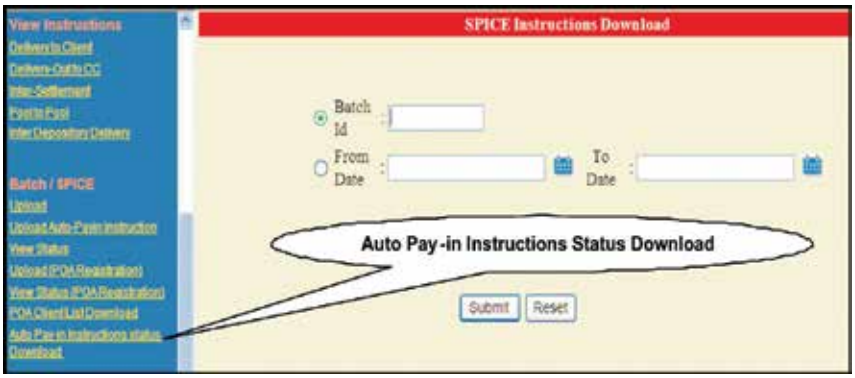
Click on the link named 'Registered Clients/CMs List' to download list of Clients/CMs registered for SPEED-e/SPICE Direct. The file format is enclosed at Annexure II.

3) De-registration

Facility to de-register the Clients from SPICE Direct is also provided. Participants will be required to follow the process mentioned in point no.2 (a) above and ensure to mention as 'R' in column 'G'. After de-registration, if CMs submit auto pay-in instructions on SPEED-e, Participants will be required to follow the usual method of processing auto pay-in instructions i.e., download instructions and upload into eDPM System or routed through back office system of Participants and then uploaded into eDPM System.

4) Auto Pay-in Instructions Status Download for CMs

For ascertaining the status of auto pay-in instructions, CMs will click on 'Auto Pay-in Instructions Status Download'. New status reasons namely 'Received by SPEED-e (status code 14)' and 'Released (status code 15)' respectively have been incorporated as auto pay-in instructions (*for the Clients registered for SPICE Direct*) submitted by CMs using SPICE will be directly transmitted to NSDL.



5) Holiday Master

Currently, there are two types of holidays which can be marked on SPEED-e:

(i) Participant Holiday

(ii) NSDL Holiday

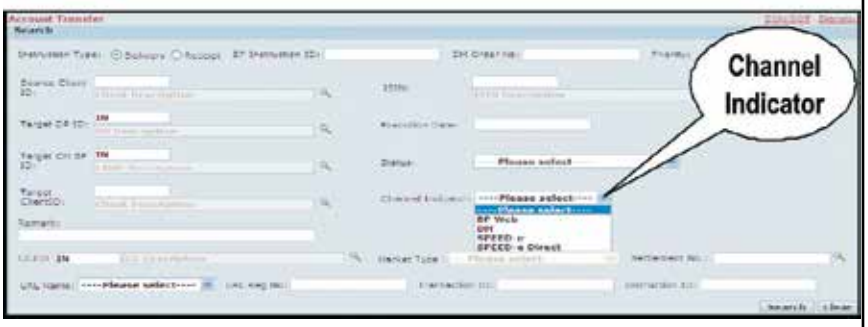
The Participant holiday is marked by the Participant on SPEED-e and are applicable only for its Clients. NSDL holiday is marked by NSDL on SPEED-e and are applicable for Clients of all Participants.

For a Participant holiday(s) on SPEED-e, Users of SPEED-e *(maintaining depository accounts with that Participant)* are not allowed to submit/ authorize instructions on SPEED-e with execution date that is marked as Participant holiday. Holiday Master facility would be applicable only for these Users of SPEED-e.

CMs will have the ability to submit auto pay-in instructions *(for Clients registered for SPICE Direct)* on SPEED-e on a date which is marked as holiday by Participants of the Clients. Example, there are two Participants 'A' and 'B', wherein Participant 'A' maintains the Client accounts & has registered their Clients for SPICE Direct and Participant 'B' maintains CM Pool account of CMs. If Participant 'A' and / or Participant 'B' has marked holiday on August 15, 2012, CM will have the ability to submit auto pay-in instructions *(for SPICE Direct registered Clients maintained with Participant 'A')* with execution date as August 15, 2012 and such auto pay-in instructions submitted by the CM on SPEED-e will be directly transmitted to NSDL on August 15, 2012, debiting the Client accounts maintained with Participant 'A'. The same is also applicable in case CM and Client account is maintained with same Participant.

6) Channel Indicator

The channel indicator will display the source of instructions i.e., whether the instructions have been received through SPEED-e/SPICE Direct or through regular method. For viewing the SPEED-e/SPICE Direct instructions, Participants will be required to select the channel indicator as 'SPEED-e Direct'.



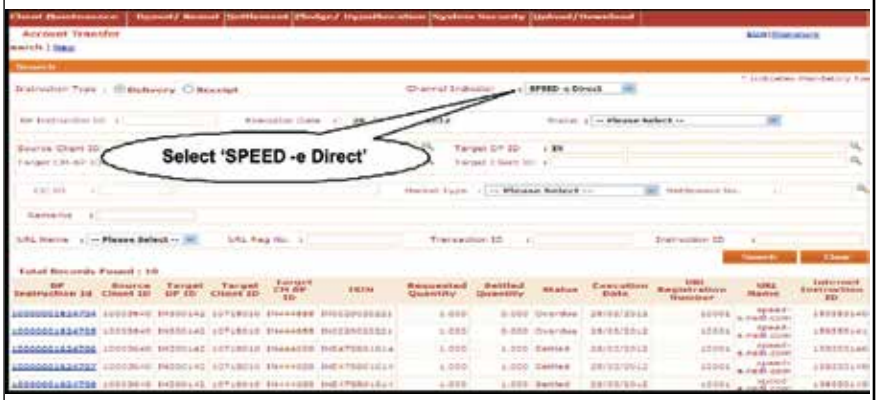
7) Changed Order for the Day (COD) download at Local DPM System

The 'Channel Indicator' field in the COD download would display as '11' for SPEED-e / SPICE Direct and '12' for regular SPEED-e instructions. This will facilitate Participants to identify instructions submitted by regular Users of SPEED-e and Users of SPEED-e/SPICE Direct.

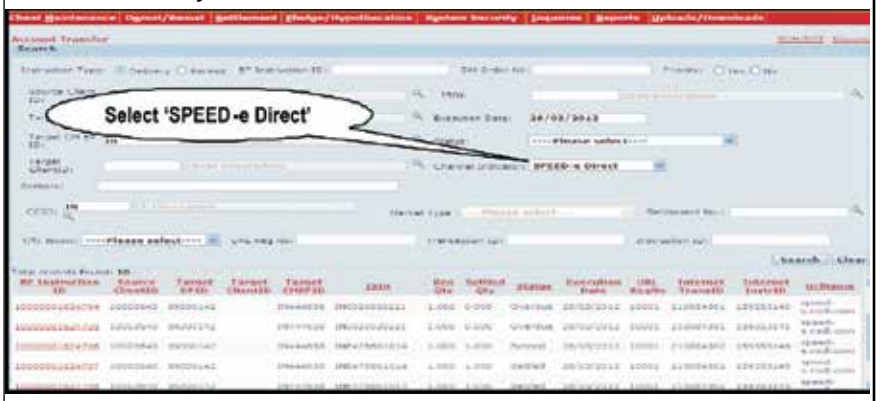
8) View instructions in eDPM System and Local DPM System

Participants can view the Auto Pay-in instruction details pertaining to SPEED-e/SPICE Direct at eDPM System and Local DPM System as exhibited below :

eDPM System

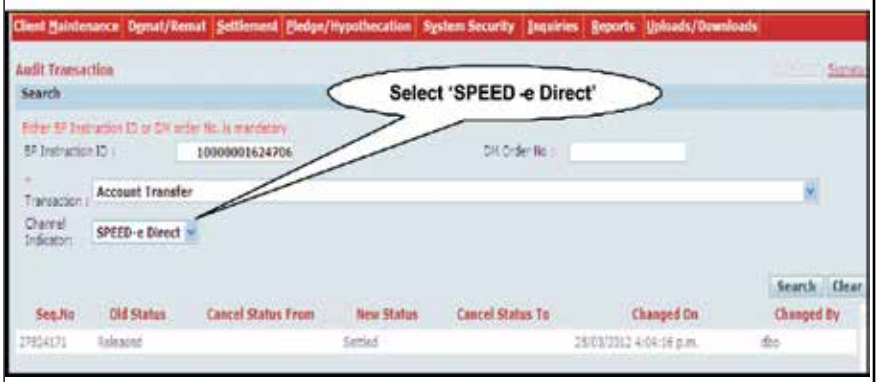


Local DPM System



9) Audit trail

In the Local DPM System, audit trail of an instruction would be available after the instruction is processed at NSDL and details of the same are received at the Local DPM System. The audit trail will display the status of the instruction of SPICE Direct after the channel indicator is selected as SPEED-e Direct as displayed below:

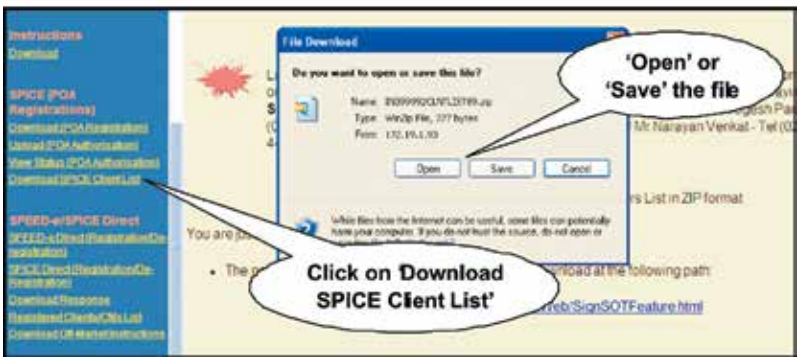


10) Revocation of SPICE facility

Upon revocation of the Client account registered for SPICE facility by Participant, feature of SPICE Direct will also get automatically revoked.

11) Download of SPICE Client List to Participants

Facility to download list of its Clients that are currently registered for SPICE (*not SPICE Direct*) is being provided to Participants. Participants will be required to click on the link named 'Download SPICE Client List' as exhibited below. The downloaded file would be zipped using 'WinZip'. Participants will be required to unzip the file and save the same in their desired folder. The file format is enclosed at Annexure III.



12) Deadline time for SPICE Direct

The deadline time for submission of Auto Pay-in instructions (*for Client accounts registered for SPICE Direct*) by CMs using SPICE feature on a Pay-in day for NSE, BSE, CSE and other Exchanges will remain same as currently applicable for SPEED-e facility. The deadline time is enclosed at Annexure IV.

Auto Pay-in instructions (*for Client account registered for SPICE Direct*) submitted by CMs using SPICE feature with current date as the execution date would be 9:15 p.m. IST on weekdays and 4:15 p.m. IST on Saturdays.

Annexure I

SPICE DIRECT Registration/De-Registration Response File Format

Header Record

Description	Data Type	Size	Status	Remarks
Batch Number	Integer	7	M	
Record Type	Integer	2	M	Header Record (11)
DP Id	Character	8	M	
Total number of				
Detail Records	Integer	5	M	
Response Creation				
Timestamp	Timestamp	12	M	

Detail Record

Description	Data Type	Size	Status	Remarks
Batch Number	Integer	7	M	
Record Type	Integer	2	M	Detail Record (12)
Line Number	Integer	5	M	
Transaction Flag	Character	1	M	
Instruction ID	Integer	15	M	
Instruction capture date time	Date time	14	M	System date time
Order Status	Integer	2	M	00 – Accepted 99 — Rejected
Rejection reason code 1	Integer	5	O	Default '00000'
Rejection reason code 2	Integer	5	O	Default '00000'
Rejection reason code 3	Integer	5	O	Default '00000'
Rejection reason code 4	Integer	5	O	Default '00000'

Trailer Record

Description	Data Type	Size	Status	Remarks
Batch Number	Integer	7	M	
Record type	Character	2	M	Trailer Record (19)

Annexure II

File Format for 'Registered Clients/CMs List'

Header Record:

<DP ID>,<DP User ID>,<Number of Records>,<Download file Timestamp>

Detail Record:

<DP ID>,<Client ID>,<CM BP ID>,<Status Description*>,<Registration/De-registration Date>

***Status Description**

- Accepted (Client ID registered for SPICE Direct)
- Rejected - (Client ID de-registered for SPICE Direct)

Annexure III

File Format for 'Download SPICE Client List'

Header Record:

<DP ID>,<DP User ID>,<Number of Records>,<Download file Timestamp>

Detail Record:

<DP ID>,<Client ID>,<CM BPID>,<Status*>,<Accepted/Rejected Date>

***** Status of the Client ID *(Who have given Power of Attorney in favour of the Clearing Member)* registered by Clearing Member for SPICE

- Submitted by CM
- Accepted
- Rejected
- Downloaded

Annexure IV			
Deadline time for submission of instructions by Clients / Clearing Members on SPEED-e on the Pay-in Day			
Name of the Stock Exchange	**Market Types**	**Deadline time for submission of instructions on SPEED-e on a Pay-in day**	**NSDL deadline time for execution of instructions in the eDPM System on a Pay-in day**
NSE	SLB First Leg	8.45 am	9.20 am
	SLB Return Leg		
	SLB Auction Buy-in		
	Offer For Sale	9.15 am	9.50 am
	Normal	10.15 am	10.50 am
	Auction Normal		
	Trade for Trade		
	Retail Debt Market		
	Bad Delivery		
	Company Objection		
	IRF Normal		
	IRF Auction		
	Normal Subscription	1.30 pm	2.30 pm
	Normal Redemption	3.30 pm	4.30 pm
	Liquid Redemption		
	MFSS T+2		
	MFSS T+4		
BSE	SLB		
	SLB-R	8.45 am	9.20 am
	Buy-in Auction		
	Auction Rolling	8.45 am	9.30 am
	Auction Delv. Derivatives	8.55 am	9.30 am
	Normal Delv. Derivatives	9.15 am	9.50 am
	Offer For Sale	9.15 am	9.50 am
	Rolling Market Lot	10.15 am	10.50 am
	Company Objection	11.00 am	1.00 pm
			4.00 pm
	Mutual Fund - Subscription	1.30 pm	2.30 pm
	Mutual Fund - Redemption	3.30 pm	4.30 pm
CSE	Rolling Market Lot	10.15 am	10.50 am
	Auction Rolling		
NSEL	T+0 - AU	9.30 am	10.30 am
	T+1 - AU		
	T+3 - AU		
	T+4 - AU		
	T+5 - AU		
	T+6 - AU		
	T+7 - AU		

Name of the Stock Exchange	Market Types	Deadline time for submission of instructions on SPEED-e on a Pay-in day	NSDL deadline time for execution of instructions in the eDPM System on a Pay-in day
	T+8 - AU		
	T+9 - AU		
	T+10 - AU		
	T+2	12.00 noon	1:00 pm
	T+2 - AU		
	T+3		
	T+4		
	T+5		
	T+6		
	T+7	12.30 pm	1:30 pm
	T+8		
	T+9		
	T+10		
	T+1		
	T+0	4.00 pm	5.00 pm
NCDEX	T+4 DAYS	9.30 am	10.30 am
	T+10 DAYS		
	T+4 DAYS-SO		
	T+7 DAYS-SO	10.00 am	11:00 am
	T+10 DAYS-SO		
	T+2 DAYS - G		
	T+1 DAY	10.30 am	11:30 pm
	T+2 DAYS		
	T+7 DAYS		
	T+2 DAYS-SO		
	T+2 DAY-S		
MCX	T+2 DAYS	9.30 am	10.30 am
	E+1	12.00 noon	1.00 pm
MCX	E+2	6.00 pm	7:00 pm
	E+3		
	E+4		
	E+5		

Name of the Stock Exchange	Market Types	Deadline time for submission of instructions on SPEED-e on a Pay-in day	NSDL deadline time for execution of instructions in the eDPM System on a Pay-in day
ICCL	ICDM T+1	2.30 pm	3.30 pm
	ICDM T+2		
	ICDM T+0	4.30 pm	5.30 pm

Circular No : NSDL/POLICY/ 2014/0036
Date: March 28, 2014

Subject: Corrigendum to Circular No. 33 dated March 24, 2014 regarding deadline time for submission of pay-in instruction of Debt Segment on eDPM System and SPEED-e.

Attention of Participants is invited to NSDL Circular No. NSDL POLICY / 2014 / 0033 dated March 24, 2014 regarding deadline time for submission of pay-in instruction of Debt Segment on e-DPM System and SPEED-e. Participants are hereby informed that the last paragraph of the aforesaid Circular should be read as follows:

*"Participants must ensure that all the instructions submitted by the Clients (other than **SPEED-e DIRECT**) within the aforesaid deadline time are duly executed in the e-DPM System well before the specified deadline time. In case Participants encounter any difficulty in downloading the instructions from **SPEED-e**, the same should be reported to Help Desk immediately and a Token Number must be obtained".*

Participants are requested to take a note of the above.

Circular No : NSDL/POLICY/ 2014/0033
Date: March 24, 2014

Subject: Deadline time for submission of pay-in instruction of Debt Segment on eDPM System and SPEED-e.

Attention of Participants is invited to Circular No. NSDL/POLICY/ 2013 / 0065 dated May 3, 2013 regarding addition of market type codes. In this regard, deadline time for submission of instructions on eDPM System and ***SPEED-e*** in respect of the settlement of "Debt Segment" market types of BSE are as follows:

Name of the Stock Exchange	Market Type	Deadline time for submission of instructions on a Pay-in day		
		SPEED-e	***SPEED-e* DIRECT**	**eDPM System**
BSE	DEBT T1 DEBT T2	10:15 a.m.	10:40 a.m.	10:50 a.m.

Participants must ensure that all the instructions submitted by the Clients (other than ***SPEED-e* DIRECT**) within the aforesaid deadline time are duly executed in the eDPM System well before the specified deadline time. In case Participants encounter any difficulty in downloading the instructions.

Circular No : NSDL/POLICY/ 2015/0100
Date: November 3, 2015

Subject: Addition of Market Type Codes.

All Participants are hereby informed that following Market Type Codes have been added in the CC Calendar in respect of Metropolitan Clearing Corporation of India Limited (Formerly MCX-SX Clearing Corporation Limited) pertaining to the settlements of 'Offer For Sale' segment:

CC ID	Market Type Code	Description
IN001141	11	OFS(T+1)
	12	OFS(T+2)

Participants are requested to note the aforesaid codes relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No : NSDL/POLICY/ 2015/0097
Date: October 29, 2015

Subject: Addition of Market Type Codes.

All Participants are hereby informed that following Market Type Codes have been added in the CC Calendar in respect of National Securities Clearing Corporation Limited pertaining to the settlements of Tender-Offers under Takeover and Delisting:

CC ID	Market Type Code	Description
IN001002	40	TAKEOVER
	41	DELISTING

Participants are requested to note the aforesaid codes relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No : NSDL/POLICY/ 2015/0085
Date: September 18, 2015

Subject: Addition of Market Type Codes.

All Participants are hereby informed that following Market Type Codes have been added in the CC Calendar in respect of Indian Clearing Corporation Limited pertaining to the settlements of Tender-Offers under Takeover and Delisting:

CC ID	Market Type Code	Description
IN001150	32	TAKEOVER
	33	DELISTING

Participants are requested to note the aforesaid codes relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No : NSDL/POLICY/ 2014/0025
Date: March 6, 2014

Subject: Addition of Market Type Code.

All Participants are hereby informed that following Market Type Code has been added in the CC Calendar at the request of National Securities Clearing Corporation Ltd. (NSCCL) pertaining to settlement in respect of Institutional Trading Platform (ITP) segment on Small and Medium Enterprises (SME) Exchange:

CC ID	MARKET TYPE CODE	DESCRIPTION
IN001002	38	ITP FOR SME

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No : NSDL/POLICY/ 2014/0023
DATE: MARCH 6, 2014

Subject: Security Type Code for 'Treasury Bills' added in DPM system

All Participants are hereby informed that the following Security Type Code has been added in the DPM System:

SECURITY TYPE CODE	DESCRIPTION
22	TREASURY BILLS

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with the DPM System.

Circular No : NSDL/POLICY/ 2014/0016
Date: February 12, 2014

Sub: Deadline time for submission of pay-in instructions of Institutional Trading Platform (ITP) Segment on eDPM System and SPEED-e

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/ 2014/0015 dated February 12, 2014 regarding addition of market type code. In this regard, deadline time for submission of instructions on eDPM System and ***SPEED-e*** in respect of the settlement of the market type ITP of BSE is as follows:

Name of the Stock Exchange	Market Type	Deadline time for submission of instructions on a Pay-in day		
		SPEED-e	***SPEED-e* DIRECT**	**eDPM System**
BSE	ITP	9:15 a.m.	9:40 a.m.	09:50 a.m.

Participants must ensure that all the instructions submitted by the Clients (other than ***SPEED-e* DIRECT**) within the aforesaid deadline time are duly executed in the eDPM System well before the specified deadline time. In case Participants encounter any difficulty in downloading the instructions from ***SPEED-e***, the same should be reported to Help Desk immediately and a Token Number must be obtained.

Circular No : NSDL/POLICY/ 2014/0015
Date: February 12, 2014

All Participants are hereby informed that following Market Type Code has been added in the CC Calendar at the request of BOI Shareholding Limited (BOISL) pertaining to settlement of Institutional Trading Platform (ITP) segment:

CC ID	MARKET TYPE CODE	DESCRIPTION
IN001019	30	ITP

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No : NSDL/POLICY/ 2014/0008
Date: January 27, 2014

Sub: Incorporation of Types/Sub-types in respect of Foreign Portfolio Investors (FPI)

Attention of Participants is invited to SEBI notification dated January 7, 2014 regarding SEBI (Foreign Portfolio Investors) Regulations, 2014 and SEBI circular dated January 8, 2014 regarding operational guidelines for Designated Depository Participants. Copies of the same are enclosed for your reference.

In this regard, following new types/sub-types & static data codes have been incorporated in the Client Maintenance Module and back-office batch interface with the DPM System respectively to facilitate Participants to open depository accounts for Foreign Portfolio Investors (FPI).

Field Name	Type Code	Sub Type Code	Type	Sub Type
Beneficiary Type/Subtype	13	1	Foreign Portfolio	Category I
		2	Investor	Category II
		3	(Individual)	Category III
	14	1	Foreign Portfolio	Category I
		2	Investor	Category II
		3	(Corporate)	Category III

The aforesaid feature is scheduled to be released on February 7, 2014.

Circular No.: NSDL/POLICY/ 2014/0068 Date: May 27, 2014	***Subject: NSEL Circular on Process of Financial Closure of e-Series.*** Attention of all Participants is invited to NSEL Circular No. NSEL/DP/2014/024 dated May 23, 2014 (copy enclosed) regarding financial closure of e-series. Copy of the same is enclosed for information. Participants are requested to take note of above and guide their clients suitably.
Circular No.: NSDL/POLICY/ 2014/0056 Date: May 2, 2014	***Subject: Record date and Suspension of e-series ICINs.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2014/0046 dated April 10, 2014 (enclosing NSEL Circular dated April 4, 2014) regarding commencement of rematerialization of e-series and subsequent financial closure of balance stock / units of e-series ICINs. In this context, NSEL had vide its letter dated April 29, 2014 (*copy enclosed*) requested NSDL to freeze the following ICINs w.e.f. May 1, 2014. Subsequently, NSEL vide its letter dated May 2, 2014 (*copy enclosed*) has requested NSDL to unfreeze these ICINs w.e.f. May 2, 2014 and freeze the ICINs w.e.f. May 3, 2014.

Sr. No.	ICIN	e-Series
1	INC200000007	e-Gold
2	INC200000015	e-Silver
3	INC200000023	e-Copper
4	INC200000031	e-Zinc
5	INC200000049	e-Lead
6	INC200000056	e-Nickel
7	INC200000064	e-Platinum

Circular

Ref. No.: NSEL/DP/2014/019 **April 30, 2014**

Dear Members,

Extension of Record Date and Financial Closure Start Date of e-Series

In terms of the provisions of the Rules, Bye-Laws and Business Rules of the Exchange, the Members of the Exchange are notified that further to our Circular No. NSEL/DP/2014/014 dated April 04, 2014 & NSEL/DP/2014/018 dated April 23, 2014, the "Record Date" for Financial Closure shall now be May 02, 2014 instead of April 30, 2014.

Consequently, the process of "Financial Closure" of the balance stock/units of e-Series shall now commence from May 08, 2014 instead of May 06, 2014.

This has been necessitated since April 30, 2014 was declared as a public holiday at Hyderabad (the head-Office of our Registrar & Transfer Agent) on account of the General Parliamentary Election 2014.

Members are requested to take note of the above and inform their clients accordingly.

For and on behalf of
National Spot Exchange Ltd.

Saji Cherian
Managing Director & CEO

Circular No.: NSDL/POLICY/ 2014/0052 Date: April 29, 2014	***Subject: Amendment to Business Rules of NSDL.*** All Participants are hereby notified that Sr. No. II (43) of Rule 18.1.1 of Business Rules of NSDL has been deleted and Sr. No. II (44) of Rule 18.1.1 is renumbered as Sr. No. II (43) of Rule 18.1.1.

Deleted Sr. No. II (43) of Rule 18.1.1

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
II.	**System related deviations**	₹ 5000 per occasion plus ₹ 500 per day thereafter.
43	Not connecting with Depository continuously for two working days without intimating to Depository.	

Further, the amended **Rule 18.1.1** is enclosed as annexure in track change mode.

Annexure

18.1.1 The Depository may impose a penalty on the Participant to the extent indicated for non-compliance as described below :

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
I	**Operational deviations**	
1	Account opened without obtaining adequate proof of identity or any other document – as prescribed under guidelines of NSDL/SEBI/PMLA/ Account opened without obtaining adequate proof of address as prescribed under guidelines of NSDL/SEBI/PMLA or adequate proof of address not collected for change of address as prescribed under guidelines of NSDL/SEBI/PMLA. Record of in-person verification not maintained as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee if total penalty imposed in one inspection under this head exceeds ₹ 50000.
2	Supplementary agreement executed or undertaking/letter obtained or any modification made in any document which has clauses contradictory to SEBI/Depository prescribed guidelines or Power of attorney executed in favour of Participant in contradiction to SEBI/ Depository prescribed guidelines.	₹ 1000 per occasion.
3	Accounts opened in the name of Partnership firms / HUF/ proprietory concern / such other entities not entitled to hold securities in its name as prescribed under guidelines of NSDL/SEBI/PMLA.	₹1000 per account.
4	Nomination not done as per prescribed procedure.	₹ 250 per account.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
5	Any type of transaction not executed as per the procedure prescribed by Depository such as change in bank details, change in signature, transmission, account closure, freeze/unfreeze, pledge, remat etc as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 500 per account.
6	Data entry errors / omission which may cause inconvenience and/or loss to the client/ system / Depository.	₹ 50 per account.
7	Correct PAN details are not obtained from the clients and the account is not frozen for debit as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 500 per account.
8	Incorrect entry of PAN details in DPM system as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 50 per account.
9	Invalid/ factually incorrect/ meaningless data entered in demographic details.	₹ 500 per account.
10	Delay in dispatch of demat requests beyond seven working days after receipt of Demat Request Form and certificates from the client.	₹ 250 per occasion
11	Sending securities for dematerialisation to Registrar & Transfer Agents / Issuers without defacing and mutilating certificates.	₹ 100 per occasion
12	No/inadequate control over issuance and/or acceptance of instruction slips.	₹ 2500 per occasion. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee.
13	Client account debited without receiving proper authorization as prescribed under guidelines of NSDL/SEBI.	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee, if total penalty imposed in one inspection under this head exceeds ₹ 50000. The penalty levied above will be in addition to restoration of securities in case of clients' dispute.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
14	Instruction of the client not executed or erroneously entered by Participants.	₹ 250 per account.
15	Fax indemnity not executed with the clients for the instructions accepted on fax and/or original instruction not collected within stipulated time from the date of receipt of the fax instruction.	₹ 500 per account.
16	Transaction statement not being sent to clients as per requirements or discrepancy observed in the transaction statement sent to clients.	₹ 2000 per occasion.
17	Change in office address and / or investor relations officers/compliance officers not intimated to Depository.	₹ 250 per occasion.
18	Forms used are not in conformity with the prescribed format.	₹ 100 per occasion.
19	Termination / Closure of franchisee / branch services contrary to Depository instructions.	₹ 500 per occasion.
20	Speed-e facility made available/operated contradictory to Depository prescribed guidelines.	₹ 500 per account.
21	Internal Audit Report / Concurrent Audit Report not submitted in the prescribed format within the stipulated time period.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight.
22	Internal audit report/ Concurrent audit report submitted without inclusion of management comments for deviations noted by auditors or not providing compliance duly certified by auditors on the observations made by the Depository.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight till the submission of revised report.
23	Non-submission of net worth certificate based on the audited annual accounts by the Participants (as specified in the Bye – Laws) in the prescribed format for 31st March within prescribed time limit.	₹ 2500 per occasion plus additional ₹1000 for any delay per fortnight.
24	Non-submission of annual financial statement within the prescribed time limit.	₹1000 per occasion plus additional ₹ 500 for any delay per fortnight.
25	Non filing of information sought by Depository either periodically or specifically through circulars / letters etc.	₹ 250 per occasion.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
26	Half yearly Compliance certificate not submitted within the stipulated time.	30 days have elapsed after stipulated time and the certificate is not submitted, Participant will be advised to stop opening fresh demat accounts. If the delay is beyond 60 days from the stipulated time, matter to be referred to Disciplinary Action Committee.
27	Client Grievances (except disputes /court cases) not redressed within 30 days.	₹ 250 per grievance plus additional ₹ 100 for any further delay per month. Delay beyond six months will be reported to the Disciplinary Action Committee.
28	Non-submission of monthly report of Client Complaints as required under Bye Law 6.3.6 (iii) to be submitted every month (latest by 10th of the following month).	₹ 500 per month.
29	Qualified personnel (NCFM/NSDL/NISM certified for depository operations) not appointed in at least 90% of the total service centres (other than drop boxes) of the Participants.	₹ 1,000 per month per service centre (other than drop box). Further, ₹ 5,000 per month per service centre upon recurrence of the deviation in the same service centre wherein non-compliance was observed earlier. In case of new service centre or in case of resignation or transfer of qualified personnel from the existing service centre, time period of three months will be allowed within which qualified personnel should be appointed.
30	Depository services are offered through service centres without approval of Depository.	₹ 2,500 per occasion.
31	(a) In-person verification carried out by any person other than as permitted by SEBI/ Depository. (b) Carrying out functions of verification of delivery instruction slips through franchisees. (c) Dispatch of periodic transaction statements by Participants through its service centre (branch as well as franchisees) other than one which is directly connected to the Depository or through its centralised processing unit under the supervision of its head office.	Matter to be referred to Disciplinary Action Committee.
32	Anti Money Laundering (AML) policy not framed as required under PMLA and not intimated to FIU-IND.	₹ 2500 per occasion.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
33	Non appointment of Principal officer/Non intimation of change of Principal Officer details to FIU – IND.	₹ 2500 per occasion.
34	Suspicious Transaction Register not being maintained as prescribed by NSDL.	₹ 2500 per occasion.
35	System of maintaining documents pertaining to depository operations not satisfactory.	₹ 1000 per occasion.
II.	**System related deviations**	
36	Using the DPM system for any other purpose or loading any other software or alteration of parameters / configuration/ software other than DPM application software/prescribed system software found loaded in the system.	₹ 5000 per occasion.
37	Not upgrading the software and/or hardware within the prescribed time limit / not complying with pre-requisite or post-requisite of upgradation.	₹ 5000 per occassion plus actual cost of travel of Depository official/s and/or other person/s on behalf of Depository, if any, for this purpose.
38	DPM configuration not as per Depository requirements.	₹ 5000 per occasion.
39	DPM is connected to WAN without permission of relevant authorities.	₹ 5000 per occasion.
40	Anti Virus Software not loaded/enabled/ upgraded on server and/or client machine(s).	₹ 500 per occasion.
41	'Variable access rights' scheme suggested by Depository not implemented / not implemented properly.	₹ 250 per occasion.
42	Physical access to client machine and server is easily available to unauthorised persons.	₹ 100 per occasion
Miscellaneous		
	Compliance not reported by Participant within 60 days from the date of communication by depository with respect to deviations observed during the inspections.	Matter to be referred to Disciplinary Action Committee.

Circular No.: NSDL/POLICY/ 2014/0051 Date: April 28, 2014	***Subject: No generation of rematerialisation request for e-Series ICINs from April 29, 2014.*** Attention of all Participants is invited to Circular No.: NSDL/POLICY/2014/0046 dated April 10, 2014 (enclosing NSEL Circular dated April 4, 2014) whereby Participants were informed regarding commencement of rematerialization of e-series and subsequent financial closure of balance stock/units of e-series. It was informed by NSEL in its circular that the last date for generation of rematerialization request number for allocations done on April 23, 2014 (last day of allocation) shall be April 28, 2014. Accordingly, as requested by NSEL, no rematerialization request must be generated for e-series ICINs w.e.f. April 29, 2014.
Circular No.: NSDL/POLICY/ 2014/0046 Date: April 10, 2014	***Subject: Operational guidelines on Rematerialization and subsequent Financial Closure of e-Series.*** Attention of all Participants is invited to National Spot Exchange Limited Circular No. NSEL/DP/2014/014 dated April 04, 2014 regarding commencement of rematerialization of e-series and subsequent Financial Closure of balance stock/units of e-series. Copy of the same is enclosed for information. Accordingly, Participants are advised to take note to execute the Remat Request in the DPM system on receipt of the same from the Client.
Circular No : NSDL/POLICY/ 2013/0116 Date: October 8, 2013	***Sub: Arrangement for Redemption of E-Gold and E-Silver units*** In continuation to NSDL Circular Nos. NSDL/POLICY/2013/0112 dated September 30, 2013 and NSDL/POLICY/2013/0115 dated October 4, 2013 regarding arrangement for redemption of E-Series (Gold and Silver) units (i.e. holders of Gold and Silver units) through financial settlement, National Spot Exchange Limited has now issued Circular No. NSEL/DP/2013/084 dated October 7, 2013 in respect of cancellation of existing settlement plan of E-Gold and E-Silver units. Copy of the same is enclosed for information of Participants.
Circular No : NSDL/POLICY/ 2013/0115 Date: October 4, 2013	***Sub: Revised Redemption and Settlement Schedule of E-Gold and E-Silver units*** In continuation to NSDL Circular No. NSDL/POLICY/2013/0112 dated September 30, 2013 regarding arrangement for redemption of E-Series *(Gold and Silver)* units *(i.e. holders of Gold and Silver units)* through financial settlement, National Spot Exchange Limited has now issued Circular No. NSEL/DP/2013/81 dated October 3, 2013 in respect of revised redemption and settlement schedule of E-Gold and E-Silver units. Copy of the same is enclosed for information of Participants.
Circular No : NSDL/POLICY/ 2013/0113 Date: September 30, 2013	***Sub: Deadline time for submission of pay-in instructions of E-Series settlement on eDPM System and SPEED-e*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/ 2013/0112 dated September 30, 2013 regarding addition of market type codes. In this regard, deadline time for submission of instructions on eDPM System and SPEED-e in respect of various market types pertaining to the redemption of E-Series *(Gold and Silver)* units *(i.e. holders of Gold and Silver units)* through financial settlement:

Name of the Stock Exchange	Market Type	Deadline time for submission of instructions on a Pay-in day		
		SPEED-e	***SPEED-e* DIRECT**	**eDPM System**
NSEL	EGOLD	4:00 pm	4:20 pm	4:30 pm
	ESILVER	5:00 pm	5:20 pm	5:30 pm

<table>
<tr><td></td><td>Participants must ensure that all the instructions submitted by the Clients (other than SPEED-e DIRECT) within the aforesaid deadline time are duly executed in the eDPM System well before the specified deadline time. In case Participants encounter any difficulty in downloading the instructions from SPEED-e, the same should be reported to Help Desk immediately and a Token Number must be obtained.</td></tr>
<tr><td>Circular No : NSDL/POLICY/ 2013/0112
Date: September 30, 2013</td><td>All Participants are hereby informed that following Market Type Codes have been added in the CC Calendar at the request of National Spot Exchange Ltd. (NSEL) pertaining to the redemption of E-Series (Gold and Silver) units (i.e. holders of Gold and Silver units) through financial settlement:
<table>
<tr><th>CC ID</th><th>MARKET TYPE CODE</th><th>DESCRIPTION</th></tr>
<tr><td rowspan="2">IN001125</td><td>24</td><td>EGOLD</td></tr>
<tr><td>25</td><td>ESILVER</td></tr>
</table>
Participants are requested to note the aforesaid codes relating to change in the static data for back-office batch interface with eDPM / Local DPM System. Further, copy of Circular No. NSEL/DP/2013/79 dated September 27, 2013 issued by NSEL to its members is enclosed for information of Participants.</td></tr>
<tr><td>Circular No. NSDL/POLICY/ 2011/0097
Date: November 25, 2011</td><td>Sub: Daily Price file to include Trade price for selected Commodity ICINs
As all Participants are aware, a facility is provided to Participants to download the daily price file from the intranet site of NSDL (i.e. http://i-Assist/) which contains the rates of securities as provided by NSE/ BSE/ Issuer. As per an arrangement with National Spot Exchange Limited (NSEL), the daily price file will include the rates for the E-series ICINs for previous business date with effect from November 28, 2011.</td></tr>
<tr><td>Circular No: NSDL/POLICY/ 2010/0022
Date: March 4, 2010</td><td>Sub: Commencement of spot trading in the compulsory demat segment and features of National Spot Exchange Limited
As Participants are aware, National Spot Exchange Limited (NSEL) (CC ID IN001125) was made operational in the NSDL system in the capacity of a Clearing House for settlement of trades pertaining to Warehouse Receipts for commodities (Refer Circular Nos. NSDL/POLICY/2008/0080 and NSDL/POLICY/2009/0007 dated November 6, 2008 and January 20, 2009 respectively). In this regard, NSEL has intimated to NSDL about the features and commencement of spot trading in compulsory dematerialized segment on NSEL, the details of which are enclosed for the information of Participants at Annexure A. For operational procedures, Participants may be guided by Circular No. NSDL/POLICY/2009/0007 dated January 20, 2009.

Annexure

Commencement of Spot Trading in Compulsory Demat Segment in National Spot Exchange ltd (NSEL)

National Spot Exchange Limited (NSEL) having its registered office at 102-A Land Mark, Suren Road, Chakala, Andheri (East), Mumbai 400093, is a demutualised pan-India electronic multi commodity spot exchange promoted by Financial Technologies (India) Limited (FTIL) and National Agriculture co-operative Marketing Federation of India (NAFED). The Exchange has commenced its operation on October 15, 2008 and has handled physical deliveries worth Rs. 2403 crores in the calendar year 2009.</td></tr>
</table>

During one year of successful operation, we have been able to create efficient spot delivery platform, helping the farmers and traders to sell commodities directly to the processors/ Exporters, which has resulted into reducing cost of intermediation, improving farmers' price realization and also improving marketing efficiency.

At present, the commodity derivatives exchanges are providing very efficient instruments for trading, hedging and jobbing in commodities, but investment instruments are currently not available in commodities. In the year 2010, our main focus is to develop an investment based market in commodities for retail investors.

For the first time in India, NSEL is in the process of introducing demat delivery based investment instruments in commodities, which will be made available in smaller denominations, such as 1 gram of Gold, 100 Gram of Silver or 1 Kg of Copper, etc in dematerialized units. Investors can participate in such instruments and take delivery on T + 2 basis in demat form. Whenever they want to sell the same, they can do so on our platform on any trading day or they can convert the demat units in to physical form in specific denominations at specified locations. The salient features of these instruments are:

- The trading units will be made available in smaller denominations, such as 1 gram of Gold, 100 Gram of Silver or 1 Kg of Copper, etc. There are different ICINs will be available for different base metals. A person can buy minimum 1 gram of Gold and 100 gram of Silver in the Exchange trading Platform. Presently National Spot Exchange intends to allow trading in demat Gold and Silver with denomination of 1 gram and 100 gram respectively. The purity grade of Gold shall be 995 and Silver is 999.
- The Existing members can trade in this contract through the NSEL trading platform (NEST). The trading shall be carried out from Monday to Friday. However the members and their clients must have to open the Pool and beneficiary accounts through the NSEL empanelled DPs in NSDL.
- All outstanding delivery positions at the end of the trading session of a particular day shall be settled only through dematerialized units. Settlement of deliveries shall be made through the CM pool accounts as it is settled in the securities market on T+2 days basis from Monday to Friday. Thereafter the clearing members will transfer the ICIN units to their respective clients.
- In order to simplify the process of collection of storage charges, the charges shall be levied by NSEL to the ICIN holders on monthly basis. Such charges will be computed based on the holding
  In the respective accounts and on the last Saturday of every month. The person holding demat commodities on that day will be required to pay holding charges for the entire month,
- Irrespective of the no. of days for which he holds the ICINs. The charges per unit per month will be communicated by NSEL to the empanelled DPs separately. The ICIN holders are required to pay the storage charges to the respective DPs within 21 days from the last Saturday of every month and the DPs shall deposit the same to NSEL on monthly basis.
- The conversion of demat units into physical commodities shall be permitted in specified lot size and at specified locations, where NSEL has entered into vaulting arrangement. Therefore, an investor can opt for rematerialization, only if he has such number of units to his credit, as required for rematerilization.

For launching such instruments, NSEL has already signed agreement with National Securities Depository Limited (NSDL) and all set to commence trading of commodities in compulsory demat segments on or around March 08th 2010.

For any clarification on trading, Settlements and DP empanelment the following officials of NSEL can be contacted.

Mr. Santosh Mansingh / Mr. H.B. Mohanty
NATIONAL SPOT EXCHANGE LIMITED.
102-A Land Mark, Suren Road, CHAKALA
Andheri (East) Mumbai-400093
Telephone : 91-22-67619900 fax: 91-22-67619931
Cell no :+919930267641/+919930267639

Circular No :
2013/0113
2013/0095
Date: July 25, 2013

Sub: Deadline time for submission of pay-in instructions of Debt Segment on eDPM System and SPEED-e

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2013/0093 dated July 17, 2013 regarding addition of market type code. In this regard, deadline time for submission of instructions on eDPM System and SPEED-e in respect of the settlement of the market type Debt Segment T+0 of NSE is as follows:

Name of the Stock Exchange	Market Type	Deadline time for submission of instructions on a Pay-in day		
		SPEED-e	***SPEED-e* DIRECT**	**eDPM System**
NSE	DEBT SEGMENT NSE	2:45 p.m.	3:10 p.m.	3:20 p.m.

Participants must ensure that all the instructions submitted by the Clients (other than ***SPEED-e* DIRECT**) within the aforesaid deadline time are duly executed in the eDPM System well before the specified deadline time. In case Participants encounter any difficulty in downloading the instructions from ***SPEED-e***, the same should be reported to Help Desk immediately and a Token Number must be obtained.

Circular No :
NSDL/POLICY/
2013/0093
Date: July 17, 2013

All Participants are hereby informed that following Market Type Code has been added in the CC Calendar at the request of National Securities Clearing Corporation Ltd. (NSCCL) pertaining to settlement of Debt segment:

CC ID	MARKET TYPE CODE	DESCRIPTION
IN001002	37	DEBT SEGMENT T+0

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No :
NSDL/POLICY/
2013/0081
Date: June 10, 2013

Sub: Deadline time for submission of pay-in instruction of Debt Segment on eDPM System and SPEED-e

Attention of Participants is invited to NSDL Circular No. NSDL / POLICY/ 2013 / 0078 dated June 5, 2013 regarding addition of market type codes. In this regard, deadline time for submission of instructions on eDPM System and SPEED-e in respect of various market types pertaining to the settlement of 'Debt segment' of MCX-SX are as follows:

Name of the Stock Exchange	Market Type	Deadline time for submission of instructions on a Pay-in day		
		SPEED-e	***SPEED-e* DIRECT**	**eDPM System**
MCX-SX	RETAIL MARKET	9:45 am	10:10 am	10:20 am
	RETAIL MARKET INST LOT	9:45 am	10:10 am	10:20 am
	RETAIL MKT INST ODD LOT	9:45 am	10:10 am	10:20 am
	INSTITUTIONAL MARKET	11:45 am	12:10 pm	12:20 pm
	INST MARKET ODD LOT	11:45 am	12:10 pm	12:20 pm

Participants must ensure that all the instructions submitted by the Clients (other than ***SPEED-e* DIRECT**) within the aforesaid deadline time are duly executed in the eDPM System well before the specified deadline time. In case Participants encounter any difficulty in downloading the instructions from ***SPEED-e***, the same should be reported to Help Desk immediately and a Token Number must be obtained.

Circular No : NSDL/POLICY/ 2013/0078
Date: June 5, 2013

All Participants are hereby informed that the following Market Type Codes have been added in the CC Calendar at the request of MCX-SX Clearing Corporation Ltd. (MCXSX-CCL) pertaining to settlement of 'Debt segment':

CC ID	MARKET TYPE CODE	DESCRIPTION
IN001141	06	RETAIL MARKET
	07	RETAIL MARKET INST LOT
	08	RETAIL MKT INST ODD LOT
	09	INSTITUTIONAL MARKET
	10	INST MARKET ODD LOT

Participants are requested to note the aforesaid codes relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No : NSDL/POLICY/ 2013/0072
Date: May 20, 2013

Sub: Deadline time for submission of pay-in instruction of Debt Segment on eDPM System and SPEED-e

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2013/0061 dated April 25, 2013 regarding addition of market type code. In this regard, deadline time for submission of instructions on eDPM System and ***SPEED-e*** in respect of the settlement of the market type Debt Segment of NSE is as follows:

Name of the Stock Exchange	Market Type	Deadline time for submission of instructions on a Pay-in day		
		SPEED-e	***SPEED-e* DIRECT**	**eDPM System**
NSE	DEBT SEGMENT	10:15 a.m.	10:40 a.m.	10:50 a.m.

	Participants must ensure that all the instructions submitted by the Clients (other than ***SPEED-e*** **DIRECT**) within the aforesaid deadline time are duly executed in the eDPM System well before the specified deadline time. In case Participants encounter any difficulty in downloading the instructions from ***SPEED-e***, the same should be reported to Help Desk immediately and a Token Number must be obtained.
Circular No : NSDL/POLICY/ 2013/0065 Date: May 3, 2013	All Participants are hereby informed that the following Market Type Codes have been added in the CC Calendar at the request of BOI Shareholding Limited (BOISL) pertaining to settlement of 'Debt segment':

CC ID	MARKET TYPE CODE	DESCRIPTION
IN001019	28	DEBT T1
IN001019	29	DEBT T2

Participants are requested to note the aforesaid codes relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No : NSDL/POLICY/ 2013/0061 Date: April 25, 2013

All Participants are hereby informed that following Market Type Code has been added in the CC Calendar at the request of National Securities Clearing Corporation Ltd. (NSCCL) pertaining to settlement of Debt segment:

CC ID	MARKET TYPE CODE	DESCRIPTION
IN001002	36	DEBT SEGMENT

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No : NSDL/POLICY/ 2013/0022 Date: January 30, 2013

All Participants are hereby informed that the following Market Type Code has been added in the CC Calendar at the request of BOI Shareholding Limited (BOISL) pertaining to settlement of 'Offer For Sale' segment:

CC ID	MARKET TYPE CODE	DESCRIPTION
IN001019	27	OFST2

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No : NSDL/POLICY/ 2013/0021 Date: January 30, 2013

All Participants are hereby informed that the following Market Type Code has been added in the CC Calendar at the request of National Securities Clearing Corporation Ltd. (NSCCL) pertaining to settlement of 'Offer For Sale' segment:

CC ID	MARKET TYPE CODE	DESCRIPTION
IN001002	35	OFFER FOR SALE (T+2)

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No : NSDL/POLICY/ 2013/0007 Date: January 9, 2013

All Participants are hereby informed that the following Market Type Code has been added in the CC Calendar at the request of MCX-SX Clearing Corporation Limited (MCXSX-CCL) pertaining to settlement of trades executed on MCX-SX Stock Exchange Limited:

CC ID	MARKET TYPE CODE	DESCRIPTION
IN001141	05	BLOCK DEALS

<table>
<tr><td></td><td>Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System.</td></tr>
<tr><td rowspan="2">Circular No :
NSDL/POLICY/
2012/0124
Date: November 1, 2012</td><td>All Participants are hereby informed that the following Market Type Codes have been added in the CC Calendar at the request of MCX-SX Clearing Corporation Limited (MCXSX-CCL) pertaining to settlement of trades executed on MCX-SX Stock Exchange Limited:
<table>
<tr><th>CC ID</th><th>MARKET TYPE CODE</th><th>DESCRIPTION</th></tr>
<tr><td rowspan="3">IN001141</td><td>01</td><td>NORMAL</td></tr>
<tr><td>02</td><td>AUCTION</td></tr>
<tr><td>03</td><td>TRADE FOR TRADE</td></tr>
</table></td></tr>
<tr><td>Participants are requested to note the aforesaid codes relating to change in the static data for back-office batch interface with eDPM / Local DPM System.</td></tr>
<tr><td rowspan="2">Circular No :
NSDL/POLICY/
2012/0084
Date: August 24, 2012</td><td>All Participants are hereby informed that the following Market Type Codes have been added in the CC Calendar at the request of Multi Commodity Exchange of India Ltd. (MCX) pertaining to settlement of trades executed on MCX:
<table>
<tr><th>CC ID</th><th>MARKET TYPE CODE</th><th>DESCRIPTION</th></tr>
<tr><td rowspan="6">IN001117</td><td>08</td><td>SO+2</td></tr>
<tr><td>09</td><td>SP+3</td></tr>
<tr><td>10</td><td>T+1</td></tr>
<tr><td>11</td><td>T+3</td></tr>
<tr><td>12</td><td>T+4</td></tr>
<tr><td>13</td><td>T+5</td></tr>
</table></td></tr>
<tr><td>Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System.</td></tr>
<tr><td rowspan="2">Circular No :
NSDL/POLICY/
2012/0081
DATE: AUGUST 17, 2012</td><td>All Participants are hereby informed that the following Market Type Code has been added in the CC Calendar at the request of National Securities Clearing Corporation Limited (NSCCL) pertaining to settlement of Mutual Fund segment:
<table>
<tr><th>CC ID</th><th>MARKET TYPE CODE</th><th>DESCRIPTION</th></tr>
<tr><td>IN001002</td><td>34</td><td>Liquid Subscription</td></tr>
</table></td></tr>
<tr><td>Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System.</td></tr>
<tr><td rowspan="2">Circular No :
NSDL/POLICY/
2012/0067
DATE: JULY 6, 2012</td><td>All Participants are hereby informed that the following Market Type Code has been added in the CC Calendar at the request of BOI Shareholding Limited (BOISL) pertaining to settlement of Mutual Fund segment:
<table>
<tr><th>CC ID</th><th>MARKET TYPE CODE</th><th>DESCRIPTION</th></tr>
<tr><td>IN001019</td><td>26</td><td>MF SUBSCRIPTION - LIQUID</td></tr>
</table></td></tr>
<tr><td>Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System.</td></tr>
</table>

Circular No : NSDL/POLICY/ 2012/0033 DATE: MARCH 12, 2012	All Participants are hereby informed that the following Market Type Code has been added in the CC Calendar at the request of National Commodity Clearing Ltd. (NCCL) pertaining to settlement of trades executed on NCDEX:

CC ID	MARKET TYPE CODE	DESCRIPTION
IN001109	12	T+2 DAYS - G

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No : NSDL/POLICY/ 2012/0030 Date: March 2, 2012

Sub: Deadline time for submission of pay-in instruction on eDPM System and SPEED-e

Attention of Participants is invited to NSDL Circular Nos. NSDL/POLICY/ 2012/0016 dated February 4, 2012 and NSDL/POLICY/2012/0020 dated February 14, 2012 regarding addition of market type codes. In this regard, deadline time for submission of instructions on eDPM System and ***SPEED-e*** in respect of the settlement of "Offer for Sale" segment of BSE & NSE are as follows:

Name of the Stock Exchange	Market Type	NSDL deadline time for execution of instructions in the eDPM System	Deadline time for submission of instructions on *SPEED-e*
BSE	Offer For Sale	9.50 a.m.	9.15 a.m.
NSE			

Participants must ensure that all the instructions submitted by the Clients within the aforesaid deadline time are duly executed in the eDPM System well before the specified deadline time and in case Participants encounter any difficulty in downloading the instructions from ***SPEED-e***, the same should be reported to Help Desk immediately and a Token Number be obtained.

Circular No : NSDL/POLICY/ 2012/0020 Date: February 14, 2012

All Participants are hereby informed that the following Market Type Code has been added in the CC Calendar at the request of National Securities Clearing Corporation Ltd. (NSCCL) pertaining to settlement of 'Offer for Sale' segment:

CC ID	MARKET TYPE CODE	DESCRIPTION
IN001002	33	Offer for Sale

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No : NSDL/POLICY/ 2012/0016 Date: February 4, 2012

All Participants are hereby informed that the following Market Type Code has been added in the CC Calendar at the request of BOI Shareholding Limited (BOISL) pertaining to settlement of 'Offer For Sale' segment:

CC ID	MARKET TYPE CODE	DESCRIPTION
IN001019	25	Offer for Sale

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System

Circular No : NSDL/POLICY/ 2011/0038
Date: April 28, 2011

Sub: Deadline time for submission of pay-in instruction on eDPM System and SPEED-e

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2011/0034 dated April 15, 2011 regarding addition of market type codes. In this regard, the deadline time for submission of instructions on eDPM System and ***SPEED-e*** in respect of the settlement of delivery based stock derivatives of BSE are as follows:

Name of the Stock Exchange	Market Type	NSDL deadline time for execution of instructions in the eDPM System	Deadline time for submission of instructions on *SPEED-e*
BSE	NORMAL DELV DERIVATIVES	9.50 am	9.15 am
	AUCTION DELV DERIVATIVES	9.30 am	8.55 am

Participants must ensure that all the instructions submitted by the Clients within the aforesaid deadline time are duly executed in the eDPM System well before the specified deadline time and in case Participants encounter any difficulty in downloading the instructions from ***SPEED-e***, the same should be reported to Help Desk immediately and a Token Number be obtained.

Circular No : NSDL/POLICY/ 2011/0034
Date: April 15, 2011

All Participants are hereby informed that the following Market Type Codes have been added in the CC Calendar at the request of BOI Shareholding Limited pertaining to settlement of delivery based stock derivatives:

CC ID	MARKET TYPE CODE	DESCRIPTION
IN001019	23	NORMAL DELV DERIVATIVES
	24	AUCTION DELV DERIVATIVES

Participants are requested to note the aforesaid codes relating to change in the static data for back-office batch interface with the eDPM / Local DPM System.

Circular No : NSDL/POLICY/ 2011/0015
Date: February 3, 2011

Sub: Change in Auction Settlement schedule for NSE/BSE

Attention of Participants is invited to SEBI Circular No. CIR/MRD/DP/39/2010 dated December 28, 2010 regarding activity schedule for auction session *(informed to Participants vide NSDL Circular No. NSDL/POLICY/2010/0139 dated December 30, 2010)*. In this regard, Participants are hereby informed that as per the intimation received from National Securities Clearing Corporation Limited (NSCCL) and BOI Shareholding Limited (BOISL), the revised auction settlement schedule for NSE/BSE shall be effective for all auction trades starting from February 3, 2011 onwards. In view of this, Participants are requested to note the following:

(i) NSCCL has intimated to NSDL that settlement for auction normal no. 2011020 will not be held. The shortages of normal settlement nos. 2011020 and 2011021 will be assigned to auction normal settlement no. 2011021.

(ii) BOISL has intimated to NSDL regarding revision in the deadline time for Pay-in of securities on T (Auction session day) +1 day with respect to auction rolling settlement with effect from February 4, 2011. The revised deadline for Pay-in of securities for auction rolling are as follows:

Circular No : NSDL/POLICY/ 2011/0002 Date: January 1, 2011	***Sub: NSDL deadline time extended from 10.40 am to 10.50 am for various settlements of NSE, BSE and CSE***

All Participants are hereby informed that with effect from Monday, January 3, 2011, the NSDL deadline time for Pay-in of securities for various settlements of NSE, BSE and CSE will be revised to **10.50 am** as against the current deadline time of 10.40 am in respect of the following market types

Exchange	Market Type
NSE	Normal
	Auction Normal
	Trade for Trade
	Retail Debt Market
	Bad Delivery
	Company Objection
	Institutional
BSE	Rolling Market Lot
CSE	Rolling Market Lot
	Auction Rolling

Accordingly, the CC calendar in the eDPM / Local DPM System has been revised. With the above change, Participants can capture and verify / release instructions till the aforementioned deadline time.

Further, Participants are also requested to be guided by the various guidelines mentioned in NSDL Circular Nos. NSDL/POLICY/2009/0082 and NSDL/POLICY/2010/0128 dated September 9, 2009 and December 11, 2010 respectively with respect to execution of Pay-in related instructions.

Circular No : NSDL/POLICY/ 2010 /0139 December 30, 2010	***Sub: Activity schedule for Auction Session***

All Participants are hereby informed that SEBI has issued Circular No. CIR/MRD/DP/39/2010 dated December 28, 2010 (copy enclosed) regarding activity schedule for auction session.

CIRCULAR

CIR/MRD/DP/ 39 /2010 December 28, 2010

To,
All Stock Exchanges,

Dear Sir/Madam,

Subject: Activity schedule for Auction Session

As per extant practice, in case of default by the selling broker in a settlement, the security delivered short is bought in the auction session and is delivered to the buying broker on T+4 day. In order to reduce the time involved in delivering the shares to the buying broker, in case of default, it has been ecided to conduct the auction on the same day of the settlement, after the pay-in is completed. i.e. he auction for

trades done on T day shall be conducted on T+2 day after pay-in is completed and shortfall is crystallized. The activity schedule as under shall be applicable with effect from February 1, 2011:

Rolling settlement for T day trade

S. No.	Day	Description of activity
1	T	Trade Day
2	T+2	Pay-in/Pay-out of securities and funds

Auction settlement for T day trade

3	T+2	Auction session
4	T+3	Pay-in/pay-out and close-out of auction

However, as the bank and stock exchange holidays are not common there are days when multiple settlements are conducted on the working day immediately following the day(s) of the closure. On such days when multiple settlements (say S1 and S2) are conducted on the same day (say Tm) the auction session shall be as under:

1. The auction of first settlement (S1) shall be conducted on the same day (Tm) and settled the next day (Tm+1).
2. The auction for the second settlement (S2) shall be conducted on the next day (Tm+1) along with the shortages/auction of that day. The settlement of the same shall happen on the subsequent day (Tm+2).

The Stock Exchanges are advised to:

i. put in place the adequate systems and issue the necessary guidelines for implementing the above decision.

ii. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above

iii. bring the provisions of this circular to the notice of the stock brokers and also disseminate the same on their website.

This circular is being issued in exercise of powers conferred under Section 11(1) of Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate, the securities market.

Circular No : NSDL/POLICY/ 2010/0128 Date: December 11, 2010	***Sub: New Depository System (NDS) - Monitoring of Instructions (Changes to Master Circular on Delivery Instruction Slips)*** As Participants are aware, the descriptions of static data codes (i.e., status change) of various modules in respect of NDS have been made available on the Intranet site of NSDL i.e. https://sqlassist under the head (https://sqlassist/ Back office file formats - New DPM System). The instructions given in Master Circular No. NSDL/POLICY/2009/0082 dated September 9, 2009 on Delivery Instruction Slips - Version 1.0 have been modified for the purpose of NDS. The new instructions will be applicable upon NDS becoming operational. The changes are highlighted and enclosed at Annexure 1. Changed clauses without highlighting are enclosed at Annexure 2.

Annexture - 1

Accordingly, the CC calendar in the eDPM / Local DPM System has been revised .Changes incorporated to Circular No. NSDL/POLICY/2009/0082 dated September 9, 2010 with respect to the following points:

Sr. No.	Topic	Reference Point Nos.
1	Checks and Controls required in case Participant is using back office system / Manual controls	5 (iii) (c)
2	Processing of DIS	20 (ii) and (vi)
3	Precautions to be taken at the time of accepting market related instructions	22 (4) & (7)

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

(iii) Important note on automation and manual control:

(c) In case a DIS is received from a dormant account (i.e. where no transaction has taken place for a period of six months or any other lesser time period as may be decided by the Participant), in addition to the existing process of verification, another employee of the Participant should also verify the instruction. The Participant should obtain an independent confirmation from the Client(s) in this regard before processing the DIS. However, in case of active accounts, such verification is mandatory only if the account has five or more ISINs and all such ISIN balance are transferred at a time. The authorized official of the Participant verifying such transactions with the Client, shall record the details of the process, date, time, etc. of the verification on the instruction slip under his signature.

Further, in order to facilitate identification of dormant accounts, an alert has been provided in the DPM System when Participant captures / verify releases instruction in the Client accounts where the system has not performed any of the transactions with relation to Account transfer (Debits), Inter Depository transfer (Debits), Remat and Pledge in any of the ISINs for a defined period of time through manual data entry in the DPM System or uploading the instructions through Back-office. Participant can override this warning message and continue capture/ verify-Release operation. In case aforesaid instructions are being executed using DPM import, an error file (“.err”) will be generated containing warning message. For this, Client accounts that have not executed any of the above transactions for last 180 days will be marked as dormant account. Further, Participants may note that after any debit transaction is executed in a dormant account, it will be marked as non-dormant in the EOD process of that day. This implies that alerts will be generated for all instructions executed on that day for the dormant account till EOD of that day.

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

(20) Processing of DIS :

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

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

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

(a) Participants shall accept instructions from the Clients, in physical form upto 4 p.m. (in case of electronic instructions upto 6.00 p.m.) on T+1 for pay-in of securities, viz.; instructions to transfer securities from Client account to CM Pool account, Inter-Settlement Instructions, CM Pool to CM Pool account transfers and Delivery-Out Instructions, etc. For example, pay-in for trades executed on 'Monday' will be on Wednesday. Clients will have to submit instructions to their Participants upto 4 p.m. (in case of electronic instructions upto 6.00 p.m.) on Tuesday.

(b) Settlement instructions received from any Client beyond the aforementioned deadlines would be received by the Participants at Clients' risk and acknowledgment thereof should be issued by Participants to the Clients, with suitable remarks.'

(c) Participants should complete execution of pay-in instructions (i.e.,*Delivery-Out instructions*) and ensure that they are in status "Instruction ready for Settlement" well before the pay-in deadline time on T+2.

(d) In case the Client account does not have sufficient balance, the Client to CM Pool account transfer instructions will reflect the status "Overdue" (*provided in the target CM Pool Account, the standing instruction indicator is enabled or receipt instructions initiated is matched*), irrespective of the execution date and will remain valid till the pay-in for the requisite settlement number and market type, during the pay-in process;

i. if partial balance is available in the Client account, then the same will be debited and transferred to the CM Pool Account. The status of the instruction will get updated as "Partially Settled".

ii. if no balance is available in the Client account, then the instruction will get rejected. The status of the instruction will get updated as "Rejected".

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

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

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

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

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

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

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

(i) Saturday if the execution date happens to be a Sunday,

(ii) previous business day if the execution date happens to be a DM holiday.

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

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

4. Participants should ensure that IDT instructions are verified & released well before the deadline so that the status of the instruction become "Acknowledgement awaited from other Depository"* at NSDL deadline time. However, future dated instructions can be verified & released without any time restriction as per the current practice. In case any IDT instruction is received by NSDL after NSDL deadline time, then the same will fail with the status "Rejected" with the reason 'Deadline time has passed'. If CDSL rejects NSDL's inter depository debit instructions (IDDs) in case it receives IDD after the deadline time of the current business date, the status of IDT instructions will change from "Acknowledgement awaited from other Depository" to "Rejected by other Depository".

7. Monitoring of instructions:

(a) Participants should ensure that the instructions that have the effect of crediting the CM Pool Accounts for a settlement, such as Client to CM Pool Transfer, inter-settlement transfers, CM Pool to CM Pool transfers and Inter Depository transfers are in the status " Settled" atleast one hour before the NSDL Deadline time.

(b) Participants should ensure that the delivery-out instructions are in the status "Instruction ready for Settlement" at NSDL deadline time. In case the instructions are in any other status including "Released" for a long time, Participants should report to NSDL Help-Desk immediately.

(c) Participants may note that instructions such as account transfers, inter-settlement transfers, CM Pool to CM Pool transfers, Delivery Outs and Inter Depository transfers can be captured and verified/ released even if BOD has not been received by the DPM System.

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

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

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

(i) On Verify/release the Delivery-out Instruction will go into the status *"Released"* irrespective of **sufficient balances** available in the CM Pool Account. In case of **insufficient balances**, the status of the instruction will change to *"Overdue"* and will remain in that status till such time the balance available in the CM Pool Account for the relevant settlement is less than the order quantity of the Delivery-Out Instruction.

(ii) On receipt of credit for the full order quantity in the CM Pool Account, the Delivery-Out Instruction is triggered and the status changes to "*Instruction ready for Settlement*".

(iii) At NSDL Deadline time, if the balance in the CM Pool Account does not become equal to the order quantity, then such Delivery-Out Instruction which is in the status "*Overdue*" will be executed partially to the extent of balance available in the CM Pool Account. The status of such Delivery-out Instruction will change to *"Partially Accepted" and then to "Partially Settled*". The partially executed quantity is displayed on the Delivery-Out Instruction screen separately against the field "**Delivered Quantity**".

(iv) Participants must monitor the status of such partially executed Delivery-Out Instructions at the NSDL Deadline time in the Delivery-Out Instruction screen by selecting the flag for the field "***See only Partial Delivery Out Instructions***" and querying on the same.

(v) Instructions in the status "*Overdue*" will remain in that status waiting for sufficient balance till the NSDL deadline time. On receipt of credit for the full order quantity in the CM Pool Account in the late pay-in window, the Delivery-Out Instruction is triggered and the status will change to "*Instruction ready for Settlement*".

(vi) At the NSDL deadline time, if there is no balance in the CM Pool Account, then the Delivery-Out Instruction which is in the status "*Overdue*" will fail with the status "*Rejected*" with the reason "*Cancelled, Overdue status during settlement*".

(vii) Participants should ensure that the Delivery-Out Instructions are in the status "*Overdue*" or "*Instruction ready for Settlement*" atleast 30 minutes before the NSDL Deadline time.

(f) In *respect* of instructions remaining in status **"Released"**, Participants are advised that the **"Message Control Panel"** under GISMO allows the Participants to monitor the status of incoming messages as under:

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

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

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

(i) Participants should ensure that the following services are always running:

a. NSDL HTTP Message Receiver Service

b. NSDL ISINWise Message Processor Service

c. NSDL Master Message Processor Service

d. NSDL Export (File Generator) Service

e. NSDL Automatic File Upload Service

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

(ii) In case the instructions or batch upload file remains in status **"Released"** or **"Transferred"** respectively for a long time, Participant should inform NSDL Help Desk immediately.

(iii) Participants must ensure that Ping to NSDL and Ping to router are functioning successfully and in case Ping to NSDL and Ping to router fails, Participant must report the same to NSDL Help Desk immediately.

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

Annexure 2

Changes incorporated to Circular No. NSDL/POLICY/2009/0082 dated September 9, 2010 with respect to the following points:

Sr. No.	Topic	Reference Point Nos.
1	Checks and Controls required in case Participant is using back office system / Manual controls	5 (iii) (c)
2	Processing of DIS	20 (ii) and (vi)
3	Precautions to be taken at the time of accepting market related instructions	22 (4) & (7)

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

(iii) Important note on automation and manual control:

(c) In case a DIS is received from a dormant account (i.e. where no transaction has taken place for a period of six months or any other lesser time period as may be decided by the Participant), in addition to the existing process of verification, another employee of the Participant should also verify the instruction. The Participant should obtain an independent confirmation from the Client(s) in this regard before processing the DIS. However, in case of active accounts, such verification is mandatory only if the account has five or more ISINs and all such ISIN balance are transferred at a time. The authorized official of the Participant verifying such transactions with the Client, shall record the details of the process, date, time, etc. of the verification on the instruction slip under his signature.

Further, in order to facilitate identification of dormant accounts, an alert has been provided in the DPM System when Participant captures / verify releases instruction in the Client accounts where the system has not performed any of the transactions with relation to Account transfer (Debits), Inter Depository transfer (Debits), Remat and Pledge in any of the ISINs for a defined period of time through manual data entry in the DPM System or uploading the instructions through Back-office. Participant can override this warning message and continue capture/ verify-Release operation. In case aforesaid instructions are being executed using DPM import, an error file (".err") will be generated containing warning message.

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

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

(20) Processing of DIS :

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

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

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

(a) Participants shall accept instructions from the Clients, in physical form upto 4 p.m. (in case of electronic instructions upto 6.00 p.m.) on T+1 for pay-in of securities, viz.; instructions to transfer securities from Client account to CM Pool account, Inter-Settlement Instructions, CM Pool to CM Pool account transfers and Delivery-Out Instructions, etc. For example, pay-in for trades executed on 'Monday' will be on Wednesday. Clients will have to submit instructions to their Participants upto 4 p.m. (in case of electronic instructions upto 6.00 p.m.) on Tuesday.

(b) Settlement instructions received from any Client beyond the aforementioned deadlines would be received by the Participants at Clients' risk and acknowledgment thereof should be issued by Participants to the Clients, with suitable remarks.

(c) Participants should complete execution of pay-in instructions (i.e.,*Delivery-Out instructions*) and ensure that they are in status "Instruction ready for Settlement" well before the pay-in deadline time on T+2.

(d) In case the Client account does not have sufficient balance, the Client to CM Pool account transfer instructions will reflect the status "Overdue" (*provided in the target CM Pool Account, the standing instruction indicator is enabled or receipt instructions initiated is matched*), irrespective of the execution date and will remain valid till the pay-in for the requisite settlement number and market type, during the pay-in process;

i. if partial balance is available in the Client account, then the same will be debited and transferred to the CM Pool Account. The status of the instruction will get updated as "Partially Settled".

ii. if no balance is available in the Client account, then the instruction will get rejected. The status of the instruction will get updated as "Rejected".

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

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

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

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

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

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

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

(i) Saturday if the execution date happens to be a Sunday,

(ii) previous business day if the execution date happens to be a DM holiday.

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

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

4. Participants should ensure that IDT instructions are verified & released well before the deadline so that the status of the instruction become "Acknowledgement awaited from other Depository"* at NSDL deadline time. However, future dated instructions can be verified & released without any time restriction as per the current practice. In case any IDT instruction is received by NSDL after NSDL deadline time, then the same will fail with the status "Rejected" with the reason 'Deadline time has passed'. If CDSL rejects NSDL's inter depository debit instructions (IDDs) in case it receives IDD after the deadline time of the current business date, the status of IDT instructions will change from "Acknowledgement awaited from other Depository" to "Rejected by other Depository".

7. Monitoring of instructions:

(a) Participants should ensure that the instructions that have the effect of crediting the CM Pool Accounts for a settlement, such as Client to CM Pool Transfer, inter-settlement transfers, CM Pool to CM Pool transfers and Inter Depository transfers are in the status " Settled" atleast one hour before the NSDL Deadline time.

(b) Participants should ensure that the delivery-out instructions are in the status "Instruction ready for Settlement" at NSDL deadline time. In case the instructions are in any other status including "Released" for a long time, Participants should report to NSDL Help-Desk immediately.

(c) Participants may note that instructions such as account transfers, inter-settlement transfers, CM Pool to CM Pool transfers, Delivery Outs and Inter Depository transfers can be captured and verified/released even if BOD has not been received by the DPM System.

Thus, the instructions which are verified/released before the receipt of BOD will be processed by NSDL after the BOD and such instructions will be transmitted provided all the services are running successfully at the Participant's end. However, Participants are advised to remain in contact with NSDL

Help Desk and also ensure that all instructions have been transmitted to NSDL. Further, the status of such instructions may appear as "Released" in the DPM System and once the BOD is received, the status will change to "Overdue" / "Accepted" / "Counterparty instruction awaited" / "Future Dated" / "Settled" / "Rejected", as the case may be.

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

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

(i) On Verify/release the Delivery-out Instruction will go into the status *"Released"* irrespective of **sufficient balances** available in the CM Pool Account. In case of **insufficient balances**, the status of the instruction will change to *"Overdue"* and will remain in that status till such time the balance available in the CM Pool Account for the relevant settlement is less than the order quantity of the Delivery-Out Instruction.

(ii) On receipt of credit for the full order quantity in the CM Pool Account, the Delivery-Out Instruction is triggered and the status changes to "*Instruction ready for Settlement*".

(iii) At NSDL Deadline time, if the balance in the CM Pool Account does not become equal to the order quantity, then such Delivery-Out Instruction which is in the status "*Overdue*" will be executed partially to the extent of balance available in the CM Pool Account. The status of such Delivery-out Instruction will change to *"Partially Accepted" and then to "Partially Settled*". The partially executed quantity is displayed on the Delivery-Out Instruction screen separately against the field "**Delivered Quantity**".

(iv) Participants must monitor the status of such partially executed Delivery-Out Instructions at the NSDL Deadline time in the Delivery-Out Instruction screen by selecting the flag for the field "***See only Partial Delivery Out Instructions***" and querying on the same.

(v) Instructions in the status "*Overdue*" will remain in that status waiting for sufficient balance till the NSDL deadline time. On receipt of credit for the full order quantity in the CM Pool Account in the late pay-in window, the Delivery-Out Instruction is triggered and the status will change to "*Instruction ready for Settlement*".

(vi) At the NSDL deadline time, if there is no balance in the CM Pool Account, then the Delivery-Out Instruction which is in the status "*Overdue*" will fail with the status "*Rejected*" with the reason "*Cancelled, Overdue status during settlement*".

(vii) Participants should ensure that the Delivery-Out Instructions are in the status "*Overdue*" or "*Instruction ready for Settlement*" atleast 30 minutes before the NSDL Deadline time.

(f) In *respect* of instructions remaining in status **"Released"**, Participants are advised that the **"Message Control Panel"** under GISMO allows the Participants to monitor the status of incoming messages as under:

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

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

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

(i) Participants should ensure that the following services are always running:

a. NSDL HTTP Message Receiver Service
b. NSDL ISINWise Message Processor Service
c. NSDL Master Message Processor Service
d. NSDL Export (File Generator) Service
e. NSDL Automatic File Upload Service

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

(ii) In case the instructions or batch upload file remains in status **"Released"** or **"Transferred"** respectively for a long time, Participant should inform NSDL Help Desk immediately.

(iii) Participants must ensure that Ping to NSDL and Ping to router are functioning successfully and in case Ping to NSDL and Ping to router fails, Participant must report the same to NSDL Help Desk immediately.

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

Circular No : NSDL/POLICY/ 2010/0118 Date: October 30, 2010	***Sub: Extension of deadline time for submission of IDT instructions.*** Further to our Circular No. NSDL/PI/2003/1953 dated December 8, 2003, all Participants are hereby informed that henceforth the deadline timings for online inter-depository transfer (IDT) instructions from Mondays to Fridays with effect from November 2, 2010 will be as under :

Sr. No.	Particulars	Deadline Time (New)
1	Deadline time for Participants to verify/release (Manual/Bulk) IDT delivery/receipt instructions with current execution date.	7.00 pm
2	NSDL deadline time for receiving IDT delivery/receipt instructions from Participants.	7.20 pm

Participants are advised to ensure that all IDT instructions are executed well before the aforesaid deadline time and ensure that all instructions are in the status "Accepted by NSDL" by 7.20 pm. In case of any difficulty, the problem should be reported to NSDL Help Desk and Token Number for the complaint be obtained.

Further, deadline time for Clients / Clearing Members to submit Inter Depository Delivery instructions on ***SPEED-e*** facility would be 6.00 pm. Participants should ensure to download at least one batch of instructions from ***SPEED-e*** after 6.00 pm and upload the same into the DPM System well before the prescribed deadline time i.e.,7.00 pm.

IDT instructions received after 7.20 pm would be rejected and the status of such instructions would be displayed as 'Closed, Rejected by NSDL' with the reason 'NSDL deadline time has passed'.

Master Circular on Delivery Instruction Slips (DIS) - Version 1.2

Sr. No.	Topic
1.	Types of DIS
2.	Issuance and Re-issuance of DIS
3.	Modes of providing DIS booklets to Clients
4.	Issuance of Loose leaf DIS
5.	Checks and Controls in case Participant is using back office system / Manual controls
6.	Execution of transactions based on receipt of electronic instruction
7.	Submission of instructions using SPEED-e facility of NSDL
8.	Deadline for submission of market instructions on SPEED-e
9.	Instructions received from Clients who have attained majority
10.	Instructions received from illiterate persons
11.	Instructions received from Blind persons
12.	Instructions received through fax
13.	Facility for submitting consolidated DIS accompanied by computer print-outs by Power of Attorney (POA) holder (other than Participant) on behalf of its Clients
14.	Facility for acceptance of Consolidated Client Delivery Instructions computer printouts allowed where POA is given by Clients in favour of Participant
15.	Acceptance of Client's Delivery Instructions accompanied with computer printouts
16.	Acceptance of instructions accompanied by computer printouts for Clearing Members

17. Computer printouts allowed for other types of instructions
18. Instructions received for Buy Back / Open Offer
19. Incorporation of details in DIS as advised by Financial Intelligence Unit (FIU)
20. Processing of DIS
    (i) Acknowledgement of instruction at the time of accepting physical / electronic DIS
    (ii) Deadline time for submission of physical / electronic instructions
    (iii) Deadline time for accepting non pay-in related instructions
    (iv) Processing of IDT Instructions
    (v) Deadline for Bulk Verify & Release for IDT Instructions
    (vi) Execution date of instructions falling on a Sunday or any other DM holiday
    (vii) Restriction on processing of DIS at franchisee
21. Internal and Concurrent Audit - Control and Verification of Delivery Instruction Slips
22. Precautions to be taken at the time of accepting market related instructions

(1) Types of DIS:

The various types of DIS forms are given below:

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

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

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

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

(i) All DIS must bear pre-stamped Client ID and pre-printed unique identification number (serial number). Participants may consider printing the name(s) of account holder(s) as well, on the DIS. Further, if the DIS booklet is issued to an illiterate person, the same should be pre-stamped as "Thumb Impression", in case of blind person, DIS booklet should be pre-stamped as "Visually Challenged" and in case of blind illiterate person, DIS booklet should be pre-stamped as "Visually Challenged and Thumb Impression".

(ii) DIS issued to joint account holders and accounts operated by Power of Attorney holder (POA) may be distinguished either by different coloured stationery or by any other method as the Participant deems fit.

(iii) All DIS booklets must contain a Requisition form that should bear pre-stamped Client ID and a provision to attest the signature of the person to whom the account holder wishes to authorise to collect the booklet on his/her behalf. Participants may consider printing the name(s) of account holder(s) as well on the Requisition form.

(iv) Initial issuance of DIS will be with account opening *(Ref.: Circular No. NSDL/PI/2000/834 dated June 2, 2000)*

A. In case the person seeking to open the depository account has given a Power of Attorney to operate the depository account to a stock broker/Participant/Portfolio Manager, the Participant may give an option (as per *illustrative format*) to such Client to either

a) Receive the DIS at the time of account opening itself; or

b) Receive the DIS at any later date on request from the Client. If at a later date, the Client makes a request for issuance of DIS, the procedure mentioned below at point no. (2) (v) must be followed for issuance of DIS and the Participant must promptly issue the DIS to the Client.

B. The above option to the Client may be incorporated as a part of Account Opening Form *(Ref.: Circular No. NSDL/POLICY/2011/0103 dated December 5, 2011)* or may be given separately.

C. No such option must be given to the Client

a) in case the Participant desires to provide DIS at the time of account opening itself to all Clients.

b) in case the Client opts for Basic Services Demat Account (since it is mandatory to issue atleast two DIS at the time of account opening - Ref.: Circular No. NSDL/POLICY/2012/0086 dated August 28, 2012).

(v) Re-issuance of DIS booklet should strictly be on receipt of Requisition form duly signed by all account holder(s). In case a Client reports that the Requisition form has been lost/misplaced/stolen or the Client has opted not to receive DIS booklet with account opening, the Client should make a written request on a plain paper signed by all the account holders(s) and submit the latest Transaction Statement, for issuance of DIS booklet.

(vi) A "DIS Issuance Register" should be maintained, which should have details such as Client's name, Client ID, unique identification number (serial number) of DIS (start and end), date of issue and mode of issue. In case the DIS booklet is delivered by hand, name of the person to whom it is handed-over (address as well as contact telephone number(s) in case of authorised person) alongwith his/her signature should be obtained on the DIS Issuance Register.

(vii) The inside back cover of the DIS booklet should be printed with information on Grievances Redressal Mechanism as intimated vide NSDL Circular No. NSDL/PI/2004/1286 dated July 19, 2004.

(3) Mode of providing DIS booklets to Clients:

Participants are advised as follows:

Sr. No	Particulars	Action
a	When a Client's request for DIS booklet is received through post/courier.	Send DIS booklet through registered post/courier, to the address of the Client captured in the DPM System after duly verifying the signature(s) of the Client(s).
b	When a Client (sole holder or either of the holders) comes in person and submits the Requisition form for re-issuance of DIS.	Hand-over DIS booklet to the Client, only after satisfying about the identity of the Client.
c	When a Client authorises a representative to collect DIS.	Hand-over the DIS booklet to the authorised person, only after establishing the identity of the authorised person (refer Circular no. NSDL/ POLICY/2009/0029 dated April 16, 2009 for list of identity documents, which can be obtained by Participant). However, in case the Participant is not in a position to establish the identity of the authorised person, DIS booklet should be sent through registered post/courier, to the address of the Client.

	d	In case a Client reports (in writing) that the Requisition form (slip) has been lost / misplaced / stolen.	Send DIS booklet through registered post/courier, to the address of the Client registered with the Participant. However, in case the Client or its authorised person comes in person to collect the DIS, it may be handed-over only after the identity of the person is established as mentioned above.
	e	In case a request for issuance of DIS booklet is received through post/courier immediately (i.e. within 30 days) after change in the address in the depository account of the Client.	Participant should obtain an independent confirmation (by way of letter/e-mail/telephone) from the Client(s) in this regard, before issuing the DIS.

(4) Issuance of Loose leaf DIS:

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

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

(a) The Client visits the Participant's office in person;

(b) Participant satisfies itself about the identity of the Client and issues loose leaf DIS; and

(c) The Client signs the DIS in the presence of authorized official of the Participant.

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

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

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

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

(a) Participants must record the serial numbers and run an automatic check while executing transactions based on DIS.

(b) Ensure that the system has in-built controls for matching of serial numbers with the respective Client IDs and that the system blocks the DIS permanently that have been used.

(c) In case any Client reports (in writing) that DIS(s) has/have been lost/misplaced/stolen or the account is closed, unused serial number(s) should be permanently blocked.

(d) In case any DIS is presented for execution that has already been used or is part of the series of DIS which have been reported as lost/misplaced/stolen then the system should give automatic alert, in which case, Participant should contact the Client(s) immediately.

(ii) Manual controls:

(a) Participants must ensure that a "DIS Control Register" is maintained for recording details of serial numbers and Client IDs with which the serial numbers are associated. Participants should verify the same at the time of receipt of DIS and make a remark that it has been used.

(b) In case a Client reports (in writing) that DIS is lost/misplaced/stolen or the account is closed, the same should be cancelled in the DIS Control Register.

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

(iii) Important note on automation and manual control:

(a) Employees of Participant processing DIS should put their signature on the DIS indicating that they have verified the signature(s) of the account holder(s) and that the unique identification number (serial number) belongs to that Client. In case of manual controls, employees of Participants, before signing on the DIS, should also ensure that the DIS bearing unique number belongs to that Client.

(b) There shall also be an indication of the value of the transactions contained in a single DIS on the system of Participant and in case the value of securities on the DIS amounts to Rs. Five lakh or more, it should be subject to two step verification, especially for off market transactions.

(c) In case a DIS is received from a dormant account (i.e. where no transaction has taken place for a period of six months or any other lesser time period as may be decided by the Participant), in addition to the existing process of verification, another employee of the Participant should also verify the instruction. The Participant should obtain an independent confirmation from the Client(s) in this regard before processing the DIS. However, in case of active accounts, such verification is mandatory only if the account has five or more ISINs and all such ISIN balance are transferred at a time. The authorized official of the Participant verifying such transactions with the Client, shall record the details of the process, date, time, etc. of the verification on the instruction slip under his signature.

Further, in order to facilitate identification of dormant accounts, an alert has been provided in the DPM System when Participant captures / verify releases instruction in the Client accounts where the system has not performed any of the transactions with relation to Account transfer (Debits), Inter Depository transfer (Debits), Remat and Pledge in any of the ISINs for a defined period of time through manual data entry in the DPM System or uploading the instructions through Back-office. Participant can override this warning message and continue capture/ verify-Release operation. In case aforesaid instructions are being executed using DPM import, an error file (".err") will be generated containing warning message.

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

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

(d) Participant shall cross check with the Client(s) under exceptional circumstances before acting upon the DIS.

(e) In case DIS received is pre-signed with blank columns, Participant should not accept such DIS.

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

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

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

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

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

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

Explanation:

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

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

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

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

Explanation:

(a) Electronic instructions received by the Participants must be authenticated using signature verification utility (SVU). This is required to ensure that the instructions are indeed received from the Client. SVU should be issued by a CA licensed by Controller of CA to validate the digitally signed files received from the Client. The SVU will strip the digital signature after successful authentication. The new file thus generated after authentication must be stored as a different file before uploading/executing in the DPM System so as to keep the original file with the digital signature intact. Participants will be required to ensure that the authenticated file should not be altered and should represent accurately the information which was originally received from or sent by the Client, before uploading/executing the file in the DPM System. In this regard, Participants will be liable for any claims that may be raised by the Client on account of any loss arising from execution of instructions which are altered subsequent to stripping the digital signature.

(b) Participants are advised to ensure that the instructions submitted electronically using

digital signature must be retained alongwith the digital signature for the period as specified in various regulations.

(c) Participants are advised to retain the details of authorised persons who are digitally signing the instructions for the period as specified in various regulations.

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

Explanation*:*

(a) Participants will be liable to produce these electronic records in a readable form to NSDL, SEBI or to any other Statutory Authority, whenever required. As Participants are aware, NSDL inspects the records of the Participants at regular intervals. Therefore, the file formats of digitally signed instructions should adhere to either of the file formats prescribed for DPM System or SPEED-e.

(b) The signed file should be such that instruction details can be clearly identified, thus it can be in a flat file as per backoffice import file formats or SPEED-e import file formats or a format which is readable directly, without a need to interpret the information in the file.

(c) Participants will be required to provide the SVU that would enable NSDL inspection team to verify the transactions that are received electronically. Also, Participants will have to ensure that any new upgrades done by its CA is incorporated in the SVU and provided to NSDL at the time of inspection.

General compliance

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

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

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

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

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

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

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

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

Name of the Stock Exchange	Market Types	Revised deadline time for submission of instructions (pertaining to pay-in) by Clients on SPEED-e on pay in day	NSDL deadline time for execution of instructions in the DPM System on pay-in day
NSE	SLB First Leg, SLB Return Leg and SLB Auction Buy-in	8.00 am	9.00 am
	Normal, Auction Normal, Trade for Trade, Company Objection, Retail Debt Market, Bad Delivery, Institutional and MFSS T+3	10.00 am	10.40 am
BSE	SLB, SLB-R and Buy in Auction.	8.00 am	9.00 am
	Rolling Market Lot	10.00 am	10.40 am
	Auction Rolling	11.00 am	12.00 noon
	Company Objection		4.00 pm
			1.00 pm
CSE	Rolling Market Lot and Auction Rolling	9.30 am	10.30 am

Participants must take note of the following:

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

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

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

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

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

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

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

(10) Instructions received from illiterate person:

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

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

a) The Client(s) must come in person to submit DIS and affix his/her thumb impression in the presence of the official of the Participant. The Participant should identify the Client(s) by verifying the photograph submitted by the Client(s) and read out/explain the contents of the delivery instruction form to the Client(s). The official of the Participant should then put his signature and remarks “Details explained to the Client(s)”, on the DIS.

b) In case such Client(s) is/are temporarily or permanently disabled due to which he/she cannot come in person to submit the instruction form as mentioned in point (a) above, the thumb impression of the Client(s) on the DIS must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate or a similar authority holding a Public Office and authorised to use the Seal of his office or a manager of the account holder’s bank. The Client should also produce a medical certificate about his/her disability.

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

(11) Instructions received from Blind person:

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

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

(12) Instructions received through fax:

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

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

1. Participant should obtain a fax indemnity duly signed by all the Client(s)/authorised signatories of the account.
2. Participant must advise its Clients to mark "*This is a fax instruction*" on the face of the DIS with a view to identify the same from the original DIS received subsequently. Only such fax instructions should be executed by the Participant.
3. The Client, while issuing a fax instruction, must use the DIS issued to it by the Participant. The Participant should verify the signature(s) of Client(s) / authorised signatory(ies), pre-printed serial number and pre-stamped Client ID, as per the existing procedure for processing DIS.
4. The staff of the Participant who processes the fax instruction shall put his/her signature on the fax instruction indicating that the signature has been verified and that the DIS belongs to that Client.
5. Participant should affix the time stamp on the fax instruction form as well as on the original DIS, when received and keep both of them together for records.
6. Participant should ensure that it receives the original DIS subsequently, latest within three days (excluding Sundays and Bank holidays) from the date of receipt of the fax instruction. In case the Participant does not receive the original DIS within the stipulated time, it should inform such Clients that the facility of executing instructions received on fax is withdrawn, till the original DIS is received.
7. Participant must establish suitable procedure to prevent multiple execution of the same instruction.
8. Participant should also take such steps to preserve the fax instruction form in legible form.
9. Participant, before providing this facility to the Clients, must obtain a suitable insurance cover in this regard.
10. Participants should note that the aforesaid guidelines are in addition to the existing guidelines regarding execution of delivery instructions.

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

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

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

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

6. Every page of the computer printout including DIS should be signed by the POA holder.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Pledge/Hypothecation

(ii) Inter-Depository Transfers

(iii) CM Pool to CM Pool transfers by Clearing Members

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

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

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

Participants are requested to advise their Clients to submit such instructions at least one working day before the date of closure of such offers or prior to such deadline time as may be decided by the Participant for submission of delivery instructions by Clients. Further, Participant should advise their Clients to mark "Buy back/Open offer" on the face of the instruction slips so as to identify such instructions and execute them on a priority basis.

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

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

(i) Participants may note that Annexure 'L', Annexure 'N', Annexure 'NA' and Annexure 'LA' to Business Rules of NSDL have been amended to incorporate the details. viz. 'Consideration' and 'Reasons/Purpose' as advised by Financial Intelligence Unit – India

(ii) Participants will be required to ensure that additional details as per the guidelines issued by Financial Intelligence Unit-India (FIU-IND) under The Prevention of Money Laundering Act, 2002 (PMLA), has been incorporated in the DIS. Participants should ensure that at the time of accepting existing DIS (in old format), for executing the off market transactions, they obtain the additional details as prescribed above on a plain paper duly signed by the applicant(s). Further, Participants may use the existing DIS till such time the stock of the existing DIS is exhausted.

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

(20) Processing of DIS :

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

(a) Physical DIS:

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

In view of the time-criticality of execution of Clients' instructions, especially those relating to market trades, all Participants are advised that the delivery / receipt instruction forms submitted by the Clients should be time-stamped. The time and date of receipt of the form should be put on both the portions of the form i.e., Participant's copy & Client's copy which should be duly signed & stamped by the Participant.

(b) Electronic submission of instruction:

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

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

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

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

(a) Participants shall accept instructions from the Clients, in physical form upto 4 p.m. (in case of electronic instructions upto 6.00 p.m.) on T+1 for pay-in of securities, viz.; instructions to transfer securities from Client account to CM Pool account, Inter-Settlement Instructions, CM Pool to CM Pool account transfers and Delivery-Out Instructions, etc. For example, pay-in for trades executed on 'Monday' will be on Wednesday. Clients will have to submit instructions to their Participants upto 4 p.m. (in case of electronic instructions upto 6.00 p.m.) on Tuesday.

(b) Settlement instructions received from any Client beyond the aforementioned deadlines would be received by the Participants at Clients' risk and acknowledgment thereof should be issued by Participants to the Clients, with suitable remarks.

(c) Participants should complete execution of pay-in instructions (i.e.,*Delivery-Out instructions*) and ensure that they are in status "Instruction ready for Settlement" well before the pay-in deadline time on T+2.

(d) In case the Client account does not have sufficient balance, the Client to CM Pool account transfer instructions will reflect the status "Overdue" (*provided in the target CM Pool Account, the standing instruction indicator is enabled or receipt instructions initiated is matched*), irrespective of the execution date and will remain valid till the pay-in for the requisite settlement number and market type, during the pay-in process;

i. if partial balance is available in the Client account, then the same will be debited and transferred to the CM Pool Account. The status of the instruction will get updated as "Partially Settled".

ii. if no balance is available in the Client account, then the instruction will get rejected. The status of the instruction will get updated as "Rejected".

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

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

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

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

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

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

SEBI has clarified that Participants can decide their own time frame for submission of such instructions by their Clients (i.e. one or two days before the execution date). However, Participants should execute the instruction not later than one day from the date of submission

of instruction by the Client. Further, if the date of submission and the execution date are same, Participants may execute such instructions on the same day on a "*best effort basis*". For example:

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

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

(iv) **Processing of IDT Instructions:**

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

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

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

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

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

Participants are advised to note that the deadline timings for executing bulk verify/release of IDT instructions are 5.00 p.m. on weekdays and 1.30 p.m. on Saturdays. An additional window of one hour for executing such IDT instructions through bulk verify/release option is provided i.e. upto 6.00 p.m. on weekdays and 2.30 p.m. on Saturdays, subject to payment of an additional charge of Re. 1 per IDT instruction.

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

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

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

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

Participants are advised to note that account transfer (debiting beneficiary or Clearing Member Pool accounts), pool to pool, inter-settlement, inter-depository and pledge related

instructions that are verified/released in the DPM System with execution date falling on a Sunday or any other DM holiday will be executed on the next business day. In this regard, Participants are advised to note that such instructions should be received by NSDL and status of the instructions in the DPM System should be "Future Dated" before EOD of:

(i) Saturday if the execution date happens to be a Sunday,

(ii) previous business day if the execution date happens to be a DM holiday.

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

(vii) **Restriction on processing of DIS at franchisee:**

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

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

(21) Internal and Concurrent Audit - Control and Verification of Delivery Instruction Slips:

(NSDL/POLICY/2008/0077 dated November 3, 2008)

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

(I) **Issuance of DIS**

The procedure followed by the Participants with respect to:

(a) Issuance of DIS booklets including loose slips.

(b) Existence of controls on DIS issued to Clients including pre-stamping of Client ID and unique pre-printed serial numbers.

(c) Record maintenance for issuance of DIS booklets (including loose slips) in the back office.

(II) **Verification of DIS**

The procedure followed by the Participants with respect to:

(a) Date and time stamping (including late stamping) on instruction slips.

(b) Blocking of used/reported lost/stolen instruction slips in back office system / manual record.

(c) Blocking of slips in the back office system / manual record which are executed in DPM directly.

(d) Two step verification for a transaction for more than Rs. 5 lakh, especially in case of off-market transactions.

(e) Instructions received from dormant accounts.

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

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

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

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

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

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

1. The instructions relating to settlements should be segregated for each stock exchange, market type and settlement number. These instructions include delivery-out instructions, Client to CM Pool Transfer, inter-settlement transfers, CM Pool to CM Pool transfers and Inter Depository transfers with the target settlement pertaining to which pay-in is due. Priority should be given to the instructions relating to the settlements for which Pay-in date is current date or next date.
2. The execution of the instructions in DPM System for each stock exchange, market type and settlement number should be prioritised in a logical manner. Instructions that have the effect of crediting the CM Pool Accounts for a settlement, such as Client to CM Pool Transfer, inter-settlement transfers, CM Pool to CM Pool transfers and Inter Depository transfers should be given priority.
3. Instructions such as CM Pool transfer to client, client to client and pledge closure that have the effect of crediting those Clients account from where the securities have to be moved to CM Pool Accounts for the target settlement should be executed well in advance.
4. Participants should ensure that IDT instructions are verified & released well before the deadline so that the status of the instruction become "Acknowledgement awaited from other Depository"* at NSDL deadline time. However, future dated instructions can be verified & released without any time restriction as per the current practice. In case any IDT instruction is received by NSDL after NSDL deadline time, then the same will fail with the status "Rejected" with the reason 'Deadline time has passed'. If CDSL rejects NSDL's inter depository debit instructions (IDDs) in case it receives IDD after the deadline time of the current business date, the status of IDT instructions will change from "Acknowledgement awaited from other Depository" to "Rejected by other Depository".
5. In case the Participant has verified/released many future dated instructions or many accounts are opened after EOD or there are multiple pay-ins on the next day the Participants are requested to ensure that the BOD of next business day should be received early (say at 7.30 a.m.) on such days in order to process all pending instructions.
6. Non-settlement related instructions like account opening, dematerialisation, rematerialisation, etc. should not be captured/verified & released or exports should not be taken during settlement timings.
7. **Monitoring of instructions:**

   (a) Participants should ensure that the instructions that have the effect of crediting the CM Pool Accounts for a settlement, such as Client to CM Pool Transfer, inter-settlement transfers, CM Pool to CM Pool transfers and Inter Depository transfers are in the status " Settled" atleast one hour before the NSDL Deadline time.

   (b) Participants should ensure that the delivery-out instructions are in the status "Instruction ready for Settlement" at NSDL deadline time. In case the instructions are in any other status including "Released" for a long time, Participants should report to NSDL Help-Desk immediately.

   (c) Participants may note that instructions such as account transfers, inter-settlement

transfers, CM Pool to CM Pool transfers, Delivery Outs and Inter Depository transfers can be captured and verified/released even if BOD has not been received by the DPM System.

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

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

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

(i) On Verify/release the Delivery-out Instruction will go into the status *"Released"* irrespective of **sufficient balances** available in the CM Pool Account. In case of **insufficient balances**, the status of the instruction will change to *"Overdue"* and will remain in that status till such time the balance available in the CM Pool Account for the relevant settlement is less than the order quantity of the Delivery-Out Instruction.

(ii) On receipt of credit for the full order quantity in the CM Pool Account, the Delivery-Out Instruction is triggered and the status changes to "*Instruction ready for Settlement*".

(iii) At NSDL Deadline time, if the balance in the CM Pool Account does not become equal to the order quantity, then such Delivery-Out Instruction which is in the status "*Overdue*" will be executed partially to the extent of balance available in the CM Pool Account. The status of such Delivery-out Instruction will change to *"Partially Accepted" and then to "Partially Settled*". The partially executed quantity is displayed on the Delivery-Out Instruction screen separately against the field "**Delivered Quantity**".

(iv) Participants must monitor the status of such partially executed Delivery-Out Instructions at the NSDL Deadline time in the Delivery-Out Instruction screen by selecting the flag for the field "***See only Partial Delivery Out Instructions***" and querying on the same.

(v) Instructions in the status "*Overdue*" will remain in that status waiting for sufficient balance till the NSDL deadline time. On receipt of credit for the full order quantity in the CM Pool Account in the late pay-in window, the Delivery-Out Instruction is triggered and the status will change to "*Instruction ready for Settlement*".

(vi) At the NSDL deadline time, if there is no balance in the CM Pool Account, then the Delivery-Out Instruction which is in the status "*Overdue*" will fail with the status "*Rejected*" with the reason "*Cancelled, Overdue status during settlement*".

(vii) Participants should ensure that the Delivery-Out Instructions are in the status "*Overdue*" or "*Instruction ready for Settlement*" atleast 30 minutes before the NSDL Deadline time.

(f) In *respect* of instructions remaining in status **"Released"**, Participants are advised that the **"Message Control Panel"** under GISMO allows the Participants to monitor the status of incoming messages as under:

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

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

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

(i) Participants should ensure that the following services are always running:

a. NSDL HTTP Message Receiver Service

b. NSDL ISINWise Message Processor Service

c. NSDL Master Message Processor Service

d. NSDL Export (File Generator) Service

e. NSDL Automatic File Upload Service

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

(ii) In case the instructions or batch upload file remains in status **"Released"** or **"Transferred"** respectively for a long time, Participant should inform NSDL Help Desk immediately.

(iii) Participants must ensure that Ping to NSDL and Ping to router are functioning successfully and in case Ping to NSDL and Ping to router fails, Participant must report the same to NSDL Help Desk immediately.

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

Participants may refer the following circulars for monitoring of Messages:

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

Reports for instructions in status "Other than Closed/Settled"

Instructions - Guidelines	
Circular No : NSDL/PI/979/199 Date: March 26, 1999	Attention of all Participants is invited to the following decisions taken in the SEBI meeting of the Working Group on Dematerialisation held on March 23, 1999 in order to streamline and smoothen the handling of settlement process: a. Participants shall instruct their non-institutional Clients (including Clearing Members) to send in their settlement instructions to reach the Participants' offices atleast 24 hours i.e. one working day prior to the pay-in date. b. The institutional Clients could send in their instructions to the Participants on the pay-in day not later than 10.30 a.m. c. Settlement instructions received from any Client beyond the aforementioned deadlines would be received by the Participants at Clients' risk and acknowledgment thereof should be issued by Participants to the Clients, with suitable remarks. d. The pay-in deadline for delivery of securities in respect of weekly settlements of NSE & BSE will be 3.00 p.m. on the pay-in day and an additional window will be provided for late pay-in till 6.00 p.m. on the same day with payment of late fees. With regard to (d) above, it has been decided that a late fee @ 0.25% of the value of securities delivered from the CM Accounts to the Clearing Corporation, subject to a maximum of Rs. 50,000/- per DP per settlement, shall be charged to the Participant. The late fee will be charged with effect from the weekly settlements of NSE and BSE falling due on or after April 12, 1999. The question of extending the similar procedure for weekly settlements of other exchanges as well as for rolling settlements is under consideration and Participants will be duly informed when the procedure is extended to other settlements. All Participants are hereby advised to adhere to the above instructions and inform their Clients accordingly. Participants are also advised to observe the following operating guidelines for execution of settlement related instructions: 1. The instructions relating to settlements should be segregated for each stock exchange, market type and settlement number. This should include delivery-out instructions, Client to CM Pool Transfer instructions and inter-settlement instructions with the target settlement pertaining to which pay-in is due. 2. The execution of the transactions in DPM for each stock exchange, market type and settlement number should be prioritised in a logical manner. Transactions that have the effect of crediting the CM Pool Accounts for a settlement, such as Client to CM Pool Transfer instructions and inter-settlement instructions should be given priority over delivery-out instructions for that settlement. 3. Transactions that have the effect of crediting those Clients account from where the securities have to be moved to CM Pool Accounts for the target settlement should be executed well in advance. Acceptance and execution of such instructions at the last moment should not be entertained. 4. Participants should ensure that the transactions that have the effect of crediting the CM Pool Accounts for a settlement, such as Client to CM Pool Transfer instructions and inter-settlement instructions are in the status "Closed, Settled" atleast one hour before the NSDL Deadline time. In case the instructions are in any other status, Participants should report to NSDL Help-Desk immediately after following guidelines given below at nos. 6, 7 & 8.

	5. Participants should ensure that the delivery-out instructions are in the status "Accepted by NSDL" at NSDL Deadline time. In case the instructions are in any other status, Participants should report to NSDL Help-Desk immediately after following guidelines given below at nos. 6, 7 & 8. (Also refer Circular No. NSDL/PI/98/353 dated August 6, 1998) 6. When the transactions are in the status "In Transit to NSDL" for a long time, the fact should be reported to NSDL Help-Desk immediately. 7. The Participant should continuously monitor that all the three services (communications, transmit & receive) are running. In case it is found that any of the services are stopped, the Participant should verify whether any errors are displayed on the server by pressing ALT+TAB and report the same to NSDL Help-Desk immediately. 8. A token number should be obtained for all calls logged-in at the Help-Desk. 9. In case the Participant has verified/released many future dated instructions or many accounts are opened after EOD or there are major pay-ins on the next day, the BOD of next business day should be received early (say at 7.30 a.m.) on such days in order to process all pending transactions. 10. Non-settlement related instructions like account opening, dematerialisation, rematerialisation, etc. should not be captured/ verified & released or exports should not be taken during settlement timings. 11. While importing-exporting transactions/data in the DPM, the following should be ensured: i. Imports-Exports should be done preferably after completion of EOD process. In case of emergencies, imports may be done during business hours. ii. Receive and transmit services should be manually stopped before import-export. It should be started again manually through GISMO after completion of the import-export. iii. It should be ensured through GISMO that no user is logged-in from any of the Client machines i.e., the DPM system should be on unimode basis at the time of taking any import-export.
Instructions - Guidelines for Participants having CM accounts	
Circular No : NSDL/PI/2000/292 Date : March 10, 2000	In view of the release of DPM software version 2.6 which will be operational from March 13, 2000, all Participants having Clearing Member Accounts are requested to note and ensure the following for the purpose of monitoring Delivery Out Instructions : 1. On Verify/release the Delivery-out Instruction will go into the status *"In Transit to NSDL"* irrespective of sufficient balances available in the CM Pool Account. In case of insufficient balances, the status of the instruction will change to *"Overdue at DM"* and will remain in that status till such time the balance available in the CM Pool Account for the relevant settlement is less than the order quantity of the Delivery-Out Instruction. 2. On receipt of credit for the full order quantity in the CM Pool Account, the Delivery-Out Instruction is triggered and the status changes to *"Accepted by NSDL"*.

3. At NSDL Deadline time, if the balance in the CM Pool Account does not become equal to the order quantity, then such Delivery-Out Instruction which is in the status "Overdue at DM" will be executed partially to the extent of balance available in the CM Pool Account. The status of such Delivery-out Instruction will change to "*Partially Accepted by NSDL*". The partially executed quantity is displayed on the Delivery-Out Instruction screen separately against the field "Delivered Quantity".
4. Participants must monitor the status of such partially executed Delivery-Out Instructions at the NSDL Deadline time in the Delivery-Out Instruction screen by selecting the flag [ ] for the field "See only Partial Delivery-out Instructions" or by selecting the status "Partially Accepted by NSDL" and querying on the same.
5. At NSDL Deadline time if there is no balance in the CM Pool Account, then the Delivery-Out Instruction which is in the status "Overdue at DM" will fail with the status *"Closed, Failed during settlement"* with the reason *"Insufficient positions"*.
6. In case of those settlements where the facility of late pay-in window is provided, the Delivery-Out Instruction will be executed to the extent of balance available in the CM Pool Account at the first NSDL deadline time and the status of the same will be updated to *"Partially Accepted by NSDL"* or *"Accepted by NSDL"*. If no balance is available in the CM Pool account at the first NSDL deadline time, the Delivery-Out Instruction will continue to remain in status *"Overdue at DM"*. Participants must monitor such Delivery-Out Instructions which are still in status *"Overdue at DM"* at the NSDL Deadline time by selecting the status *"Overdue at DM"* and querying on the same.
7. Such instructions in the status *"Overdue at DM"* or *"Partially Accepted by NSDL"* will remain in that status till the final NSDL deadline time waiting for sufficient balance . On receipt of credit for the full order quantity in the CM Pool Account in the late pay-in window, the Delivery-Out Instruction is triggered and the status changes to *"Accepted by NSDL"*.
8. At the final NSDL deadline time, if there is still no balance in the CM Pool Account, then the Delivery-Out Instruction which is in the status *"Overdue at DM"* will fail with the status *"Closed, Failed during settlement"* with the reason *"Insufficient positions"*.
9. Participants should ensure that the transactions that have the effect of crediting the CM Pool Accounts for a settlement, such as Client to CM Pool Transfer instructions, inter-settlement instructions and inter-depository instructions are in the status *"Closed, Settled"* atleast one hour before the NSDL Deadline time.
10. Participants should ensure that the Delivery-Out Instructions are in the status *"Overdue at DM"* or *"Accepted by NSDL"* atleast 30 minutes before the NSDL Deadline time.
11. Participants must ensure through GISMO panel that Communications to NSDL, NSDL Interface Transmit, NSDL Interface Receive as well as Ping to NSDL is functioning successfully when there are Delivery-Out Instructions in the status "In Transit to NSDL". If any of the above processes are stopped due to an error, Participants must report the same to the NSDL Help-Desk immediately. Whenever an error message is displayed on the DPM server do not click on the "OK" button of the error message. Participants must report the same to the NSDL Help-Desk immediately on direct telephone numbers 022-4976341, 4937026, 4945177 or on board nos. 4972964-70 at Extn. Nos. 4630-39. Also please note that the DPM system should not be switched off and back-ups should not be taken until all Delivery-out Instructions for the day's settlements become "Accepted by NSDL".

	12. A token number must be obtained by the Participants for all calls reported on NSDL Help-Desk. In addition to the above, it is reiterated that the operating guidelines for execution of settlement related instructions given in Circular No. NSDL/ PI/99/199 dated March 26, 1999 (copy enclosed) must be strictly adhered to and ensure successful execution of instructions.
Circular No : NSDL/PI/99/745 Date: September 17, 1999	It is observed that some of the Participants do not adhere to the operating discipline relating to execution of settlement related instructions. Participants having Clearing Member Accounts have to ensure proper monitoring of the Delivery-Out Instructions especially those which are in the status of "Overdue" on account of partial or nil balances existing in the CM Pool accounts. In this context, all Participants are advised to note and ensure the following : 1. Delivery-out Instruction remains in "Overdue" status till such time the balance available in the CM Pool Account for the relevant settlement is less than the order quantity of the Delivery-Out Instruction. 2. On receipt of credit for the full order quantity in the CM Pool Account, the Delivery-Out Instruction is triggered and the status changes to "In transit to NSDL" and then to "Accepted by NSDL". 3. If the balance in the CM Pool Account does not become equal to the order quantity by the NSDL Deadline time, then the Delivery-Out Instruction will be executed partially to the extent of balance available in the CM Pool Account. The status of the partially executed Delivery-out Instruction will change to "In transit to NSDL" only at the NSDL Deadline time and then to "Accepted by NSDL". The partially executed quantity is displayed on the Delivery-Out Instruction screen separately against the field "Delivered Quantity". 4. Participants must monitor the status of such partially executed Delivery-Out Instructions at the NSDL Deadline time in the Delivery-Out Instruction screen by selecting the flag [4] for the field "See only Partial Delivery-out Instructions" and querying on the same. 5. If there is no balance in the CM Pool Account at NSDL Deadline time, then the Delivery-Out Instruction which are in "Overdue" status will fail with the status "Closed, Failed during settlement" with the reason "Insufficient positions". 6. Participants must ensure through GISMO panel that Communications to NSDL, NSDL Interface Transmit, NSDL Interface Receive as well as Ping to NSDL is functioning successfully especially at NSDL Deadline time when there are Delivery-Out Instructions in the "Overdue" status. If any of the above processes are stopped due to an error, Participants must report the same to the NSDL Help-Desk immediately. Whenever an error message is displayed on the DPM server do not click on the "OK" button of the error message. Also please note that the DPM system should not be switched off and back-ups should not be taken until all Delivery-out Instructions for the day's settlements become "Accepted by NSDL". 7. If the "Overdue" Delivery-out Instructions do not become"Accepted by NSDL" within 15 minutes of NSDL Deadline time, Participants must report the same to the NSDL Help-Desk immediately on direct telephone numbers 022-4976341*, 4937026, 4945177 or on board nos. 4972964-70 at Extn. Nos. 4012, 4037, 4038 or 4516*. 8. A token number must be obtained by the Participants for all calls reported on NSDL Help-Desk. In addition to the above, it is reiterated that the operating guidelines for execution of settlement related instructions given in Circular No. NSDL/ PI/99/199 dated March 26, 1999 (copy enclosed) must be strictly adhered to and ensure successful execution of instructions.

Instructions - Acceptance deadline for Rolling Settlements	
Circular No : NSDL/PI/2002/0583 Date : April 8, 2002	Participants are hereby advised that Securities and Exchange Board of India (SEBI) has issued a circular no. D&CC/FITTC/CIR-07/2002 dated April 8, 2002 stating that it has been decided that the Participant shall execute client's instructions received 24 hours before pay-in time of the respective Stock Exchanges. This means, the clients must submit the delivery instruction slips to the Participants atleast 24 hours before the pay-in time (NSDL deadline) as shown in DPM system. Any instructions received after such time may also be executed at the risk of the client. In this context, Participants are advised to ensure compliance with the requirements of time and date stamping of the delivery instruction forms submitted by their clients (ref.: Circular no. NSDL/PI/98/519 dated October 13, 1998). Participants are also advised to revise their deadlines prescribed to the clients for submission of delivery instructions in view the above instructions.
Circular No : NSDL/PI/2000/018 Date : January 7, 2000	As all Participants are aware, compulsory rolling settlements for the 10 scrips specified by SEBI are scheduled to commence with effect from January 10, 2000. In this context, your attention is invited to our Circular No. NSDL/PI/99/839 dated October 29, 1999 (copy enclosed) advising all Participants about the schedule for submission and execution of delivery instructions. Participants are once again advised to inform their clients (including clearing members) to submit the delivery instructions atleast two days prior to the pay-in day. Further, all delivery instructions including Delivery-out must be executed in the DPM System by the Participants atleast one day prior to the pay-in day.
Circular No : NSDL/PI/99/839 Date: October 29, 1999	The Sub Group of the SEBI Committee on Rolling Settlement has drawn out a schedule for the activities to be conducted/undertaken by stock exchanges, depositories, depository participants, trading members and clients. The extract of the same is enclosed for your information and necessary action. In this context, Participants are advised to inform their clients (including clearing members) that the delivery instructions for the rolling settlements must be submitted atleast two days (one day in case of auction) prior to the pay-in day. Participants are further advised that all the delivery instructions including Delivery-Out must be executed in the DPM system atleast one day prior to the pay-in day.
Instructions - Procedure for Online Inter Depository Transfer of Securities	
Circular No : NSDL/POLICY/2009/0052 Date: June 30, 2009	***Sub : Inter-depository transfer instructions*** All Participants are hereby informed that CDSL has intimated to NSDL that in case of interdepository transfer instructions where securities are to be credited to the Clearing Member Accounts maintained with CDSL, with effect from July 4, 2009, it is mandatory to capture target settlement ID details of CDSL as mentioned by Clients / Clearing Members in the inter depository instruction slips, otherwise, the same will not be considered for settlement at CDSL. Participants are requested to take note of the above.

Precaution while processing DIS and Despatch of transaction statement	
Circular No : NSDL/PI/2005/2088 Date : October 28, 2005	It has been brought to NSDL's notice that a franchisee of a Participant has misused securities lying in the clients' accounts by debiting the accounts without proper authorisation from the account holders and not issuing proper Transaction Statements at stipulated intervals. In this background, in order to strengthen the checks and balances in the system, Participants are advised to follow the instructions given below: 1. The functions of verification of Delivery Instruction Slip (DIS) serial numbers, signature(s) of authorised signatories and release of instructions should be carried out by the Participant itself and not left to the franchisee. 2. Those Participants who are servicing their clients through the back office systems should have a mechanism in place whereby the balances as per back office system are reconciled on the daily basis with the DPM-DP system. The internal auditor of the Participant should state in its quarterly audit report whether such a mechanism exists and whether the auditor has found it to be satisfactory. The first such report should be filed with NSDL in the audit report for the quarter ending December 31, 2005. 3. It is reiterated that the internal auditor should carry out a random check whether the Transaction Statements generated from the back office system are same as from the DPM-DP system and mention the results of such a check in every quarterly report. Participants are once again advised to ensure that Transaction Statements required to be given to the clients as per Business Rule 14.3.1 of NSDL, are dispatched directly to the addresses of clients as per records (e.g. account opening form) of the Participant and are not distributed through franchisees. (Circular No. NSDL/PI/99/823 dated October 20, 1999.)
Amendment to Business Rules	
Circular No.: NSDL/POLICY/ 2018/0033 Date: June 15, 2018	***Subject: Amendment to Business Rules - Penalty - Issuers/ R&T Agents***. All Participants are hereby informed that Rule 18.2.1 of Business Rules of NSDL pertaining to penalty structure for Issuers/ R&T Agents is amended. The details of amendment are given below: **1. Amendment in Sr. No. 20 of Rule 18.2.1 (in track change mode)**

Sr. No.	Nature of non-compliance	Penal Action
20	Data submitted in Internal Audit Report and investor grievance report is found to be false/ incorrect.	500 per occasion. 1000 per occasion, if same deviation is observed for consecutive period. If same deviation is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.

	2. Addition to Rule 18.2.1 **Sr. No.** — **Nature of non-compliance** — **Penal Action** 21 — Quarterly Investor Grievance report not submitted in the prescribed format within the stipulated time period. — Rs.500 per month or part of the month. Rs.1000 per month if repeated delay found in consecutive quarter. If delay in submission is observed for three consecutive quarters, matter would be referred to Disciplinary Action Committee.
Circular No.: NSDL/POLICY/ 2017/0032 Date: June 2, 2017	***Subject: Amendment to Business Rules - Penalty Structure for Issuers/RTAs*** All Participants are hereby informed that Rule 18.2.1 of Business Rules of NSDL pertaining to penalty structure for **Issuers / R&T Agents** is amended. The additions to the Rule 18.2.1 is given below: Participants are requested to take note of the same.

Sr. No.	Nature of Non-compliance	Penal Action in Rs./ Action
18.	Internal Audit Report not submitted in the prescribed format within the stipulated time period.	₹1000 per occasion plus additional ₹500 for any delay per fortnight. ₹2000 per occasion plus additional ₹1000 for any delay per fortnight if repeated delay found in consecutive period. If delay in submission is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.
19.	Internal audit report submitted without inclusion of management comments for deviations noted by auditors or not providing compliance duly certified by auditors on the observations made by the Depository.	₹1000 per occasion plus additional ₹500 for any delay per fortnight till the submission of revised report.
20.	Data submitted in Internal Audit Report is found to be false/ incorrect.	₹500 per occasion. ₹1000 per occasion, if same deviation is observed for consecutive period. If same deviation is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.

Circular No.: NSDL/POLICY/ /2016/0041 Date: April 11, 2016	***Subject: Amendment to Business Rules.*** All Participants are hereby informed that pursuant to adoption of uniform penalty structure for Issuers and R & T Agents by both depositories, Rule 18.2.1 of Business Rules of NSDL has been amended w.e.f. April 1, 2016. The amended Rule 18.2.1 is enclosed as **Annexure A.:**

Annexure A

Chapter 18 - Penalties (Rule 18.2)

18.2.1 The Depository may impose a penalty on the Issuer/R & T Agent to the extent indicated for non-compliance as described below:

Sr. No.	Nature of Non-compliance	Penal Action
1	Date of receipt of demat request form (DRF) / conversion request form / reconversion request form / remat request form (RRF) not entered / incorrectly entered in depository system.	If percentage of deviations to sample size is Less than/ equal to 5 percent - 2 points More than 5 - less than/ equal to 10 percent - 5 points More than 10 - less than/ equal to 20 percent – 7 points More than 20 percent - 10 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
2	Certificates/Statement of Account (SOA) and physical documents not sent to the concerned Depository Participant (DPs) within 5 working days of rejection of demat / conversion request.	If percentage of deviations to sample size is Less than/ equal to 5 percent - 2 points More than 5 - less than/ equal to 10 percent - 5 points More than 10 - less than/ equal to 20 percent – 7 points More than 20 percent - 10 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
3	Not sending printed certificate / SOA to the registered owner and Proof of dispatch of certificates / SOA not maintained in case of remat / reconversion.	If percentage of deviations to sample size is Less than/ equal to 5 percent - 2 points More than 5 - less than/ equal to 10 percent - 5 points More than 10 - less than/ equal to 20 percent – 7 points More than 20 percent - 10 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.

Sr. No.	Nature of Non-compliance	Penal Action
4	System of maintaining documents pertaining to demat / conversion / reconversion / remat requests not satisfactory.	5 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
5	Not adhering to SEBI prescribed procedure for demat confirmation for shares lost in transit from Participant to Issuer / RTA.	5 Points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
6	Delay in confirmation of demat / conversion / reconversion / remat / redemption request within the prescribed time period where the delay is attributable to the RTA / Issuer connected to depository.	₹250 per request with a maximum cap of ₹25000 per occasion. If deviations are observed under same head in consecutive inspection, ₹500 per request with a maximum cap of ₹25000 per occasion
7	Dematerialisation of securities for which listing approval has not been received from the relevant stock exchange(s).	₹1000 If deviations are observed under same head in consecutive inspection, the penalty amount indicated above will be doubled.
8	Reconciliation between depository control position and Register of Members (ROM) is not done on a daily basis.	₹2500 If deviations are observed under same head in consecutive inspection, the penalty amount indicated above will be doubled.
9	Reconciliation between issued capital and summation of shares held in Physical form, NSDL and CDSL system is not done on daily basis.	₹2500 If deviations are observed under same head in consecutive inspection, the penalty amount indicated above will be doubled.
10	Physical access to client machine is easily available to unauthorised persons.	3 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
11	Scheme of Variable Access Rights not implemented.	5 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
12	Not upgrading the software / hardware / network / IT Infrastructure or not complying with pre-requisite or post-requisite of upgradation.	5 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.

Sr. No.	Nature of Non-compliance	Penal Action
13	Failure to establish connectivity with depository through alternate means of communication.	5 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
14	Antivirus software not loaded / upgraded / enabled on client machine.	10 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
15	Change in office address and / or investor relations officers / compliance officers not intimated to the Depository.	5 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
16	Compliance not reported by Issuer/ RTAs within 60 days from the date of communication by depository with respect to deviations observed during the inspections.	Matter will be reported to its client companies (in case of RTA) as well as SEBI, for necessary action
17	Name & specimen signature of authorised signatories not obtained from companies having only electronic connectivity and not compared before confirmation of demat / remat requests.	5 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.

18.2.2. For non-compliances, where penalty points/ monetary penalty are levied, same will be communicated to the Issuer/ RTAs and in addition, compliance will be sought from the Issuer/ RTAs within the stipulated time frame. The Issuer / RTAs shall pay the monetary penalty within 30 days of the communication.

18.2.3. The penalty points imposed for the non-compliances observed during the inspection as per rule will be accumulated for a period of three years. At the beginning of the 4th year, the points accumulated in the first year will be dropped and the points levied in the second and third year will be considered as the opening balance for the fourth year.

18.2.4 If accumulated points exceed 25 points, all penalty points so accumulated will be converted into monetary penalty @ ₹100 per point.

18.2.5 In case Issuer/ RTA fails to make the payment of monetary penalty within one month from the due date, the matter will be reported to client companies (in case of RTA) and SEBI for necessary action as well as restriction to be imposed for undertaking new client companies.

18.2.6 The compliance reported by the Issuer/RTA will be verified during the subsequent inspection. In case the compliance reported by the Issuer/RTA is found to be false, materially incorrect or misleading, the matter will be reported to its client companies (in case of RTA) as well as SEBI, for necessary action.

Circular No.: NSDL/POLICY/ 2014/0114 Date: October 29, 2014	***Subject: Amendment to Business Rules of NSDL.*** All Participants are hereby notified that Sr. No. I (29) of Business Rule 18.1.1 has been deleted and remaining items of Rule are renumbered accordingly. The amended Rule 18.1.1 is enclosed at Annexure in track change mode. **Deleted Sr. No. I (29) of Rule 18.1.1 is given below:**		
	Sr. No.	**Nature of Non-compliance**	**Penal Action in ₹ / Action**
	I.	**Operational deviations**	
	29	Qualified personnel (NCFM/NSDL/ NISM certified for depository operations) not appointed in at least 90% of the total service centres (other than drop boxes) of the Participants.	₹ 1,000 per month per service centre (*other than drop box*). Further, ₹ 5,000 per month per service centre upon recurrence of the deviation in the same service centre wherein non-compliance was observed earlier. In case of new service centre or in case of resignation or transfer of qualified personnel from the existing service centre, time period of three months will be allowed within which qualified personnel should be appointed.

Annexure

18.1.1 The Depository may impose a penalty on the Participant to the extent indicated for non-compliance as described below:

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
I	Operational deviations	
1	Account opened without obtaining adequate proof of identity or any other document - as prescribed under guidelines of NSDL/SEBI/ PMLA/Account opened without obtaining adequate proof of address as prescribed under guidelines of NSDL/SEBI/PMLA or adequate proof of address not collected for change of address as prescribed under guidelines of NSDL/ SEBI/PMLA. Record of in-person verification not maintained as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee if total penalty imposed in one inspection under this head exceeds ₹ 50000.
2	Supplementary agreement executed or undertaking/letter obtained or any modification made in any document which has clauses contradictory to SEBI/Depository prescribed guidelines or Power of attorney executed in favour of Participant in contradiction to SEBI/ Depository prescribed guidelines.	₹ 1000 per occasion.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
3	Accounts opened in the name of Partnership firms / HUF/ proprietory concern / such other entities not entitled to hold securities in its name as prescribed under guidelines of NSDL/ SEBI/PMLA.	₹1000 per account.
4	Nomination not done as per prescribed procedure.	₹ 250 per account.
5	Any type of transaction not executed as per the procedure prescribed by Depository such as change in bank details, change in signature, transmission, account closure, freeze/unfreeze, pledge, remat etc as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 500 per account.
6	Data entry errors / omission which may cause inconvenience and/or loss to the client/ system / Depository.	₹ 50 per account.
7	Correct PAN details are not obtained from the clients and the account is not frozen for debit as prescribed under guidelines of NSDL/SEBI/ PMLA.	₹ 500 per account.
8	Incorrect entry of PAN details in DPM system as prescribed under guidelines of NSDL/SEBI/ PMLA.	₹ 50 per account.
9	Invalid/ factually incorrect/ meaningless data entered in demographic details.	₹ 500 per account.
10	Delay in dispatch of demat requests beyond seven working days after receipt of Demat Request Form and certificates from the client.	₹ 250 per occasion
11	Sending securities for dematerialisation to Registrar & Transfer Agents / Issuers without defacing and mutilating certificates.	₹ 100 per occasion
12	No/inadequate control over issuance and/or acceptance of instruction slips.	₹ 2500 per occasion. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
13	Client account debited without receiving proper authorization as prescribed under guidelines of NSDL/SEBI.	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee, if total penalty imposed in one inspection under this head exceeds ₹ 50000. The penalty levied above will be in addition to restoration of securities in case of clients' dispute.
14	Instruction of the client not executed or erroneously entered by Participants.	₹ 250 per account.
15	Fax indemnity not executed with the clients for the instructions accepted on fax and/or original instruction not collected within stipulated time from the date of receipt of the fax instruction.	₹ 500 per account.
16	Transaction statement not being sent to clients as per requirements or discrepancy observed in the transaction statement sent to clients.	₹ 2000 per occasion.
17	Change in office address and / or investor relations officers/compliance officers not intimated to Depository.	₹ 250 per occasion.
18	Forms used are not in conformity with the prescribed format.	₹ 100 per occasion.
19	Termination / Closure of franchisee / branch services contrary to Depository instructions.	₹ 500 per occasion.
20	Speed-e facility made available/operated contradictory to Depository prescribed guidelines.	₹ 500 per account.
21	Internal Audit Report / Concurrent Audit Report not submitted in the prescribed format within the stipulated time period.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight.
22	Internal audit report/ Concurrent audit report submitted without inclusion of management comments for deviations noted by auditors or not providing compliance duly certified by auditors on the observations made by the Depository.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight till the submission of revised report.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
23	Non-submission of net worth certificate based on the audited annual accounts by the Participants (as specified in the Bye- Laws) in the prescribed format for 31st March within prescribed time limit.	₹ 2500 per occasion plus additional ₹1000 for any delay per fortnight.
24	Non-submission of annual financial statement within the prescribed time limit.	₹1000 per occasion plus additional ₹ 500 for any delay per fortnight.
25	Non filing of information sought by Depository either periodically or specifically through circulars / letters etc.	₹ 250 per occasion.
26	Half yearly Compliance certificate not submitted within the stipulated time.	30 days have elapsed after stipulated time and the certificate is not submitted, Participant will be advised to stop opening fresh demat accounts. If the delay is beyond 60 days from the stipulated time, matter to be referred to Disciplinary Action Committee.
27	Client Grievances (except disputes /court cases) not redressed within 30 days.	₹ 250 per grievance plus additional ₹ 100 for any further delay per month. Delay beyond six months will be reported to the Disciplinary Action Committee.
28	Non-submission of monthly report of Client Complaints as required under Bye Law 6.3.6 (iii) to be submitted every month (latest by 10th of the following month).	₹ 500 per month.
29	Depository services are offered through service centres without approval of Depository.	₹ 2,500 per occasion.
30	(a) In-person verification carried out by any person other than as permitted by SEBI/ Depository. (b) Carrying out functions of verification of delivery instruction slips through franchisees. (c) Dispatch of periodic transaction statements by Participants through its service centre (branch as well as franchisees) other than one which is directly connected to the Depository or through its centralised processing unit under the supervision of its head office.	Matter to be referred to Disciplinary Action Committee.
31	Anti Money Laundering (AML) policy not framed as required under PMLA and not intimated to FIU-IND.	₹ 2500 per occasion.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
32	Non appointment of Principal officer/Non intimation of change of Principal Officer details to FIU – IND.	₹ 2500 per occasion.
33	Suspicious Transaction Register not being maintained as prescribed by NSDL.	₹ 2500 per occasion.
34	System of maintaining documents pertaining to depository operations not satisfactory.	₹ 1000 per occasion.
II.	**System related deviations**	
35	Using the DPM system for any other purpose or loading any other software or alteration of parameters / configuration/ software other than DPM application software/prescribed system software found loaded in the system.	₹ 5000 per occasion.
36	Not upgrading the software and/or hardware within the prescribed time limit / not complying with pre-requisite or post-requisite of upgradation.	₹ 5000 per occassion plus actual cost of travel of Depository official/s and/or other person/s on behalf of Depository, if any, for this purpose.
37	DPM configuration not as per Depository requirements.	₹ 5000 per occasion.
38	DPM is connected to WAN without permission of relevant authorities.	₹ 5000 per occasion.
39	Anti Virus Software not loaded/enabled/ upgraded on server and/or client machine(s).	₹ 500 per occasion.
40	'Variable access rights' scheme suggested by Depository not implemented / not implemented properly.	₹ 250 per occasion.
41	Physical access to client machine and server is easily available to unauthorised persons.	₹ 100 per occasion
	Miscellaneous	
42	Compliance not reported by Participant within 60 days from the date of communication by depository with respect to deviations observed during the inspections.	Matter to be referred to Disciplinary Action Committee.

Circular No : NSDL/POLICY/ 2012/0074 Date: August 6, 2012	***Sub : Amendment to Business Rules*** All Participants are hereby notified that Rule 18.1 of Business Rules of NSDL has been amended. The amended Rule 18.1 is enclosed as **Annexure A** and the same in track change mode is enclosed as **Annexure B**.

Annexure A

18.1

18.1.1 The Depository may impose a penalty on the Participant to the extent indicated for non-compliance as described below:

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
I	**Operational deviations**	
1.	Accounts operated with an unsigned agreement/ Account opened without obtaining adequate proof of identity or any other document - as prescribed under guidelines of NSDL/ SEBI/PMLA/ Account opened without obtaining adequate proof of address as prescribed under guidelines of NSDL/SEBI/PMLA or adequate proof of address not collected for change of address as prescribed under guidelines of NSDL/SEBI/PMLA. Record of in-person verification not maintained as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee if total penalty imposed in one inspection under this head exceeds ₹ 50000.
2.	Supplementary agreement executed or ndertaking/letter obtained or any modification made in any document which has clauses contradictory to Depository prescribed agreement or Power of attorney executed in favour of Participant in contradiction to Depository prescribed guidelines.	₹ 1000 per occasion.
3.	Accounts opened in the name of Partnership firms / HUF/ proprietory concern / such other entities not entitled to hold securities in its name as prescribed under guidelines of NSDL/ SEBI/PMLA.	₹ 1000 per account.
4.	Nomination not done as per prescribed procedure.	₹ 250 per account.
5.	Any type of transaction not executed as per the procedure prescribed by Depository such as change in bank details, change in signature, transmission, account closure, freeze/ unfreeze, pledge, remat etc as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 500 per account.
6.	Data entry errors / omission which may cause inconvenience and/or loss to the client/ system / Depository.	₹ 50 per account.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
7.	Correct PAN details are not obtained from the clients and the account is not frozen for debit as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 500 per account.
8.	Incorrect entry of PAN details in DPM system as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 50 per account.
9.	Alterations in the contents of agreements as prescribed by Depository.	₹ 100 per occasion.
10.	Invalid/ factually incorrect/ meaningless data entered in demographic details.	₹ 500 per account.
11.	Delay in dispatch of demat requests beyond seven working days after receipt of Demat Request Form and certificates from the client.	₹ 250 per occasion
12.	Sending securities for dematerialisation to Registrar & Transfer Agents / Issuers without defacing and mutilating certificates.	₹ 100 per occasion
13.	No/inadequate control over issuance and/or acceptance of instruction slips.	₹ 2500 per occasion. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee.
14.	Client account debited without receiving proper authorization as prescribed under guidelines of NSDL/SEBI.	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee, if total penalty imposed in one inspection under this head exceeds ₹ 50000. The penalty levied above will be in addition to restoration of securities in case of clients' dispute.
15.	Instruction of the client not executed or erroneously entered by Participants.	₹ 250 per account.
16.	Fax indemnity not executed with the clients for the instructions accepted on fax and/or original instruction not collected within stipulated time from the date of receipt of the fax instruction.	₹ 500 per account.
17.	Transaction statement not being sent to clients as per requirements or discrepancy observed in the transaction statement sent to clients.	₹ 2000 per occasion.
18.	Change in office address and / or investor relations officers/ compliance officers not intimated to Depository.	₹ 250 per occasion.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
19.	Forms used are not in conformity with the prescribed format.	₹ 100 per occasion.
20.	Termination / Closure of franchisee / branch services contrary to Depository instructions.	₹ 500 per occasion.
21.	Speed-e facility made available/operated contradictory to Depository prescribed guidelines.	₹ 500 per account.
22.	Internal Audit Report / Concurrent Audit Report not submitted in the prescribed format within the stipulated time period.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight.
23.	Internal audit report/ Concurrent audit report submitted without inclusion of management comments for deviations noted by auditors or not providing compliance duly certified by auditors on the observations made by the Depository.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight till the submission of revised report.
24.	Non-submission of net worth certificate based on the audited annual accounts by the Participants (as specified in the Bye-Laws) in the prescribed format for 31st March within prescribed time limit.	₹ 2500 per occasion plus additional ₹ 1000 for any delay per fortnight.
25.	Non-submission of annual financial statement within the prescribed time limit.	₹1000 per occasion plus additional ₹ 500 for any delay per fortnight.
26.	Non filing of information sought by Depository either periodically or specifically through circulars / letters etc.	₹ 250 per occasion.
27.	Half yearly Compliance certificate not submitted within the stipulated time.	30 days have elapsed after stipulated time and the certificate is not submitted, Participant will be advised to stop opening fresh demat accounts. If the delay is beyond 60 days from the stipulated time, matter to be referred to Disciplinary Action Committee.
28.	Client Grievances (except disputes /court cases) not redressed within 30 days.	₹ 250 per grievance plus additional ₹ 100 for any further delay per month. Delay beyond six months will be reported to the Disciplinary Action Committee.
29.	Non-submission of monthly report of Client Complaints as required under Bye Law 6.3.6 (iii) to be submitted every month (latest by 10th of the following month).	₹ 500 per month.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
30.	Qualified personnel (NCFM/NSDL/NISM certified for depository operations) not appointed in at least 90% of the total service centres (other than drop boxes) of the Participants.	₹ 1,000 per month per service centre (other than drop box). Further, ₹ 5,000 per month per service centre upon recurrence of the deviation in the same service centre wherein non-compliance was observed earlier. In case of new service centre or in case of resignation or transfer of qualified personnel from the existing service centre, time period of three months will be allowed within which qualified personnel should be appointed.
31.	Depository services are offered through service centres without approval of Depository.	₹ 2,500 per occasion.
32.	(a) In-person verification carried out by any person other than as permitted by SEBI/ Depository. (b) Carrying out functions of verification of delivery instruction slips through franchisees. (c) Dispatch of periodic transaction statements by Participants through its service centre (branch as well as franchisees) other than one which is directly connected to the Depository or through its centralised processing unit under the supervision of its head office.	Matter to be referred to Disciplinary Action Committee.
33.	Anti Money Laundering (AML) policy not framed as required under PMLA and not intimated to FIU-IND.	₹ 2500 per occasion.
34.	Non appointment of Principal officer/Non intimation of change of Principal Officer details to FIU - IND.	₹ 2500 per occasion.
35.	Suspicious Transaction Register not being maintained as prescribed by NSDL.	₹ 2500 per occasion.
36.	System of maintaining documents pertaining to depository operations not satisfactory.	₹ 1000 per occasion.
II.	**System related deviations**	
37.	Using the DPM system for any other purpose or loading any other software or alteration of parameters / configuration/ software other than DPM application software/prescribed system software found loaded in the system.	₹ 5000 per occasion.
38.	Not upgrading the software and/or hardware within the prescribed time limit / not complying with pre-requisite or post-requisite of upgradation.	₹ 5000 per occassion plus actual cost of travel of Depository official/s and/or other person/s on behalf of Depository, if any, for this purpose.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
39.	DPM configuration not as per Depository requirements.	₹ 5000 per occasion.
40.	DPM is connected to WAN without permission of relevant authorities.	₹ 5000 per occasion.
41.	Anti Virus Software not loaded/enabled/upgraded on server and/or client machine(s).	₹ 500 per occasion.
42.	'Variable access rights' scheme suggested by Depository not implemented / not implemented properly.	₹ 250 per occasion.
43.	Physical access to client machine and server is easily available to unauthorised persons.	₹ 100 per occasion
44.	Not connecting with Depository continuously for two working days without intimating to Depository.	₹ 5000 per occasion plus ₹ 500 per day thereafter.
	Miscellaneous	
45.	Compliance not reported by Participant within 60 days from the date of communication by depository with respect to deviations observed during the inspections.	Matter to be referred to Disciplinary Action Committee.

18.1.2. For non-compliances, where fines are levied, the fine will be communicated to the Participant and in addition, Participant would be required to report compliance within the stipulated time frame. The Participant shall pay the fine within 15 days of the communication. In case the Participant continues to default after paying the penalty, the matter will be referred to Disciplinary Action Committee.

18.1.3. Compliance reported by the Participant will be verified during the subsequent inspection. In case the compliance reported by the Participant is found to be false, the matter will be referred to Disciplinary Action Committee.

18.1.4. If the total monetary penalty levied on a particular Participant in last three years exceed ‘ 1,00,000 the matter would be referred to Disciplinary Action Committee.

18.1.5. The penalty provisions as mentioned in Rule 18.1.1 to 18.1.4 will apply to CC/CH to the extent that are relevant for the operations of CC/CH.

Instructions - Serial number validation for Inter-depository instructions & NCFM certificates	
Circular No : NSDL/PI/2003/0356 Date: March 3, 2003	Attention of Participants is invited to Rule 18.1.1 (xiii) (Rule 18.1.1(13) w.e.f. April 1, 2003 notified vide our Circular No. NSDL/PI/2003/0321 dated February 25, 2003) of the Business Rules of NSDL regarding levy of penalty on account of no/inadequate control over issuance and/or acceptance of instruction slips. Participants are advised to note that slip number validation is also applicable for Inter-depository instructions and for any violation, penalty will be levied accordingly. Further, if the number of qualified persons does not equal the total number of service centres, penalty is levied as per Rule 18.1.1 (x) (Rule 18.1.1 (17) w.e.f. April 1, 2003 notified vide our Circular No. NSDL/PI/2003/0321 dated February 25, 2003). In this context, Participants are advised to maintain a list of NCFM qualified personnel and copies of certificates at the main office so as to enable NSDL officials visiting Participant's office, to verify the details.
b. Controls on DI forms	
Rule 4.5.3	The Participant shall not accept any instruction for debit or pledge of securities from a Client unless the Participant has fully satisfied itself that the instruction has been given by the Client itself. In respect of instructions received in paper form, the Participant shall ensure that the Client submits the instructions only on an instruction form issued by the Participant to the Client by verifying the instruction forms with its records pertaining to serial numbers of instruction forms issued to the Clients.
Instructions - DI form - Serial number control	
Circular No : NSDL/PI/99/64 Date: January 25, 1999	It has been reported in certain sections of press that some Participants are not maintaining records of pre-printed serial numbers of the instruction forms (especially relating to debit instructions) issued to their Clients. As a result, there is inadequate internal control over processing of debit instructions. In this context, we would like to advise that NSDL is in the process of amending its Business Rules to require Participants to maintain such records and control. In the meanwhile, all Participants are advised to ensure that proper records relating to serial numbers of instruction forms issued to the Clients are maintained in their back-office in their own interest and in the interest of their Clients. Further, any instruction for debit of a Client account submitted on an instruction form other than the one issued to a Client should not be accepted unless the Participant has fully satisfied itself that the instruction has been given by the Client itself.
Instructions - SEBI's stipulated procedures for issuance and verification	
Circular No : NSDL/PI/2000/834 Date : June 2, 2000	Further to Circular Nos. NSDL/PI/2000/341 dated March 24, 2000 and NSDL/PI/2000/499 dated April 18, 2000 regarding records of serial numbers of delivery instruction forms issued to the clients, Participants are advised to follow the under-mentioned procedures stipulated by SEBI for issuance and verification of delivery instruction forms: 1. Initial issuance of the delivery instruction forms will be with account opening in accordance with the procedures already set out. For further issuance of delivery instruction forms, the delivery instruction form book issued to the clients by Participants shall contain a requisition form for issue of another delivery instruction form book as in the case of a bank chequebook. Re-issuance of subsequent delivery instruction form books shall be on submission of the requisition slip contained in the delivery instruction form book.

	2. As already informed, all delivery instruction forms must bear a pre-printed unique identification number. Additionally, the back office system of Participants must record these unique numbers and run an automatic check while executing transactions based on such delivery instruction forms. 3. Employees of Participants processing the delivery instruction forms shall put their signature on the delivery instruction forms indicating that they have verified the signature and the unique delivery instruction form number belonging to the specific client. There shall also be an indication of the value of the transactions contained in a single delivery instruction form on the system of Participants and in case the value of securities on the delivery instruction form amounts to Rs. Five lakh or more, it should be subject to a two step verification, especially for off market transactions.
Instructions - Revised DI forms	
Circular No. NSDL/POLICY/ 2008/0019 Date: March 26, 2008	***Sub: Extension of deadline for usage of existing Account Opening Form (AOF) & Delivery Instruction Slip (DIS)*** Attention of Depository Participants (DPs) is invited to NSDL Circular Nos. NSDL/POLICY/2007/0069 / 0070 and 0071 dated November 12, 2007 regarding Modification of AOF & DIS under the advise of Financial Intelligence Unit-India (FIU-IND). As all DPs are aware, NSDL vide its Circular No. NSDL/ POLICY/2007/0071 dated November 12, 2007 had informed the DPs to use the existing AOF and DIS till March 31, 2008 or till such time the existing AOFs and DIS are exhausted, whichever is earlier. As an interim measure, DPs were advised to accept the existing AOF and DIS for opening new accounts and executing transactions respectively, alongwith the 'Additional Details', in a prescribed format, on a plain paper, duly signed by the applicant(s)/Clients. In this regard, DPs have represented to NSDL with a request to extend the aforesaid deadline of March 31, 2008, citing a few practical difficulties as mentioned below: 1) Existing stock of AOF / DIS are yet to be exhausted and hence printing of revised AOF / DIS will be a financial burden on the DPs. 2) The process of dispatching of the revised DIS in lieu of the existing DIS (which are lying with the Clients) would put the DPs and the Clients into hardship. The process would also increase the overheads (cost, man hours etc) of the DPs. In light of the above representations, all DPs are hereby informed that the deadline for usage of the existing AOFs / DIS is extended till September 30, 2008 or till such time the existing AOF / DIS are exhausted, whichever is earlier. During this interim period, DPs are advised to follow the procedure mentioned in the aforesaid Circular No. NSDL/POLICY/2007/0071 dated November 12, 2007 regarding obtaining of 'Additional Details' alongwith the AOF / DIS. In case the stock of the existing AOF / DIS are exhausted before, September 30, 2008, DPs would be required to print and distribute the revised AOF and DIS in the format mentioned in NSDL Circular No. NSDL/POLICY/2007/0069 dated November 12, 2007. For further information, DPs are requested to contact Mr. Amit Shinde on Tel No. (022) 2499 4486 (email: shindea@nsdl.co.in) / Mr. Vinith Nair on Tel. No. (022) 2499 4414 (email: vinithn@nsdl.co.in).

Circular No : NSDL/PI/2002/1885 Date : October 30, 2002	Attention of Participants is invited to our Circular No. NSDL/PI/2002/1132 dated July 13, 2002 regarding amendment of Annexure L of the Business Rules of NSDL pertaining to Delivery instructions by Clients. Participants were also advised that Annexure L in the old format will also be valid and Participants should continue to accept the same from the Clients. However, whenever Participants reprint Annexure L, the same should be in the amended format. In this context, many Participants have been requesting NSDL to allow them to use the old format of Annexure L as well. In view of the aforesaid, it is hereby informed that Participants can use either the old format or the new format of Annexure L.
Circular No : NSDL/PI/2002/1132 Date: July 13, 2002	NSDL has been receiving requests from Participants regarding modification of Annexure L so as to enable the Clients to give delivery instructions in favour of multiple target Client Ids/CM-BP-Ids. Accordingly, Annexure L of the Business Rules of NSDL, pertaining to Delivery Instructions by Clients has been amended. In this regard, Participants are requested to note that Annexure L in the existing format is also valid and Participants should continue to accept the same from the Clients. However, whenever Participants reprint Annexure L (Delivery Instructions by Clients), the same should be in the amended format.
c. Others	
Transactions in Warehouse Receipts (Commodities) after Final Expiry Date	
Circular No : NSDL/POLICY/ 2009/0067 Date: July 31, 2009	***Sub: Transactions in Warehouse Receipts (Commodities) after Final Expiry Date*** All Participants are hereby informed that Multi Commodity Exchange of India Ltd (MCX) has intimated that after the final expiry date of a warehouse receipt (*i.e. end date of ICIN*), warehouse receipts cannot be transferred by clients for market delivery or for transfers to another client. The clients can take physical delivery of the commodities from the warehouse (*rematerialisation request*). Hence with effect from August 1, 2009, no transactions can be effected after the final expiry dates of warehouse receipts (i.e. end date of ICIN) except for the following: 1. Physical Delivery (Rematerialisation) Requests. Transfers from Clearing Member Pool Account to Beneficial Owner Account.
Circular No : NSDL/POLICY/ 2009/0058 Date: July 17, 2009	***Sub: Transactions in Warehouse Receipt after Final Expiry Date*** All Participants are hereby informed that National Commodity Derivatives Exchange of India (NCDEX) has intimated that after the final expiry date of a warehouse receipt (i.e. end date of ISIN), warehouse receipts cannot be transferred by clients for market delivery or for transfers to to another client. The clients can take physical delivery of the commodities from the warehouse (rematerialisation request). Hence with effect from August 1, 2009, no transactions can be effected after the final expiry dates of warehouse receipts (i.e. end date of ISIN) except for the following: 1. Physical Delivery (Rematerialisation) Requests. 2. Transfers from Clearing Member Pool Account to Beneficial Owner Account.

Securities Lending & Borrowing Scheme (SLBS)

Circular No.: NSDL/POLICY/ 2014/0074 Date: June 6, 2014	***Subject: Review of the Securities Lending and Borrowing framework.*** Attention of all Participants is invited to SEBI Circular No. CIR/MRD/ P/19/2014 dated June 03, 2014 regarding review of the Securities Lending and Borrowing framework (copy attached). Participants are advised to take note of the circular.

CIRCULAR

CIR/MRD/DP/19/2014 June 03, 2014

To

All Stock Exchanges and Depositories Dear Sir / Madam,

Sub: Review of the Securities Lending and Borrowing (SLB) Framework

1. Securities Lending and Borrowing was introduced vide circular no. MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007 and operationalised with effect from April 21, 2008. The SLB framework has been subsequently modified from time to time.

2. With regard to the requirement of an agreement between Clearing Member and client for the purpose of lending and borrowing of securities, representations were received from market participants. Based on the examination of suggestions received, it has been decided to modify the extant SLB framework.

3. Accordingly, para 6 of the Annexure 2 of aforesaid SLB circular shall be replaced as under:
   3.1. The Authorised Intermediary (AIs) shall enter into an agreement with Clearing Members (CMs) for the purpose of facilitating lending and borrowing of securities.

   3.2. The agreement shall specify the rights, responsibilities and obligations of the parties to the agreement. The agreement shall include the basic conditions for lending and borrowing of securities as prescribed under SLB framework. Further, the exact role of AIs/CMs vis-à-vis the clients shall be laid down in the agreement. AIs shall ensure that there shall not be any direct agreement between the lender and the borrower.

   3.3. In addition to that, AIs may also include suitable conditions in the agreement to have proper execution, risk management and settlement of lending and borrowing transactions with clearing member and client.

   3.4. The AIs shall frame a rights and obligations document laying down the rights and obligation of CMs and clients for the purpose of lending and borrowing of securities. The rights and obligation document shall be mandatory and binding on the CMs and the clients for executing trade in the SLB framework.

4. All other conditions as specified in the circulars no. MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007, MRD/DoP/SE/Cir-31/2008 dated October 31, 2008, MRD/DoP/SE/Dep/Cir-01/2010 dated January 06, 2010, CIR/MRD/DP/33/2010 dated October 07, 2010 CIR/MRD/DP/30/2012 dated November 22, 2012 and CIR/MRD/DP/ 18 /2013 May 30, 2013 remain unchanged.

5. Stock Exchanges and Depositories are advised to:
   5.1. Take necessary steps and put in place necessary systems for implementation of the above.
   5.2. Make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision.
   5.3. Bring the provisions of this circular to the notice of the member brokers of the stock exchange and depository participants to disseminate the same on their website.

6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Maninder Cheema
Deputy General Manager
Email: maninderc@sebi.gov.in

Circular No : NSDL/POLICY/ 2013/0077 Date: May 30, 2013	***Sub: Review of the Securities Lending and Borrowing (SLB) framework*** Attention of all Participants is invited to SEBI Circular No. CIR/MRD/DP/18/2013 dated May 30, 2013 regarding review of the Securities Lending and Borrowing (SLB) framework. Copy of the same is enclosed for information.

CIRCULAR

CIR/MRD/DP/ 18 /2013 May 30, 2013

To

All Stock Exchanges, Clearing Corporations and Depositories. Dear Sir / Madam,

Subject: Review of the Securities Lending and Borrowing (SLB) framework

The framework of SLB was specified vide SEBI circular no. MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007 and operationalised with effect from April 21, 2008. The SLB framework was subsequently revised based on the need and representations from market participants vide circulars no. MRD/DoP/SE/Cir-31/2008 dated October 31, 2008, MRD/DoP/SE/Dep/Cir-01/2010 dated January 06, 2010, CIR/MRD/DP/33/2010 dated October 07, 2010 and CIR/MRD/DP/30/2012 dated November 22, 2012.

2. In order to further extend the benefits of SLB and to facilitate efficient use of margin collateral, a review of the SLB framework was undertaken in consultation with Secondary Market Advisory Committee (SMAC). Accordingly, it has been decided to modify the extant SLB framework as under:

2.1. Eligible scrips for SLB: In addition to the scrips on which derivatives contracts are available, scrips that fulfill the following criteria shall be considered eligible for SLB:

(a) Scrip classified as 'Group I security' as per SEBI circular MRD/DoP/SE/Cir-07/2005 dated February 23, 2005;

AND

(b) Market Wide Position Limit (MWPL) of the scrip, as defined at para 12 (a) of Annexure 2 of the MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007, shall not be less than Rs.100 crores;

AND

(c) Average monthly trading turnover in the scrip in the Cash Market shall not be less than Rs.100 crores in the previous six months.

2.2. Stock exchanges shall review the scrips eligible for SLB on a half-yearly basis. In the event a scrip fails to meet the eligibility criteria, no new SLB transaction shall be allowed in the scrip from the next trading day.

However, the existing contracts in such scrips shall be allowed to continue till expiry.

2.3. The collateral to be accepted for meeting margin obligations related to SLB transactions shall be in the same form as applicable in the Cash Market.

3. The circular shall be effective from July 01, 2013.

4. Stock Exchanges, Clearing Corporations and Depositories are directed to:

4.1. take necessary steps and put in place necessary systems for implementation of the above.

4.2. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision.

4.3. bring the provisions of this circular to the notice of the stock brokers / trading members, clearing members and depository participants and also disseminate the same on their website.

5. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and Section 19 of the Depositories Act, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Maninder Cheema
Deputy General Manager
Email: maninderc@sebi.gov.in.

Circular No : NSDL/POLICY/ 2012/0136 Date: November 26, 2012	***Sub: Review of Securities Lending and Borrowing (SLB) Framework*** Attention of Participants is invited to SEBI Circular Nos. MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007 *(Ref.: NSDL Circular No. NSDL/POLICY/2007/0078 dated December 24, 2007)*, MRD/DoP/SE/Dep/Cir-31/2008 dated October 31, 2008 *(Ref.: NSDL Circular No. NSDL/POLICY/2008/0078 dated November 5, 2008)* and SEBI/MRD/DoP/SE/Dep/Cir- 01/2010 dated January 6, 2010 *(Ref.: NSDL Circular No. NSDL/POLICY/2010/0005 dated January 11, 2010)* regarding SEBI guidelines on Short Selling and Securities Lending and Borrowing (SLB). SEBI has now vide its Circular No. CIR/MRD/DP/ 30 /2012 dated November 22, 2012 informed the revised framework for SLB, copy of which is enclosed for information.
Circular No : NSDL/POLICY/ 2011/0102 Date: November 30, 2011	***Sub: NSDL deadline time extended for Pay-in of Securities Lending & Borrowing Scheme (SLBS)*** Further to our Circular No. NSDL/POLICY/2008/0025 dated April 16, 2008, all Participants are hereby informed that with effect from Thursday, December 1, 2011, the NSDL deadline time for submission of instructions on eDPM System for SLBS settlements of NSE and BSE will be revised to **9.20 am** as against the current deadline time of 9.00 am in respect of the following market types:

Exchange	Market Type
NSE	SLB FIRST LEG
	SLB RETURN LEG
	SLB AUCTION BUY-IN
BSE	SLB
	SLB-R
	BUY IN AUCTION

	Participants may note that the Pay-in of securities of SLBS settlement at NSCCL and BOISL will remain unchanged i.e. 9.30 am. Accordingly, the CC Calendar in the eDPM / Local DPM system has been revised. With the above changes, Participants **can capture and verify/release instructions till the aforementioned NSDL deadline time**. However, it is advisable that **all instructions** relating to Pay-in are executed in the eDPM system well before the aforementioned NSDL deadline time.
Circular No : NSDL/POLICY/ 2010/0005 Date: January 11, 2010	***Sub: Review of Securities Lending and Borrowing (SLB) Framework*** Attention of Participants is invited to SEBI Circular No. MRD/DoP/SE/Dep/ Cir-14/2007 dated December 20, 2007 and MRD/DoP/SE/Dep/Cir-31/2008 dated October 31, 2008 intimated vide NSDL Circular nos. NSDL/POLICY/2007/0078 dated December 24, 2007 and NSDL/POLICY/2008/0078 dated November 5, 2008 respectively, regarding SEBI guidelines on Short Selling and Securities Lending and Borrowing (SLB). SEBI has now vide its Circular No. SEBI/MRD/DoP/SE/Dep/Cir- 01/2010 dated January 6, 2010 informed the revised framework for SLB, copy of which is enclosed for the information of Participants.

DEPUTY GENERAL MANAGER
Market Regulation Department – Division of Policy
Email: harinib@sebi.gov.in

SEBI/MRD/DoP/SE/Dep/Cir- 01 /2010
January 06, 2010

1. The Executive Directors/Managing Directors of all Stock Exchanges
2. Managing Director and CEO, NSDL
3. Managing Director and CEO, CDSL

Dear Sir/ Madam,

Sub: Review of Securities Lending and Borrowing (SLB) Framework

The framework for SLB was specified vide circular no. MRD/DoP/SE/Dep/Cir- 14 /2007 dated December 20, 2007 and was operationalised with effect from April 21, 2008. The SLB framework was revised vide circular no. MRD/DoP/SE/Cir-31/2008 dated October 31, 2008. Pursuant to feedback received from market participants and proposals for revision of SLB received from NSE and BSE, the framework is now modified as under:

1. The tenure of contracts in SLB may be upto a maximum period of 12 months. The Approved Intermediary (Clearing corporation/ Clearing House) shall have the flexibility to decide the tenure (maximum period of 12 months).
2. The lender / borrower shall be provided with a facility for early recall / repayment of shares.
3. In case the borrower fails to meet the margin obligations, the Approved Intermediary (AI) shall obtain securities and square off the position of such defaulting borrower, failing which there shall be a financial close-out.
4. In case lender recalls the securities anytime before completion of the contract, the AI on a best effort basis shall try to borrow the security for the balance period and pass it onward to the lender. The AI will collect the lending fee from the lender who has sought early recall.
5. In case of early recall by the lender, the original contract between the lender and the AI will exist till the contract with the new lender for the balance period is executed and the securities returned to the original lender.

6. In case of early repayment of securities by the borrower, the margins shall be released immediately on the securities being returned by the borrower to the AI. The AI shall on a best effort basis, try to onward lend the securities and the income arising out of the same shall be passed on to the borrower making the early repayment of securities.

7. In case AI is unable to find a new borrower for the balance period, the original borrower will have to forego lending fee for the balance period.

8. Incase of early recall by lender or early repayment of securities by borrower, the lending fee for the balance period shall be at a market determined rate.

9. The other provisions, as specified in SEBI circular no. MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007 and circular no. MRD/DoP/SE/Cir- 31/2008 dated October 31, 2008 shall continue to be applicable.

10. Exchanges and Depositories are advised to

    a. take necessary steps and put in place necessary systems for implementation of the above at the earliest;

    b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above;

    c. issue necessary instructions to the member brokers/clearing members and depository participants and also to disseminate the same on the website.

11. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and Section 19 of the Depositories Act, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

HARINI BALAJI

Circular No : NSDL/POLICY/ 2008/0078 Date: November 5, 2008	***Sub: Revised Securities Lending and Borrowing (SLB) Framework.*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2007/ 0078 dated December 24, 2007 enclosing therewith SEBI circular no. MRD/ DoP/SE/Dep/Cir-14/2007 dated December 20, 2007 regarding SEBI guidelines on Short Selling and Securities Lending and Borrowing. SEBI has now vide its circular no. MRD/DoP/SE/Cir- 31/2008 dated October 31, 2008 informed the revised framework for SLB. Copy of the said circular dated October 31, 2008 is enclosed for the information of Participants.

Annexure

CHIEF GENERAL MANAGER
Market Regulation Department – Division of Policy
Tel: 26449370 Fax: 2644 9031
Email: mdrao@sebi.gov.in

MRD/DoP/SE/Cir- 31 /2008

October 31, 2008

1. The Managing Director / CEO,
   National Stock Exchange and Bombay Stock Exchange
2. Managing Director, NSDL and CDSL

Dear Sir,

Sub: Review of Securities Lending and Borrowing (SLB) Framework

The framework for SLB was specified vide circular no. MRD/DoP/SE/Dep/Cir- 14 /2007 dated December 20, 2007. SLB was operationalised with effect from April 21, 2008. Pursuant to feedback from market participants and proposals for revision of SLB received from NSE and BSE, the framework is being revised as under:

1. **Tenure**

   Tenure for SLB may be increased to 30 days from the present 7 days.

2. **Corporate Actions during the 30 day SLB contract**

   The SLB tenure of 30 days will result in the need for appropriate adjustments for corporate actions. The corporate actions may be treated as follows:

   a. Dividend: The dividend amount would be worked out and recovered form the borrower at the time of reverse leg and passed on to the lender.

   b. Stock split: The positions of the borrower would be proportionately adjusted so that the lender receives the revised quantity of shares.

   c. Other corporate actions such as bonus/ merger/ amalgamation / open offer etc: The transactions would be foreclosed from the day prior to the ex-date. The lending fee would be recovered on a pro-rata basis from the lender and returned to the borrower.

3. **Time window for SLB**

   The time for SLB session may be extended from the present one hour (10 am to 11 am) to the normal trade timings of 9:55 am to 3:30 pm.

4. **Risk Management**

   a. With regard to risk management in SLB, it is advised that common risk management practices shall be followed by stock exchanges for SLB. It is reiterated that the exchanges should ensure that the risk management framework strikes a balance between ensuring commercial viability of SLB transactions and ensuring adequate and proper risk management. Exchanges should satisfy themselves regarding the adequacy of the risk management system.

   b. Margins in SLB may be taken in the form of cash and cash equivalents as prescribed in the circular MRD/DoP/Cir-07/2005 dated February 23, 2005.

5. **Exchanges and Depositories are advised to**

   a. take necessary steps and put in place necessary systems for implementation of the above at the earliest;

   b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above;

   c. issue necessary instructions to the member brokers/clearing members and depository participants and also to disseminate the same on the website.

6. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

S V MURLI DHAR RAO

Circular No : NSDL/POLICY/ 2008/0025
Date : April 16, 2008

Sub : Operationalisation and settlement timings for Securities Lending & Borrowing Scheme (SLBS)

As all Depository Participants (DPs) are aware, SEBI vide its circular no. MRD/ DoP/SE/Cir-05/2008 dated March 19, 2008 (copy enclosed) informed the stock exchanges and the depositories about the operationalisation of Short Selling and SLBS with effect from April 21, 2008. Further, NSDL vide its Circular No. NSDL/ PI/2008/0162 dated January 29, 2008 informed DPs regarding incorporation of Market Type Codes in the CC Calendar at the request of National Securities Clearing Corporation Ltd (NSCCL) and BOI Shareholding Limited (BOISL). The pay-in timings with respect to SLBS settlements as informed by NSCCL and BOISL, effective from April 21, 2008 and NSDL deadline timings thereof are given hereunder

CC Id	Market Type Code	Description	NSDL deadline time	NSE/BSE Pay-in time	NSE/BSE Pay-out time
IN001019	18	SLB	9.00 am	9.30 am	11.30 am
IN001019	19	SLB-R			
IN001019	20	BUY IN AUCTION			
IN001002	23	SLB FIRST LEG			
IN001002	24	SLB RETURN LEG			
IN001002	25	SLB AUCTION BUY-IN			

For further information / clarification, DPs are requested to contact Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in) / Mr. Rakesh Mehta Tel (022) 2499 4480 (email : rakeshm@nsdl.co.in).

Annexure

Chief General Manager

Market Regulation Department-Division of Policy

E-mail: mdrao@sebi.gov.in

MRD/DoP/SE/Cir- 05 /2008

March 19, 2008

1. The Executive Directors/Managing Directors/ Administrators of all Stock Exchanges
2. Managing Director & CEO, NSDL
3. Managing Director & CEO, CDSL

Dear Sir / Madam,

Sub:- Operationalisation of Short Selling and Securities Lending and Borrowing

1. SEBI vide circular dated December 20, 2007 had specified the broad framework for short selling by institutional investors and a full-fledged securities lending and borrowing scheme for all market participants.
2. It has been decided to operationalise the above with effect from Monday, April 21, 2008.
3. The Stock Exchanges and the Depositories are advised to :
   - 3.1 make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision.
   - 3.2 bring the provisions of this circular to the notice of the member brokers/clearing members, depository participants and also disseminate the same on their website.
   - 3.3 communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report.
4. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and Section 19 of the Depositories Act, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

S V Murali Dhar Rao

Circular No : NSDL/POLICY/ 2008/0005 Date: January 29, 2008	***Sub. :- Securities Lending and Borrowing Scheme (SLBS)*** Attention of DPs is invited to NSDL Circular No. NSDL/POLICY/2007/0078 dated December 24, 2007 enclosing therewith SEBI circular no. MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007 regarding SEBI guidelines on Short selling and Securities Lending and Borrowing. In pursuance to the same, please find enclosed circular no. NSCCL/SEC/2008/053 dated January 28, 2008 issued by National Securities Clearing Corporation Ltd (NSCCL) and notice no. 20080128-3 dated January 28, 2008 issued by BOI Shareholding Limited (BOISL) for information and necessary action. **Annexure** Notice no : 20080128-3 Notice date : Monday, January 28, 2008 Subject : BOISL Notice regarding Securities Lending and Borrowing Scheme (SLBS) Segment Name General Contents : **BOI SHAREHOLDING LIMITED** **Sub. : Securities Lending and Borrowing Scheme (SLBS)** The members of Bombay Stock Exchange Ltd. (BSE) were informed vide Notice No.20071224-10 dated December 24, 2007 about the introduction of Securities Lending and Borrowing Scheme (SLBS) as specified by SEBI vide its Circular No.MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007. In this connection, members of BSE are hereby informed that, the Clearing House of BSE i.e. BOI Shareholding Ltd. (BOISL), as the Approved Intermediary under the Securities Lending Scheme, 1997 announces the Securities Lending and Borrowing Scheme (SLBS) as per the broad framework specified by SEBI vide its aforesaid Circular No. MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007 and any other circular / guidelines that may be issued in respect of the same from time to time. **The salient features of the SLBS are as under :** **Eligibility** ➢ All trading / clearing members of BSE as well as Banks and Custodians shall be eligible to participate in SLBS, subject to fulfillment of the eligibility criteria specified by BOISL. For this purpose they shall, inter alia, have to register as SLB Member in SLBS with BOISL as per the registration procedure specified by BOISL. ➢ SLB Member desirous of lending or borrowing securities under SLBS can do so either on their own account or on behalf of their clients. ➢ SLB Member shall be required to enter into an agreement with BOISL and the clients shall be required to enter into back to back agreement with the SLB Member as per the formats specified by BOISL. The formats of the same shall be available shortly on the website of BSE.

- The SLB Member shall apply to BOISL for allotment of Unique Client ID for each client who desires to participate in SLBS.

Eligible Securities

- To begin with, the dematerialised securities traded in F & O Segment shall be eligible for lending and borrowing under SLBS. BOISL shall from time to time announce the addition / removal of the securities to / from the list of eligible securities.
- In case of Record Date or Closure of Register of Members of a Company, the securities will not be allowed for lending and borrowing under the SLBS during the period as may be decided by BOISL from time to time.

Lending and Borrowing transaction on screen based platform

- BOISL shall provide a separate screen based order matching platform to execute lending and borrowing transactions. A detailed circular in respect of such platform will be issued in due course.

Clearing & Settlement Procedure

- The settlement obligations for transactions under SLBS will be on gross basis i.e. there shall be no netting of transactions.
- Following market types are to be used for giving instructions to the Depositories for securities pay-in :

SLBS Pay-in	Market Type
For first leg pay-in of Securities (by lender)	SLB
For return leg pay-in (return of borrowed securities by the borrower)	SLB-R
For pay-in of securities in SLB Auction	Buy-in Auction

- The pay-in and pay-out of funds and securities shall be through the designated clearing bank account and securities settlement account respectively.
- The Clearing Bank accounts currently used by members of BSE in Cash Segment (Equity Market) shall be the designated bank account for settlement of funds obligations under the SLBS.
- For securities demat account the SLB Member may approach the depository participants in respect of Pool / Principal accounts for settlement of securities obligations under SLBS.
- The transactions under SLBS shall be settled on a T+1 day basis as per time lines specified by BOISL. The lender shall be required to deliver the securities by the scheduled time on T+1 day. Failure to deliver securities shall result in financial close-out. The close-out computation formula shall be intimated by way of a circular.
- For a borrow transaction the settlement obligation shall be the lending fees plus the lending price. The lending price shall be previous day's closing price in Cash Segment of BSE.

- To start with, tenure of lending shall be seven trading days. Accordingly, the return of securities by the borrower shall be scheduled on T+8 day (where T is the SLBS transaction day).
- All SLB members shall be required to return the securities borrowed on completion of period of lending. The securities shall be returned to the lender of the securities by BOISL. In the case of borrower failing to return securities, BOISL shall conduct an auction for obtaining securities. In the event of exceptional circumstances resulting in non-availability of securities in auction, such transactions would be financially closed-out at appropriate rates. The close-out computation formula shall be intimated by way of a circular.
- BOISL shall specify the settlement calendar with respect to SLBS from time to time. A typical settlement cycle for a lending and borrowing transaction shall be as under :

Activities	Timings
T Day	
Securities Lending & Borrowing session	10:00 am - 11:00 am
Custodial confirmation	by 2:00 pm
Final obligation to participant	3:30 pm
T+1 day Pay-in of securities/funds - 1st leg	9:30 am
Pay- out of securities/funds - 1st leg	11:30 am
T+8 day	
Pay-in of securities of return leg	9:30 am
Pay-out of securities/funds of return leg	11:30 am
Buy-in auction for failure of borrower to return securities	12:30 pm (approx.)
Auction obligation to participant	4:30 pm
T+9 day	
Pay-in of securities for auction settlement	9:30 am
Pay-out of securities/funds for auction settlement	11:30 am

Margins and Collaterals

- All transactions in the SLBS shall be subject to levy of margins. The margins shall be levied at a client level. The details in respect of margin and collateral deposit are mentioned in Annexure-I.

Position limits

- As prescribed by SEBI, the position limits with respect to SLBS shall be applicable at various levels.
- To begin with, the position limits at the level of Market, SLB Member and Client shall be as follows:
  a) the market wide position limit for transactions under SLBS shall be 10% of the free float capital of the company in terms of number of shares.
  b) No SLB Member shall have open position of more than 10% of the market wide position limit or Rs.50 crore (base value) whichever is lower.
  c) For a FII / MF the position limits shall be the same as that of a SLB Member.
  d) The client level position limit shall not be more than 1% of the market wide position limit.

Shortages & Close-out

- In the event of fund shortages by the borrowers the SLBS transactions shall be cancelled as may be decided by BOISL and accordingly, the securities shall be returned to the lenders alongwith lending fees. In the event, lender fails to deliver securities in the settlement the transactions shall be closed-out. The computation methodology and rate of close-out shall be intimated by BOISL from time to time.
- In the event the borrower fails to return the securities BOISL shall conduct a "Buy-in Auction". The buy-in auction shall be carried out in the Cash Segment of BSE.
- If the securities cannot be bought through the buy-in auction, then the transactions shall be closed-out. The computation methodology and rate of close-out shall be intimated by BOISL from time to time.
- In all cases of shortages BOISL may initiate various actions including withdrawal of borrowing and lending facility of the participant, withhold the securities / funds pay-out due to the participant or any other action as may be decided by BOISL from time to time.

Fines and penalties

- Fines and penalties shall be imposed on the SLB Members for defaults in delivery / return of securities or defaults in payment of funds or margin obligations or for violation of Unique Client Code requirements or for any other reasons as may be specified by BOISL from time to time.

Arbitration

- All claims, differences or disputes between the SLB Members and their clients arising out of transactions in SLBS shall be subjected to arbitration mechanism as intimated by BOISL from time to time

The detailed modalities with respect to implementation of SLBS and the effective date of implementation shall be communicated separately.

n case of any clarifications members may contact :

Name	Contact Nos.
Mr.Peter D'Souza - BOISL	5042
Mr.Daniel Lasrado - BOISL	5032
Ms.Avani Kulkarni - BOISL	5065
Ms.Sheela Anjaria - BSE, Clearing and Settlement	8149
Mr.Sanjay Narvankar - BSE, Clearing and Settlement	8113
Mr.Surendra Rashinkar - BSE, Clearing and Settlement	8306
Mr.Hitesh Desai / Mr.Yogesh Bambardekar - BSE, Dept.of Surveillance & Supervison	8286
Mr.Amit Kadam - BSE, Membership	8010

Monday,
January 28, 2008

A. C. Gautam,
Managing Director - BOISL

Annexure - I

Collateral Deposits and Margins for transactions under SLBS:

The criteria in respect of composition of capital, computation and collection of margins would be as follows:

A. Composition of Capital (Liquid Assets):

- SLB Members may note that the capital deposited as collateral towards Base Minimum Capital and Additional Capital for Securities Lending and Borrowing are to be maintained in form of Cash and Cash equivalent only.
  - **Base Minimum Capital (BMC) :**
    - Base Minimum Capital of Rs.10 lakhs to be separately maintained by SLB Members for SLBs.
  - **Additional Capital (Liquid Assets) :**
    - In addition to the Base Minimum Capital the SLB Members may deposit additional capital in form of cash or cash equivalent only (i.e., Fixed Deposit Receipts of Banks and Bank Guarantee).

B. Margins :

- Margins shall be computed and collected as per the present system followed in the Cash segment (Equity Market). All participants in the Securities Lending and Borrowing shall be margined. BOISL would compute, collect and release various margins as follows :
  - **VaR Margin and ELM Margin:**
    - VaR margin and ELM margin rates as applicable to the security in the cash segment of BSE at beginning of day rates shall be applicable in the SLBS.
    - The VaR margin and ELM margin shall be collected on an upfront basis by adjusting against the collateral of the SLB Members at the time of transaction.

- The VaR margin and ELM margin shall be collected on the gross open position of the SLB Member. The gross open position for this purpose would mean the gross of all positions across all the clients of a SLB Members including its proprietary position
- VaR margin rates for SLBS shall be available on the website of BSE.
- The VaR Margin and ELM margin so collected shall be released on completion of pay-in of the respective settlement.

■ **Mark to Market Margin:**

- Mark to market margin shall be calculated by marking each transaction in security to the closing price of the security at the end of day in the cash segment of BSE. In case the security has not been traded on a particular day in the equity market, the latest available closing price at the BSE shall be considered as the closing price.
- The mark to market margin (MTM) shall be collected from the SLB Member at the end of day on T day.
- Such MTM will be collected from the SLB Members in the evening on the T day, first by adjusting the same from the available cash and cash equivalent component of the liquid assets and the balance MTM in form of cash from the SLB Members through their clearing banks on the same day.
- The MTM margin shall be collected on the gross open position of the SLB Members. The gross open position for this purpose would mean the gross of all positions across all the clients of the SLB Member including its proprietary position. For this purpose, the position of a client would be netted across its various securities and the positions of all the clients of a SLB Member would be grossed.
- There would be no netting off of the positions and setoff against MTM profits across two settlements. However, for computation of MTM profits/losses for the day, netting or setoff against MTM profits would be permitted.

■ **Fixed percentage on lend / borrow transactions**

- In addition to the aforesaid margins, the collateral deposits of the SLB Members will also be blocked upfront towards the following:
- In case of both the borrower and lender, a fixed percentage of lending price shall be levied as margins. Such margins will be collected on an upfront basis by adjusting against the collateral of the SLB Member. To begin, with the fixed percent shall be 25%.

■ **Lending fee amount**

- In case of the borrower, lending fees amount based on the actual transacted value shall be blocked upfront against the collateral.

- **Custodial transactions**
  - In respect of transactions entered by a SLB Member which is to be settled by a custodian, the margins from the time of transactions till confirmation by the custodian shall be levied on the SLB Member. On confirmation of the said transactions by the custodian, the custodian shall be levied the margins applicable on such transactions.
  - In case of rejection by the custodian, the margins on the transaction rejected shall continue to be levied on the SLB Member.
- **Release of margins :**
  - SLB Members may note that:
    - o All margins shall be applicable at client level.
    - o Both lender and borrower shall be levied margins in respect of first leg of transaction in the SLBS.
    - o The borrower shall also be levied margins in respect of return leg of transactions in SLBS.
    - o Margins as collected above shall be released after completion of pay-in of respective settlements.
- Exemption from margins :
  - o Exemption from margins shall be available in case where early pay-in of securities is made by the lender of securities.

Annexure

NATIONAL SECURITIES CLEARING CORPORATION LTD.

Download Ref. No: NSE/CMPT/10146

Ref. No: NSCCL/SEC/2008/053 Date: January 28, 2008

To

All Members & Custodians,

SECURITIES LENDING & BORROWING SCHEME (SLBS)

In pursuance of SEBI Circular No. MRD/DoP/SE/Dep/Cir-14 /2007 dated December 20, 2007 and in continuation of NSCCL Circular No.NSCCL/SEC/2007/0646 dated December 24, 2007, NSCCL as an Approved Intermediary (AI) announces the Securities Lending & Borrowing Scheme (SLBS) within the overall framework of "Securities Lending Scheme, 1997".

The salient features of the scheme are as under:

1. **Participant Eligibility**

   All clearing members of NSCCL including Banks and Custodians, hereinafter referred to as 'Participant', shall be eligible to participate in SLBS. In order to become eligible to participate in SLBS, clearing members shall have to register as Participants in SLBS.

For this purpose, the eligible persons shall be required to follow the registration procedure as specified by NSCCL which shall include entering into an agreement with NSCCL as per the format specified.

Participants desirous of lending or borrowing securities can do so either on their own account or on behalf of their clients. Prior to undertaking lending or borrowing of securities on account of clients, the Participant shall enter into an agreement with each client as per the format specified by NSCCL.

The Participant shall apply to NSCCL for allotment of a Unique client ID for each client who desires to participate in SLBS.

2. Eligible Securities

Securities lending and borrowing shall be permitted in dematerialized form only. NSCCL shall announce the list of securities eligible under SLBS from time to time. To start with, securities available for trading in F&O segment of National Stock Exchange of India Ltd. (NSEIL) shall be permitted.

In case of Record Date or Closure of Register of Members of a Company in any of the eligible security, the security shall not be available for lending and borrowing during the period as may be intimated by NSCCL from time to time

3. Process of securities lending and borrowing

Order Matching Platform:

NSCCL shall provide an automated, screen based, order matching platform to the Participant to execute lending and borrowing transactions. The Participant shall be allowed to put Borrowal / lending orders. The orders shall be matched on a price - time priority. Details of the order matching platform being provided for SLBS transactions are enclosed as Annexure 1.

The orders placed by the Participant shall be for the lending fee.

Clearing:

NSCCL shall compute obligations based on the transactions executed on the order matching platform. All obligations shall be on a gross basis i.e there shall be no netting of transactions.

Transactions under SLBS segment shall be identified based on different settlement types as intimated by NSCCL for the first leg and reverse leg settlements.

Settlement Procedure:

The pay-in and pay-out of funds and securities shall be through the designated bank accounts and securities settlement account respectively.

The transactions shall be settled on a T+1 day basis as per time lines specified by NSCCL. The lender shall be required to deliver the securities by the scheduled time on T+1 day. Failure to deliver securities shall result in financial close-out. The close-out computation formula shall be intimated by way of circular.

For a borrow transaction, the obligation shall be the lending fees plus the lending price. The lending price shall be the previous day's closing price in the Capital Market segment of NSEIL.

Designated Bank Account

The bank account currently used by Participant for settlement of funds in the Capital Market segment shall be the designated bank account for giving effect to funds debits/credits under SLBS.

Securities Settlement Account

Participants shall be required to maintain accounts with both depositories i.e NSDL & CDSL. The pool account currently used by Participants in NSDL for effecting securities pay-in and pay-out in the Capital Market segment shall be used for settlement under SLBS.

In case of CDSL, Participants shall require to open a separate settlement account for effecting securities pay-in and pay-out under SLBS.

4. Period of lending

To start with, tenure of lending / borrowing shall be seven trading days. Accordingly the return of securities by borrower shall be scheduled on the T+8 day (where T is the SLBS transaction day).

5. Process of return of securities

All Participants shall be required to return the securities borrowed on completion of period of lending. The securities shall be returned to the lender of the securities by NSCCL. In the case of borrower failing to return securities, NSCCL shall conduct an auction for obtaining securities. In the event of exceptional circumstances resulting in non-availability of securities in auction, such transactions would be financially closed-out at appropriate rates. The close-out computation formula shall be intimated by way of a circular.

6. Lending and Borrowing Calendar

NSCCL shall specify the settlement calendar with respect to SLBS from time to time. A typical settlement cycle for a lending and borrowing transaction shall be as under:

Activities	Timings
T Day	
SLBS transaction session	10:00 am - 11:00 am
Custodial confirmation	2:00 pm
Final obligation to Participant	3:30 pm
T+1 day	
Pay-in of securities/funds first leg (Settl Type L)	9:30 am
Pay- out of securities/funds first leg	11:30 am
T+8 day	
Pay-in of securities of reverse leg (Settl Type P)	9:30 am
Pay-out of securities/funds of reverse leg	11:30 am
Buy-in auction for failure of borrower to return securities Around 12:00 noon	
Auction obligation to Participant	4:30 pm
T+9 day	
Pay-in of securities for auction settlement (Settl Type Q)	9:30 am
Pay-out of securities/funds for auction settlement	11:30 am

7. Margins and Collateral

All transactions under SLBS shall be subject to levy of margins. The margins shall be levied at a client level and collected on an upfront basis from the Participant. The margins to be levied on SLBS transaction shall be intimated by NSCCL from time to time. The details in respect of margin and collateral deposit are enclosed as Annexure 2.

8. Position Limits

NSCCL shall prescribe position limits at various levels for transactions in SLBS in consultation with SEBI and the same shall be intimated from time to time. To begin with the limits shall be as under:

(a) the market-wide position limits for SLB transactions shall be 10% of the free-float capital of the company in terms of number of shares (b) No Participant shall have open position of more than 10% of the market-wide position limits or Rs. 50 crore (base value), whichever is lower (c) For a FII/MF, the position limits shall be the same as of the Participant (d) The client level position limits shall be not more than 1% of the market-wide position limits.

9. Shortages and Close out

In the event of funds shortage by the borrower, the SLBS transactions shall be cancelled, as may be decided by NSCCL and accordingly, securities shall be returned to the lenders alongwith lending fees.

In the event the lender fails to deliver securities, the transaction shall be closed out. The methodology and rate of close out shall be intimated by NSCCL from time to time.

In the event the borrower fails to return the securities NSCCL shall conduct a buy-in auction. The buy-in auction shall be carried out in the Capital Market segment of NSEIL.

If the security cannot be bought through the buy-in auction, the transaction shall be closed out. The methodology and rate of close out shall be intimated by NSCCL from time to time.

In all cases of shortages, NSCCL may initiate various actions including withdrawal of access to the order matching platform , withhold of the securities/funds pay-out due to the Participant or any other action as may be intimated by NSCCL from time to time.

10. Fines and Penalties

NSCCL shall impose fines and penalties on the Participants for defaults in delivery / return of securities, or payment of fund obligations or payment of margin or violation of unique client code or any other reason as may be specified by NSCCL from time to time.

11. Arbitration

All claims, differences or disputes between the Participants and their clients arising out of transactions in SLBS shall be subjected to arbitration mechanism as intimated by NSCCL from time to time.

The detailed modalities with respect to implementation of SLBS and the effective date of implementation shall be communicated separately.

In case of any clarifications, members are requested to contact Mr. Samir Rajdev, Ms. Meghana Mukadam, Mr. Shailesh Golatkar on telephone numbers 26598268/ 26598215/ 26598383.

For National Securities Clearing Corporation Ltd.

Rana Usman
Manager

ANNEXURE 1

The order matching platform features & user navigation for SLBS are described below. For further details Participants are requested to refer to the on-line help facility.

Parameters for Securities Lending & Borrowing

Market time	10.00 AM - 11.00 AM	SLBS Segment
Market Type	N	Normal Market
Book Type	RL	Regular Lot
Series	FL	SLBS Segment
Series	RL	Auction Market for Reverse Leg in Cash Market
Price band	No price band	Operating range - 40%
Permitted lot size	1	
Tick Size	Rs 0.01	

Setting up Securities in Market Watch: For setting up securities in the Market Watch screen, the user has to press the function key [F4], enter the required details in Symbol, Series and Market Type fields and press [Enter]. The default option displayed in the market type field is 'N'.

Order Entry - Borrow/ Lend orders can be entered in SLBS using the function keys [F1] and [F2] and selecting 'RL' in the Book Type field. With respect to orders in the SLBS, Participants may note the following:

- Quantity - Order quantity should be in multiples of Market Lot.
- Price - In price field member has to enter fees for securities lending & borrowing. They can enter either market orders or limit price orders. Order price for limit price orders should be in multiples of tick size.
- PRO/CLI - Both 'Proprietary (Pro)' and 'Client (Cli)' orders are allowed.
- Time Conditions -User can specify time conditions as 'Day' or 'IOC'.
- Participant Code - A valid Custodial Participant Code has to be entered in this field.

	Order Cancellation/Modification - Order cancellation and modification is allowed for orders entered in the SLBS. Both Single and Quick Order Cancellation functions are available. In order to effect Quick Cancellation of orders for a security in SLBS, a member has to press [Shift+F3] to invoke Quick Order Cancellation screen and select 'RL' in the Book Type field. Quick Cancellation can also be done for all securities in the SLBS by selecting the Book Type as 'RL' and other parameters as relevant. **MBP** - User can query order information for the SLBS in MBP by selecting 'REGULAR LOT' as book type in the selection screen. Orders are stacked according to price in MBP. The high, low, last transacted price, percentage change and average transaction price figures are calculated with respect to transactions in SLBS. **Market Inquiry** - Security statistics for SLBS can be viewed by selecting 'NORMAL' as market type. **Outstanding Orders/Activity log/ Previous Transactions** - Outstanding order/ Activity log/ Previous Transaction information in a particular security can be viewed for SLBS by selecting the book type 'REGULAR LOT' in the respective selection screens. **Order and Transaction Confirmation Slips** - The order confirmation slip for orders entered in SLBS displays 'RL' as Book Type field. Similarly, transaction confirmation slip generated for SLBS transactions show 'N' in the Market Type field. **Net Position** - The Net Position screen displays consolidated statistics for all markets as well as separately for each market. **Most Active Securities** - This screen display consolidated statistics i.e. transacted value, transacted quantity, no of transactions for a security across the markets. **On-line Backup** - In the On-line Backup function a facility is provided to select order/transactions based on Market Type. Alternately, members can take a backup for all markets by selecting 'All' in the Market Type field. **Full Message Display** - In Full Message Display, messages can be filtered on Symbol and Series. **Offline Order Entry** - This function is available for SLBS. The structure for the input file is given in the online help. **Branch/User Order Value Limit** - Branch/User Order Limit is applicable for a particular Branch/User for orders across all Markets. **Securities Order Quantity Limit** - Securities Order Quantity Limit is applicable for a particular security across all Markets. **Order Limits** - Order limits set by a user are applicable for a single order across all Markets. **Reports** - Transactions report generated for Participants i.e. Transactions Done, Order Log and Open Orders report, displays records in ascending order of security name. Within a security records are displayed by Market Type. **Bhav Copy** - Security statistics pertaining to SLBS transactions are shown in the Market Statistics report.

ANNEXURE 2

MARGINS AND COLLATERALS

1. Collateral Deposits

Participants may deposit collaterals in the form of cash equivalents i.e., cash, bank guarantees and fixed deposit receipts, and any other form of collateral as may be prescribed by the Approved Intermediary (NSCCL) from time to time. The collateral deposited by the participant shall be utilized towards margin requirement of the participant.

In case of failure of the participant to meet its obligation, the collaterals provided by the participants may be liquidated by NSCCL to meet the obligation of the participant

1.1 Minimum Collateral

Every participant is required to continuously maintain minimum collateral of Rs.10 lacs in the form of cash as prescribed by the NSCCL. This deposit should be provided by the participant at the time of registration in Securities Lending and Borrowing Scheme (SLBS).

2. Margins

All transactions under SLBS shall be subject to margins. Following margins shall be applicable for transactions under SLBS.

2.1 First Leg transactions

Both lender and borrower shall be levied margins in respect of first leg of transactions under SLBS.

2.1.1 Borrow transaction

The following margins shall be levied on the Participants for a borrow transactions:

1. Value at Risk Margins
2. Extreme Loss Margins
3. Mark to Market Margins
4. Fixed percentage of lending price as may be specified by NSCCL
5. Fixed percentage of lending fee as may be specified by NSCCL

2.1.2 Lend transaction

The following margins shall be levied on the Participants for lend transactions:

1. Value at Risk Margins
2. Extreme Loss Margins
3. Mark to Market Margins
4. Fixed percentage of lending price as may be specified by NSCCL

2.2 Reverse Leg transactions

Only the borrower shall be levied margins in respect of reverse leg of transactions under SLBS. The following margins shall be levied on the Participants for a borrow transactions:

1. Value at Risk Margins
2. Extreme Loss Margins
3. Mark to Market Margins
4. Fixed percentage of lending price as may be specified by NSCCL

2.3 Value at Risk Margin (VaR Margin)

- VaR margin rate as applicable to the security in the capital market segment shall be applicable in the SLBS.
- The VaR margin shall be collected on an upfront basis by adjusting against the collateral of the Participant at the time of transaction.
- The VaR margin shall be collected on the gross open position of the Participant. The gross open position for this purpose would mean the gross of all positions across all the clients of a Participant including its proprietary position
- VaR margin rate for each security shall be disseminated to the Participants through the Extranet and on the website of the Exchange.
- The VaR margin so collected shall be released on completion of pay-in of the respective settlement.

2.4 Extreme Loss Margin

- Extreme Loss margin rate as applicable to the security in the capital market segment shall be applicable in the SLBS
- The Extreme Loss margin shall be collected on an upfront basis by adjusting against the collateral of the Participant at the time of transaction.
- The Extreme Loss margin shall be collected on the gross open position of the Participant. The gross open position for this purpose would mean the gross of all positions across all the clients of a Participant including its proprietary position
- The Extreme Loss margin so collected shall be released on completion of pay-in of the respective settlement.

2.5 Mark to Market Margin

- Mark to market loss shall be calculated by marking each transaction in security to the closing price of the security at the end of day in the capital market segment. In case the security has not been transacted on a particular day in the capital market segment, the latest available closing price at the NSE shall be considered as the closing price.
- The mark to market margin (MTM) shall be collected from the Participant before the start of the SLBS session of the next day.

- The MTM margin shall also be collected/adjusted from/ against the collateral deposited by the Participant
- The MTM margin shall be collected on the gross open position of the Participant. The gross open position for this purpose would mean the gross of all positions across all the clients of a Participant including its proprietary position. For this purpose, the position of a client would be netted across its various securities and the positions of all the clients of a Participant would be grossed.
- There would be no netting off of the positions and setoff against MTM profits across two settlements However, for computation of MTM profits/losses for the day, netting or setoff against MTM profits would be permitted.
- The MTM margin so collected shall be released on completion of pay-in of the settlement.

2.6 Fixed Percentage of lending price

- A fixed percentage of lending price shall be levied as margin on the Participants for both borrow and lend transactions as may be intimated by NSCCL from time to time. To start with the fixed percentage shall be '25%'
- This shall be collected on an upfront basis by adjusting against the collateral of the Participant at the time of transaction.
- This shall be collected on the gross open position of the Participant. The gross open position for this purpose would mean the gross of all positions across all the clients of a Participant including its proprietary position
- The margin so collected shall be released on completion of pay-in of the respective settlement.
- The lending price shall be the previous day closing price of the security in the capital market segment

2.7 Fixed Percentage of lending fee

- A fixed percentage of lending fee shall be levied as margin on the Participants for borrow transactions as may be intimated by NSCCL from time to time. To start with the fixed percentage shall be '100%'
- This shall be collected on an upfront basis by adjusting against the collateral of the Participant at the time of transaction.
- The margin so collected shall be released on completion of pay-in of the respective settlement.
- The lending fee shall be the actual price of the transaction

2.8 Exemption from margins

In cases where early pay-in of securities is made prior to the securities pay-in, such positions for which early pay-in (EPI) of securities is made shall be exempt from margins. The EPI would be allocated to clients having net deliverable position, on a random basis.

2.9 Custodial transactions

	In respect of transactions entered by a Participant which is to be settled by a custodian, the margins from the time of transactions till confirmation by the custodian shall be levied on the Participant. On confirmation of the said transactions by the custodian, the custodian shall be levied the margins applicable on such transactions. In case of rejection by the custodian, the margins on the transaction rejected shall continue to be levied on the Participant. **2.10 Short fall of margins** In case of any shortfall in margin the Participant shall not be permitted to transact in SLBS with immediate effect. The same shall be considered as violation and shall attract penal charges as may be specified by NSCCL from time to time **2.11 Margins from the Client:** Participants should have a prudent system of risk management to protect themselves from client default. Margins are likely to be an important element of such a system. The same shall be well documented and be made accessible to the clients and NSCCL. However, the quantum of these margins and the form and mode of collection are left to the discretion of the Participants.
Delivery of Instructions through Speed-e	
Circular No.: NSDL/ POLICY/ 2020/0054 April 29, 2020	***Subject: Further simplification of Online process of on-boarding password based users on SPEED-e facility.*** Attention of all Participants is invited to Circular No. NSDL/ POLICY/2020/0044 dated April 7, 2020 regarding online process of on-boarding Password based Users on SPEED-e facility. In this regard, Participants are requested to take note of the following: A. Online process of on-boarding password based users on SPEED-e facility is further simplified for individual clients to register for SPEED-e facility based on OTP authentication. The revised process to be followed is given below : 1. Client will visit NSDL e-Services website https://eservices.nsdl.com 2. Client will complete online Registration Request. The same can be accessed from **'New user registration'** tab under **'SPEED-e'** option where Client has to click on **REGISTER** link which is highlighted in purple colour under '**A) Clients:-> Password Users**'. 3. Client has to add CM BP ID(s) of its broker(s) under Pre-notified Account. [*No need to add dummy CM BP ID as mentioned in aforesaid circular dated April 7, 2020*]

	4. One Time Password (OTP) will be generated and sent to Client on mobile number and email ID registered in his/her demat account provided mobile number and email ID are registered in demat account. In case of NRI and FN clients, OTP will be sent to registered email ID only. 5. Upon successful validation of OTP, registration request will be sent to Participant for authorisation and request for addition of pre-notified account(s) will be sent to Clearing Member(s) for authorisation, if Clearing Member(s) is registered for the SPEED-e facility. 6. Participants should login to SPEED-e facility at regular interval to check the details of registration done by its clients for password based access of SPEED-e facility. Participants may authorise SPEED-e registration request generated by its clients for password based access based on electronic request received from SPEED-e. 7. Participant should inform Client at his/her registered email ID mentioned in demat account post activation of SPEED-e registration. 8. Clearing Member whose CM BP ID is added by Client has to authorise the request for addition of pre-notified account through SPEED-e facility. 9. Client will be able to access SPEED-e facility after successful authorisation by its Participant and will be able to submit delivery instructions upon successful authorisation of addition of pre-notified account by its Clearing Member. B. As per aforesaid process, Clients will not be required to submit any physical documents viz., SPEED-e Application Form and consent letter from Clearing Members (CMs) to their Participants. Client will also not required to send soft copy of SPEED-e registration form as mentioned vide aforesaid Circular dated April 7, 2020. However, if the CM which has been added as pre-notified account by client has not subscribed for SPEED-e facility, then client has to submit the consent letter from CM to its Participant for authorisation as per existing process. C. In case joint demat accounts, Client has to submit physical SPEED-e registration request along with applicable documents as per existing SPEED-e registration process.
Circular No.: NSDL/ POLICY/ 2020/0044 April 7, 2020	***Subject: Online process of on-boarding Password based Users on SPEED-e facility.*** All Participants are hereby informed that on-boarding process on SPEED-e facility for password based Users has been simplified. Clients who wish to avail this facility have to follow the process as given below: 1. Clients will go on NSDL e-Services website https://eservices.nsdl.com.

	2. Client will fill the registration request form as per the process explained in the annexure and mail the pdf form from the email ID registered in its demat account to NSDL at email Id speede@nsdl.co.in. 3. NSDL will forward the request forms received to the respective Participants for processing. 4. Participants will authorize the client registration request received electronically. 5. Client can check the status of its registration request on NSDL e-Services website. After approval of its request, client can proceed to add the pre notified accounts of CM for pay-in of securities after OTP based authentication. 6. CM will authorize the requests of clients for addition of pre notified accounts through their Speed-e login (if subscribed). 7. Once the request has been authorised by CM, Client can start submitting instruction through web or mobile interface. In the above process, clients will not be required to submit any physical documents viz., SPEED-e Application Form and consent letter from Clearing Members (CMs) to their Participants. Detailed process manual is enclosed as Annexure for the reference of the Participants/clients. However, if the CM which has been added as pre-notified account by client has not subscribed for SPEED-e facility, then client has to submit the consent letter from CM to its Participant for authorisation as per existing process. Attention of the Participants is also invited to NSDL Circular No. NSDL/POLICY/2014/0002 dated January 6, 2014 regarding facility for password based Users to confirm Pay-in related instructions on SPEED-e facility based on the instructions uploaded by pre-notified Clearing members on SPEED-e. Thus, Clients opting for e-DIS facility will not be required to enter instruction details on SPEED-e obviating data entry errors, consumption of time for entering data, etc.

Process for registration of Password based User on SPEED-e facility

1. APPLICABILITY

1.1. Client whose Mobile Number (Indian number) and Email ID is registered in demat account.

1.2. Individual Clients viz, Resident-Ordinary will be eligible to register using digital registration facility.

1.3. New registration process will be applicable for clients having Sole holder demat account. Demat Accounts held jointly will not be allowed.

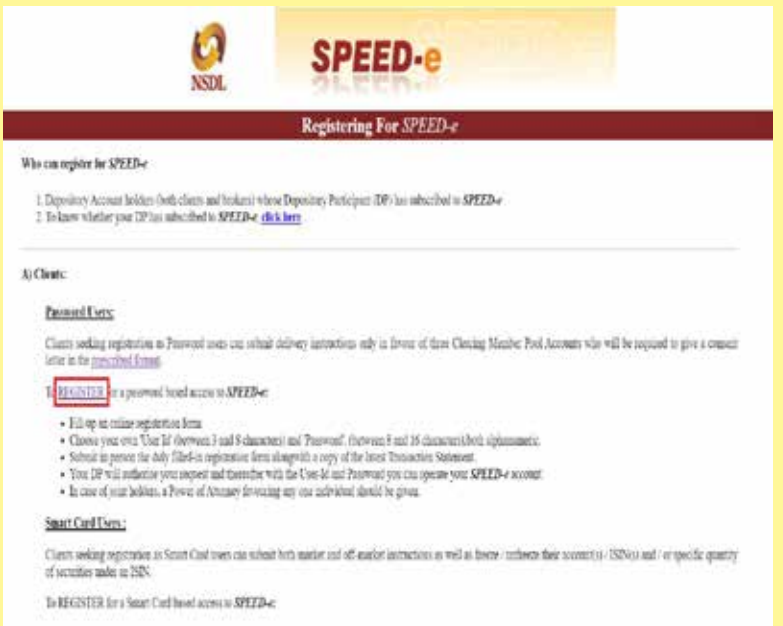
1.4. All other Clients have to submit physical copy of SPEED-e Application form alongwith other necessary documents to Participants.

2. ONLINE REGISTRATION

2.1. Client has to visit https://eservices.nsdl.com

2.2. Client has to click on 'New user registration' tab and then click on 'SPEED-e' option. Please see below exhibit:

2.3. After following aforesaid process, client has to click on **REGISTER** link which is highlighted in purple colour under '**A) Clients:-> Password Users**' section. Please see below exhibit:



2.4. Client has to fill online registration request as exhibited below. - Client has to add only one CM BP ID viz., **IN399976** under 'Pre-Notified Accounts' at the time of registration.

- Select only 'SPEED-e' option under 'Services Available'. Please note that the option for IDeAS should not be selected. In case the Client has selected IDeAS option, then Participants may reject such request.
- After capturing all other details client has to choose his/her own password which will be used to login on SPEED-e facility and click on submit button.

2.5. After submission of registration form, Client can review and confirm the details submitted in registration form. Please see below exhibit:

Registration CONFIRMATION for SPEED-e and IDeAS

User Id : SPEEDE_U

Personal Details

User Name : Sumit Rane
Date of Birth : 01 Sep 1990
Email Address : sumitr@nsdl.co.in

Account Details

Your Client Id : 10011111
DP Id : IN487875 NSDL TEST DP
Sole First Holder Name : Sumit Rane
Second Holder Name :
Third Holder Name :

Pre-Notified Accounts

CM BP Id	CM Name	e-DIS Flag
IN301916	SAPPHIRE WEALTH MANAGEMENT SERVICES PVT. LTD	Not Opted
IN640016 **	BOI SHAREHOLDING LIMITED	
IN300578 **	NATIONAL SECURITIES CLEARING CORPORATION LIMITED	

Services Requested

SPEED-e IDeAS

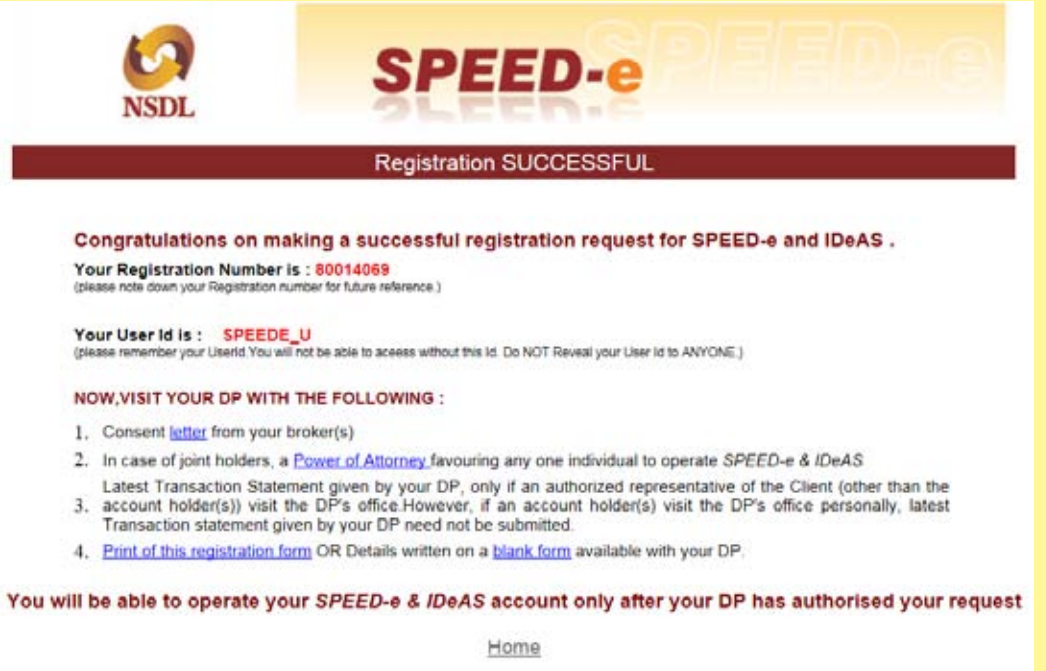
I/we read, understood and agree to the terms and conditions prescribed by NSDL under its Bye Laws and Business Rules for using the Internet-based common infrastructure facility (i.e. SPEED-e) provided by NSDL for submission of instructions to Participant and to view account information. I/we have also read, understood and agree to the terms and conditions for using SPEED-e and IDeAS.

** Designated Pool Accounts of BOSL / NSCCL for transferring mutual fund units routed through Stock Exchange Platform.

Confirm Cancel

Home

2.6. After confirmation of registration request system will generate registration request number which may be noted down by the client for future reference. Please see below exhibit:



NSDL

SPEED-e

Registration SUCCESSFUL

Congratulations on making a successful registration request for SPEED-e and IDeAS .

Your Registration Number is : 80014069
(please note down your Registration number for future reference.)

Your User Id is : SPEEDE_U
(please remember your Userid.You will not be able to access without this Id. Do NOT Reveal your User Id to ANYONE.)

NOW,VISIT YOUR DP WITH THE FOLLOWING :

1. Consent letter from your broker(s)
2. In case of joint holders, a Power of Attorney favouring any one individual to operate *SPEED-e & IDeAS*
3. Latest Transaction Statement given by your DP, only if an authorized representative of the Client (other than the account holder(s)) visit the DP's office.However, if an account holder(s) visit the DP's office personally, latest Transaction statement given by your DP need not be submitted.
4. Print of this registration form OR Details written on a blank form available with your DP.

You will be able to operate your *SPEED-e & IDeAS* account only after your DP has authorised your request

Home

2.7. Client has to save the registration form (*i.e. SPEED-e application form*) in PDF form from the link 'Print of this registration form'. Soft copy of SPEED-e application form has to be sent by Clients to speede@nsdl.co.in. NSDL will forward the same to respective Participants. Please see below exhibit:

NSDL

SPEED-e

Registration SUCCESSFUL

Congratulations on making a successful registration request for SPEED-e and IDeAS .

Your Registration Number is : 80014069
(please note down your Registration number for future reference.)

Your User Id is : SPEEDE_U
(please remember your UserId.You will not be able to access without this Id. Do NOT Reveal your User Id to ANYONE.)

NOW,VISIT YOUR DP WITH THE FOLLOWING :

1. Consent letter from your broker(s)
2. In case of joint holders, a Power of Attorney favouring any one individual to operate *SPEED-e & IDeAS*
3. Latest Transaction Statement given by your DP, only if an authorized representative of the Client (other than the account holder(s)) visit the DP's office.However, if an account holder(s) visit the DP's office personally, latest Transaction statement given by your DP need not be submitted.
4. Print of this registration form OR Details written on a blank form available with your DP.

You will be able to operate your *SPEED-e & IDeAS* account only after your DP has authorised your request

Home

Sample registration form is given below:

NSDL SPEED-e

Registration Form for Investors

TO,
NSDL TEST DP
Dear Sir/Madam,

I/We wish to subscribe for SPEED-e and IDeAS service as per the details given below. I/We are also enclosing a letter from the pre-notified account holders in the prescribed format. I/We request you to activate our account.
I/We have read,understood and agree to the terms and conditions for using IDeAS.

Registration No	80014069
User Name	Sumit Rane
Service Requested	SPEED-e and IDeAS
Account Details	
Client Id	10011111
DP Id	IN487875
Sole/First Holder Name	Sumit Rane
Second Holder Name	
Third Holder Name	
Pre-Notified Accounts	
Clearing Member Name	SAPPHIRE WEALTH MANAGEMENT SERVICES PVT. LTD.
CM-BP-ID	IN515616
e-DIS Flag	Not Opted

Declaration

I/we have read, understood and agree to the terms and conditions prescribed by NSDL under its Bye Laws and Business Rules for using the Internet-based common infrastructure facility (i.e. SPEED-e) provided by NSDL for submission of instructions to Participant and to view account information. I/we have also read, understood and agree to the **terms and conditions** for using IDeAS.

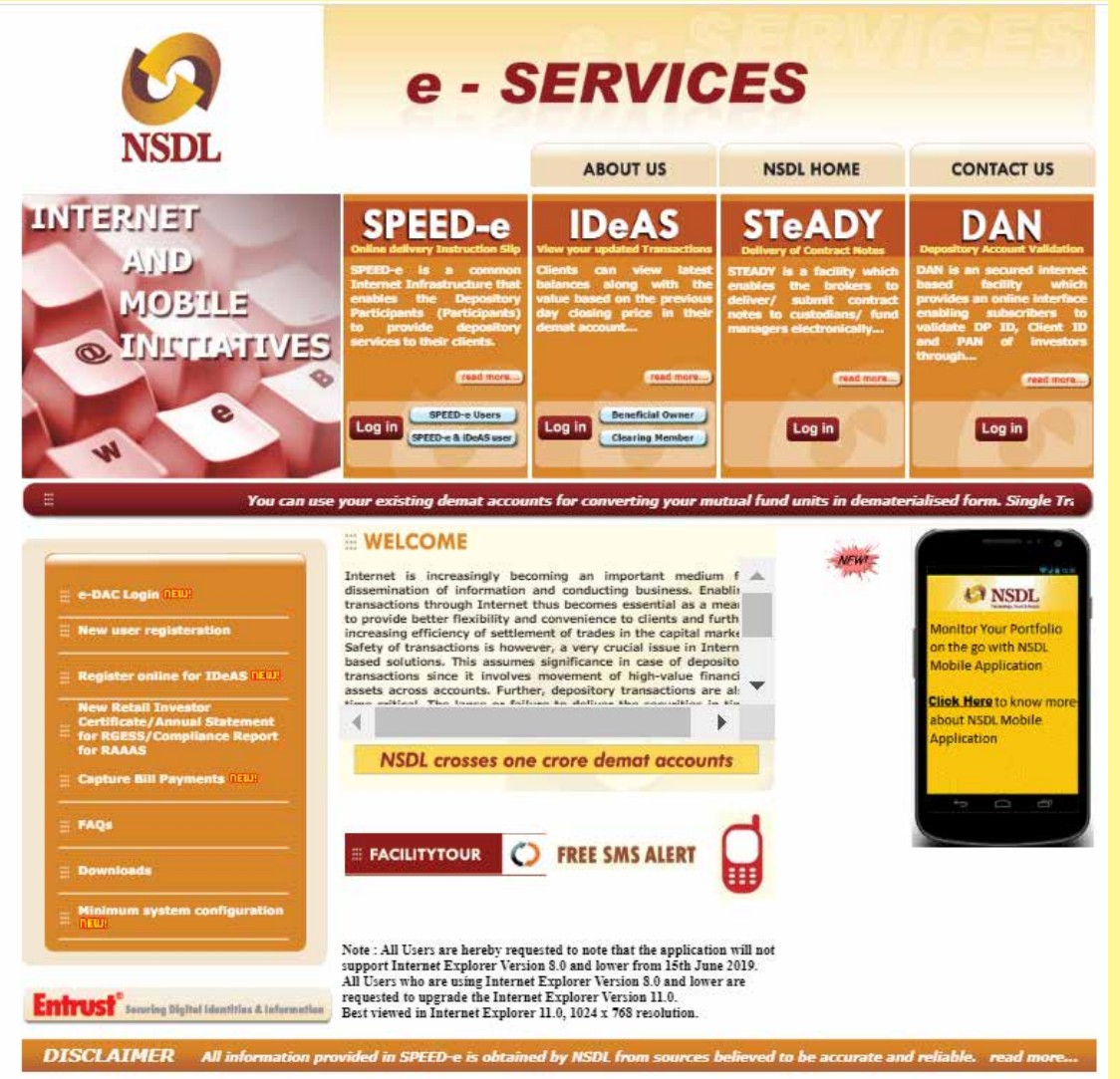
To be signed by either sole holder or by each of the joint holders

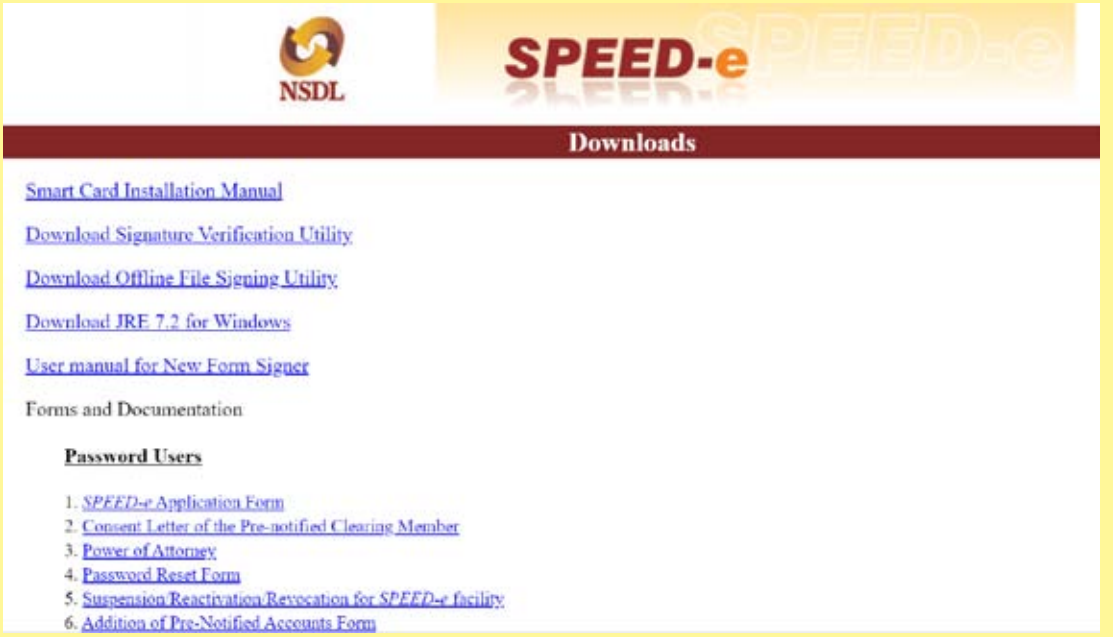
	Name	Signature
Sole/First Holder Name	Sumit Rane	

3. SUBMISSION OF SPEED-E APPLICATION FORM

3.1. Client has to send soft copy (i.e. PDF) of aforesaid SPEED-e Application Form to NSDL on speede@nsdl.co.in from its email id registered in demat account. NSDL will forward the same to respective Participants.

3.2. In case due to some connectivity issue client is not able to save filled registration form (i.e. SPEED-e application form) from the aforesaid acknowledgement page, then client may download the blank form available on the below mentioned link on the e-Services website of NSDL. Client is required to send the dully filled SPEED-e application form to NSDL on speede@nsdl.co.in from its email id registered in demat account after mentioning the system generated registration request number in it.





4. ACTIVATION BY PARTICIPANT

4.1. Participants should login to SPEED-e facility to authorise SPEED-e registration request generated by client for password user based on electronic request and SPEED-e Application Form received through NSDL from email id of client registered in demat account.

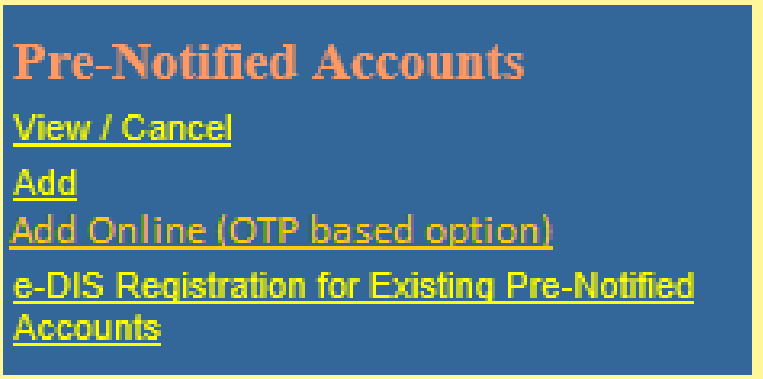
4.2. Participant should inform Client at their registered email ID mentioned in demat account post activation of SPEED-e registration.

5. ADDITION OF PRE-NOTIFIED ACCOUNT OF CM

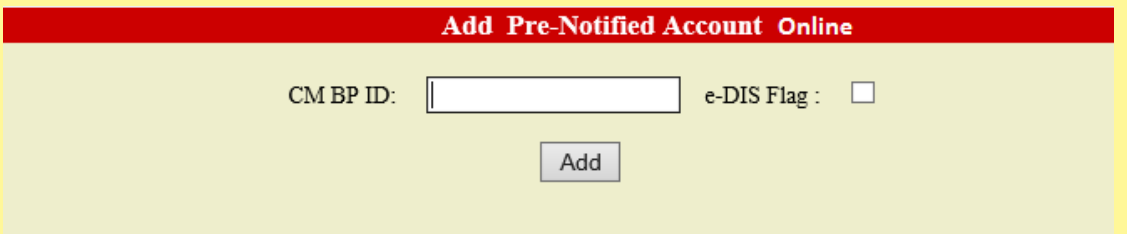
5.1. On successful authorization of the SPEED-e request by the Participant, Client can access SPEED-e facility using url viz., https://eservices.nsdl.com and Click on the login link as exhibited below:

5.2. Client has to login on SPEED-e facility using its login credentials set up at the time of registration. See exhibit below:

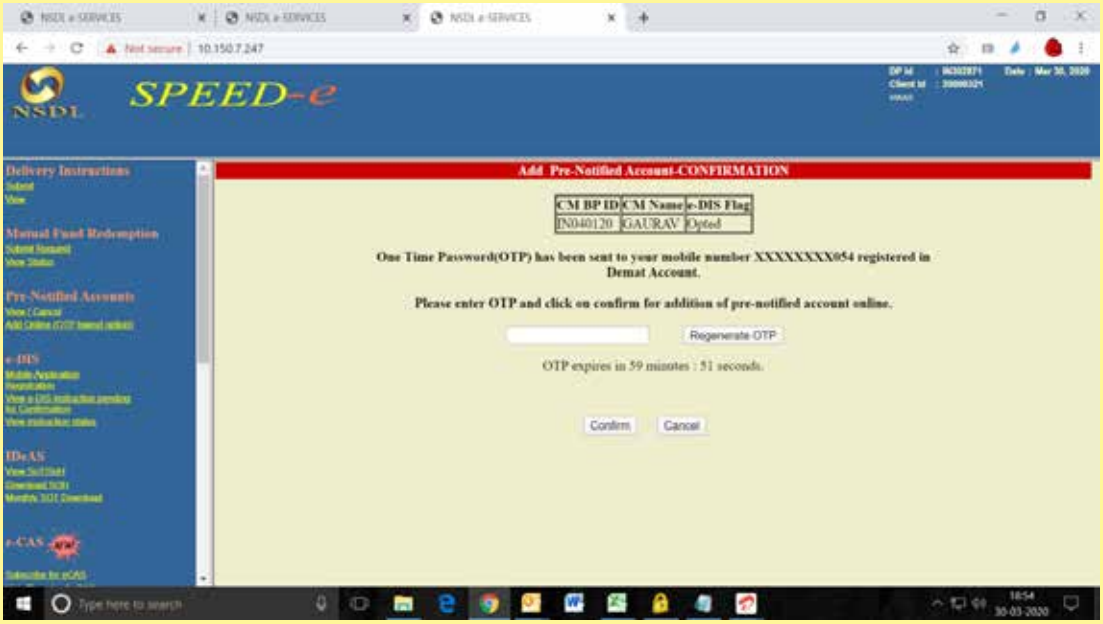
5.3. After login on SPEED-e facility, Client may register pre-notified account of its CM from 'Pre-notified account ▫ Add Online (OTP based option)' tab provided on left side. See exhibit below:



5.4. Client has to enter CM BP ID of its Clearing Member on the screen as mentioned below and if required may enable the eDIS Flag:



5.5. Upon addition of CM BP ID, an OTP will be sent to client on its mobile number or email ID registered in its demat account which has to be submitted by client for authorisation on SPEED-e website. See exhibit below:



5.6. After submission of request for addition of CM BP ID of Clearing member under Pre-notified Account, request will be sent to CM for authorisation, provided CM has subscribed for SPEED-e facility.

5.7. CM has to authorise the addition of its CM BP ID under Pre-notified account for the client by login on SPEED-e facility using its SPEED-e credential.

5.8. After successful authorisation by CM, client will be able to carry out the transactions using its SPEED-e login credentials.

5.9. Client may also download the NSDL Mobile Application to carry out the transactions from the mobile app.

5.10. If the CM which has been added as pre-notified account by client has not subscribed for SPEED-e facility, then client has to submit the consent letter from CM to its Participant for authorisation as per existing process.

6. SUBMISSION OF DELIVERY INSTRUCTION

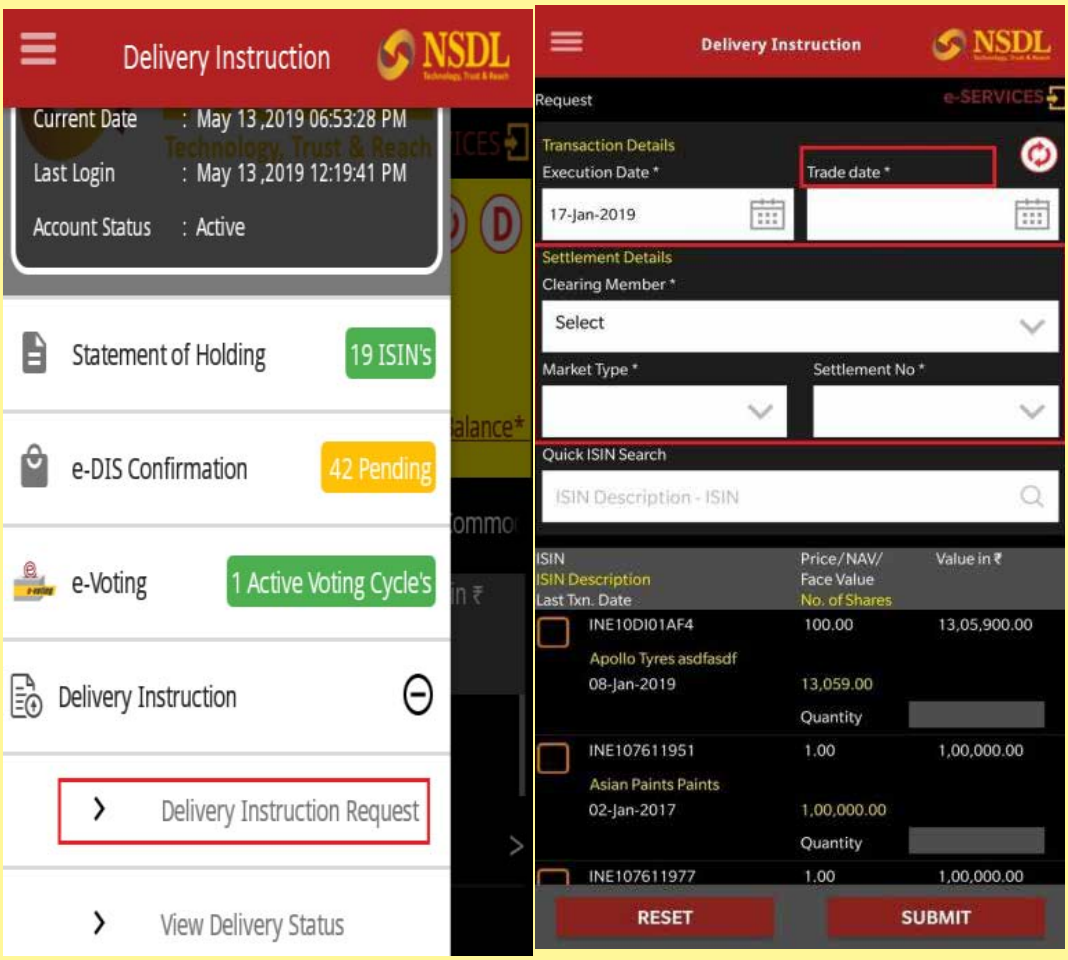
6.1. Delivery instruction

6.1.1. Client will be able to submit the delivery instruction from SPEED-e website as well as using NSDL Mobile Application.

6.1.2. Client has to click on hyperlink viz., the 'Delivery Instructions' -> 'Submit' (refer exhibit below):

SPEED-e Screen:

NSDL Mobile Application Screen:



6.1.3. Following details needs to be filed:

- Provide execution date (*i.e. date on which securities will get debited from demat account*),
- select Clearing Member (*Pre-notified account of CM to whom securities needs to be delivered*),
- Market Type and Settlement number under which securities need to be delivered.
- ISIN of security and quantity.

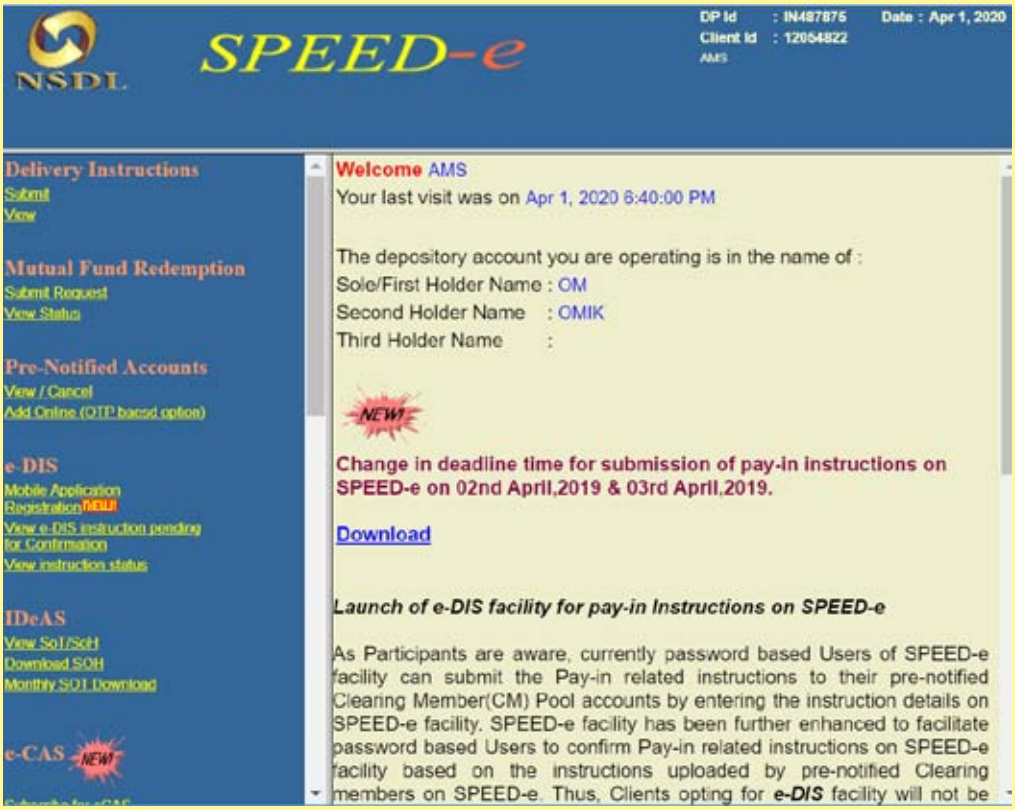
6.2. **eDIS confirmation**

6.2.1. Participants are requested to refer NSDL Circular No. NSDL/POLICY/2014/0002 dated January 6, 2014 in respect of facility for password based Users to confirm Pay-in related instructions on SPEED-e facility based on the instructions uploaded by pre-notified Clearing members on SPEED-e. Thus, Clients opting for ***e-DIS*** facility will not be required to enter instruction details on SPEED-e, obviating data entry errors, consumption of time for entering data, etc.

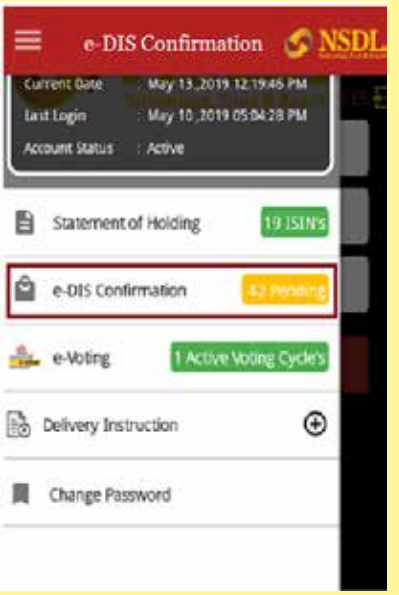
6.2.2. Pre-notified account of CM for whom eDIS option is enabled by client will be able to upload the pay-in instruction on SPEED-e on behalf of client for onward confirmation of Client.

6.2.3. Client will receive SMS Alert about receipt of eDIS for confirmation on mobile number registered in demat account and will be able to view the eDIS which is pending for his/her confirmation under following menu:

SPEED-e Screen:



NSDL Mobile Application Screen:



6.2.4. Upon clicking on aforesaid link of eDIS on SPEED-e or Mobile App, details of eDIS will be displayed. Client has to select the eDIS which he/she wishes to confirm and then click on Submit button as shown in exhibit below:

SPEED-e Screen:

NSDL Mobile Application Screen:

Circular No.: NSDL/POLICY/ 2019/0001 January 4, 2019	***Subject: Simplification of Client on-boarding process on SPEED-e.*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2018/0037 dated July 12, 2018 regarding amendment to Business Rules with respect to on-boarding process of clients on SPEED-e facility provided by NSDL for submission of electronic instructions by clients to Participant. Accordingly, Participants are hereby informed that SPEED-e Application Form is modified by including a declaration that client has agreed with terms & conditions prescribed by NSDL for availing SPEED-e facility (refer aforesaid NSDL Circular dated July 12, 2018). Accordingly, all Participants are hereby informed that for on-boarding clients on SPEED-e facility, the agreement between Participant and client is no longer required.
Circular No.: NSDL/POLICY/ 2018/0037 Date: July 12, 2018	***Subject: Amendment to Business Rules.*** All Participants are hereby informed that on-boarding process of clients on SPEED-e facility provided by NSDL for submission of electronic instructions is simplified by replacing the agreement entered between Clients and Participants by 'Terms and Conditions'. In view of the above, Rule 4.5.1 of Business Rules of NSDL is amended (the same is enclosed as Annexure A in track change mode) and Annexure N i.e. 'Terms and Conditions to avail electronic facility provided by Depository for submission of instruction in electronic form to Participant in Business Rule' is inserted in Business Rules of NSDL (copy enclosed). The required changes in the system to implement the same are under development. Accordingly, the amendments to Business Rules will be effective from the date to be notified separately. **Annexure A** Amendment in Business Rules 4.5.1 (In track change mode) 4.5.1. The forms laid down under these Business Rules shall be adhered to by the Participants at the time of operating the accounts of its Clients and giving effect to the transactions laid down under Chapter 9 of the Bye Laws and Chapter 11, 12 and 13 of this Business Rules. Provided however that to effect such transaction as may be specified by the Depository based on the electronic instructions received by Participant from the Client through an electronic facility provided by Depository, the Client should opt for the electronic facility and agree with the terms and conditions specified at Annexure N. Provided further~~however~~ that to effect such transactions as may be specified by the Depository based on electronic instructions received from the Client, the Participant shall obtain the prior approval of the Depository. The Depository may grant such an approval to the Participant if; (i) the Participant has adequate systems and security features in place to authenticate the Client and the Client to authenticate the Participant; (ii) the Participant is able to conclusively prove the origin, destination, date and time of receipt or despatch of such electronic instructions received by it; (iii) the Participant retains such electronic instructions in the format in which it was originally received or sent or in a format which can be demonstrated to represent accurately the information which was originally received or sent; (iv) the instructions received remain accessible and usable for subsequent reference; and (v) the Participant fulfills such other conditions as may be specified by the Depository.

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

Annexure N

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

1. Definitions and Interpretation

   In this, words and expressions listed in this Clause shall carry the meaning assigned to them in this Clause:

   i. "PIN" shall mean the Personal Identification Number, either assigned to the Client or chosen by the Client for its Digital Signature Certificate, which may be necessary for the Client to access electronic facility.

   ii. "Possessed Object" shall mean such object which are capable of storing information and affixing digital signature and which may be used by the Client for authorising any instruction issued by the Client to the Participant through electronic facility.

   iv. "Remembered Information" shall mean and include such confidential information such as password or such other information used for authentication of the Client while making use of electronic facility provided by Depository, as may be generated by the Client or changed from time to time.

2. The Client have an option of either having a Possessed Object for validation of the Client's access to electronic facility or generating the Client's own Remembered Information for validation of such access by the Client. Client shall abide by such measures as may be required to ensure the safety and security of the Client's access to and usage of electronic facility and instructions received from Participant or NSDL.

3. The Client agrees to take adequate safety measures for accessing electronic facility, including but not limited to:

   a. In case the Client has opted for Remembered Information for access to electronic facility, the Client shall take all the necessary steps to ensure confidentiality and secrecy of the Client's Remembered Information used for authentication of the Client and shall not reveal the same to any employee, agent or official of the Participant or to any other person. The Client acknowledges that failure to adhere to safety and security measures prescribed by NSDL and the Participant could lead to a loss of confidentiality and secrecy of the Remembered Information, thereby exposing the Client to the risk of financial losses.

   b. In case the Client has opted for the Possessed Object, for the purpose of identifying the Client in the process of authenticating the Client's access to electronic facility, the Client shall take all necessary steps to ensure that the Possessed Object is kept safely with itself and not to part with possession of the same to any third party. The Client shall also ensure that the safety instructions issued for the usage of the Possessed Object are strictly adhered to.

4. The Client acknowledges that in the interests of the security of the Client's usage of electronic facility, if the Client does not opt for Possessed Object as a means of authenticating the Client's access to electronic facility, the Client shall be entitled to transfer securities only to the Pre-notified Accounts. Further, the Client shall submit to the Participant an undertaking in the enclosed format from the holder of the pre-notified account.

	5. The Client acknowledges that all instructions received by the Participant, authenticated pursuant to use of Remembered Information or Possessed Object shall be conclusive evidence of such instructions having been issued by the Client and shall be attributed to the Client. The Participant shall not be held liable for acting on the instructions so received. 6. If the Client has reason to believe that the confidentiality of the Remembered Information has been compromised or that the Possessed Object has been lost/ misplaced/ stolen, the Client shall intimate the Participant forthwith about such compromise or loss. The Participant shall take best efforts to forthwith disable the Client's access to electronic facility not later than one Working Day of receipt of such intimation from the Client. However, if any instructions are received prior to such disablement, the Participant shall not be liable for losses, if any, arising out of execution of such instructions. 7. The Client agrees that in the event of the Client desiring to operate any joint account through electronic facility, it shall be a condition precedent for usage of electronic facility that all the joint holders shall execute a Power of Attorney favouring any one individual who shall be deemed to be the user of the Remembered Information or the Possessed Object for access to electronic facility and issue of instructions to the Participant. The Client hereby ratifies and upholds all such instructions issued through electronic facility using such Remembered Information or Possessed Object, as the case may be. In the event the Client changes the holder of the power of attorney, the Client shall deposit the new power of attorney with the Participant and ensure that authority to access electronic facility is transferred from the old power of attorney holder to the new power of attorney holder. The usage of and access to electronic facility using the Remembered Information or Possessed Object, as the case may be, shall be deemed to have been made by the holder of the power of attorney at the time of such access and use. 8. The Client shall enter all its instructions in a timely manner to ensure that the same are capable of being received by the Participant by accessing electronic facility at least one clear Working Day prior to the execution date expected by the Client. (For e.g. if the execution date is on a Friday, the instructions must be received by electronic facility latest by Wednesday) The receipt of instructions by electronic facility shall be indicated by means of message receipt confirmation screen that shall be generated on the Client's computer screen, which shall be capable of being printed out for the Client's record. If the instructions are received through electronic facility before the aforesaid deadline, the Participant shall be fully responsible for executing the same within the prescribed deadline. If the instructions are received through electronic facility after the aforesaid deadline, the instructions may be executed by the Participant on a best-efforts basis, and the Participant shall not be liable for non-execution of the same. The Client further acknowledges that the Client shall not have any right to any claim against either the Participant or NSDL for losses, if any, incurred due to non-execution of such instructions received late and/ or executed on a best-effort basis. In the event of any dispute relating to the date and time of receipt of the instructions on electronic facility, NSDL's records shall be conclusive evidence and the Parties agree that NSDL's decision on the same shall be final and binding on both Parties.

9. The Participant shall promptly inform the Client through electronic facility about the status of the instructions received through electronic facility, but in no case later than 12.00 noon of the next Working Day of execution date of instructions.

10. The Client may opt out from this facility at any time by giving a notice in writing or through electronic facility to the Participant. The Participant shall terminate the service within fifteen (15) days of receipt of such notice.

11. This facility unless opt out by Client earlier shall be deemed to be opt out immediately on closure of demat account.

12. The Client agrees to indemnify, keep indemnified and hold the Participant and NSDL harmless from any loss, damage, claim, suits, legal proceedings, investigations, expenses of every kind and any other liability whatsoever, including reasonable attorney's fees and fees of such experts as may be become necessary for NSDL and / or the Participant to engage, caused due to the availing of the services by the Client in any and all circumstances including without limitation, the following:
    a. Falsehood or misrepresentation of any nature by the Client (or any person acting on behalf of the Client);
    b. Failure to use a trustworthy system for access the electronic facility
    c. Failure to take the precautions necessary to prevent the compromise, loss, disclosure, modification, or unauthorised use of the Client's Remembered Information, Possessed Object or the private key used to execute the Client's digital signature

13. Notwithstanding anything contained herein, the Client recognises and acknowledges that the Participant may, in accordance with instructions received by the Participant from NSDL, prescribe such other security measures as it deems fit, in replacement of or supplementing the validation process through the use of Remembered Information or Possessed Objects, including without limitation the use of biometrics and such other methods as would validate the identity of the Client for access to the electronic facility. The Client agrees that a condition precedent for the Client's access to electronic facility is that the Client shall provide such information, data, and access to its representatives and personnel, as may be designated by the Client as the users of the electronic facility in order to enable Participant to generate such biometric criteria or other criteria in accordance with the security measures prescribed by Participant, in accordance with instructions received by the Participant from NSDL.

14. The Participant may withdraw the access of the Client to electronic facility at any time provided a notice of at least thirty (30) days is given to the Client. The Participant may suspend or terminate the service without prior notice if the Client has breached any of these terms and conditions or rights and obligation of demat account, or if the Participant learns of the death, bankruptcy, lunacy or loss of legal capacity of the Client.

15. Any dispute or difference between the Parties shall be resolved solely by means of reference to binding arbitration under the arbitration mechanism as provided in the Bye-Laws and Business Rules.

16. The above terms and conditions are in addition to and do not undermine in any manner whatsoever the terms and conditions forming a part of the rights and obligation of Participant and Client.

(Draft undertaking to be given on the letter head of the clearing member)
Date:
Name of the client
Address
Depository Account No.: (DP Id & Client Id)
Dear Sir/Madam,

We acknowledge your request to nominate our depository account as a pre-notified account for the purpose of receiving credits from your account. We have no objection for the same.

We agree that if any securities are moved to our accounts which are not due to us for any reasons including but not limited to an error or fraud, we undertake to immediately return the securities to you. The details of our account are as under:

CM-BP-Id	I	N						

Yours faithfully,

(Authorised Signatories)
To be signed by the Clearing Member

==========

I/We hereby nominate the above account holder as our pre-notified account where securities can be credited from my/our account using the common infrastructure through internet.

(Authorised Signatories)
To be signed by the Client

Circular No.: NSDL/POLICY/ 2017/0072
Date: December 7, 2017

Subject: Launch of redemption of mutual fund units through SPEED-e facility.

As Participants are aware, currently password based users of ***SPEED-e*** facility can submit market transfer instruction and e-Token based user(s) (Beneficial Owner) of ***SPEED-e*** facility can submit the market, off-market, inter-depository, freeze/unfreeze and pledge instructions through ***SPEED-e*** facility (https://eservices.nsdl.com).

All Participants are hereby informed that SPEED-e facility for Beneficial Owner (i.e. password users and e-token users) is being enhanced to include the feature of enabling clients to redeem **Mutual Fund Redemption Units** through ***SPEED-e*** facility. This facility will enable both type of users viz., password and e-Token users to give request to redeem the mutual fund units. The aforesaid facility will eliminate the need for Clients to submit Redemption Form (RF) to Participants for redemption of mutual fund units available in his/her demat account. The redemption facility on SPEED-e has been released on e-Services website with effect from BOD of **Saturday, December 02, 2017.**

The salient features of the aforesaid facility are enclosed at an Annexure.

For information / clarification on operations related issues or understanding of the facility, Participants are requested to contact the following officials:

Name of the official	Contact details	Email ID
Mr. Ajinkya Velapure	(022) – 2499 4647	ajinkyav@nsdl.co.in
Mr. Nikhil Dumbre	(022) – 2499 4364	nikhild@nsdl.co.in
Mr. Pratik Ahluwalia	(022) – 2499 4355	pratika@nsdl.co.in
Mr. Rahul Gupta	(022) – 2499 4372	rahulg@nsdl.co.in

Annexure

Salient features of Mutual Fund Redemption are as follows:

A. Introduction :

1) Mutual Fund redemption facility will be available to both types of users viz., password based users and e-Token based users of SPEED-e facility.
2) This facility will enable SPEED-e registered Clients to submit request for redemption of mutual fund units available in their demat account.
3) Mutual Fund Redemption instruction(s) submitted on SPEED-e will be processed and directly transmitted to NSDL irrespective of whether demat account is registered for SPEED-e or SPEED-e Direct facility. Accordingly, Participants will not be required to download the redemption request instructions from SPEED-e facility and upload the same into e-DPM system.
4) Participants will be able to ascertain the source of instructions i.e. whether the instructions have been received through e-DPM or SPEED-e facility.
5) The channel Indicator field in the COD download file would displays as '11' for redemption request of mutual fund units through SPEED-e facility.

B. Capture of Mutual Fund Redemption Instructions :

Password User / e-Token User can use any of the following options for submission of mutual fund redemption request on SPEED-e facility:

a) Submit Mutual Fund Redemption

b) View SoT/SoH screen

a) **Submit Mutual Fund Redemption**

1) Password based / e-Token User(s) will access e-Services website (https://eservices.nsdl.com) and click on "Submit Request" link available under Mutual Fund Redemption option (refer exhibit 1).

Password Based users	e-Token Based Users

Exhibit 1 – Submit Mutual Fund Redemption Request

2) Upon clicking on the "Submit Request" link, Mutual Fund Redemption screen will be displayed to the User for submission of redemption request(s) on SPEED-e facility. User will be able to view **only** mutual fund holdings which are available for redemption (*viz., free balance*) in the demat account of the client alongwith the latest NAV and value as available on SPEED-e facility (refer exhibit 2).

Exhibit 2 – Mutual Fund Redemption – Submission

3) User will be required to select specific ISIN to submit the redemption request of mutual fund holdings (units). Check box has been provided before every ISIN field to facilitate user to select the ISIN(s) for submitting redemption request.

Upon clicking on the check box, drop down (*i.e. Select Preference*) for specific ISIN will be enabled on the screen wherein All Units, Units and Amount options will be available to the user for mutual fund redemption (refer exhibit 3).

a. **All Units** – Option to redeem all units will be available for redemption of mutual fund units in the particular scheme (ISIN). Once the user selects 'All Units' from the drop down menu, Amount / Units field will get disabled.

b. **Units** – Option to redeem specific units (*i.e. quantity*) will be available for redemption of mutual fund units in the particular scheme (ISIN). Upon selecting Units option from the drop down menu, user will be required to enter specific units in "Redemption Units / Amount in Rs." column.

c. **Amount** – Option to redeem units in respect of specific amount will be available for redemption of mutual fund units in the particular scheme (ISIN). Upon selecting Amount option from the drop down menu, user will be required to enter amount in "Redemption Units / Amount in Rs." column.

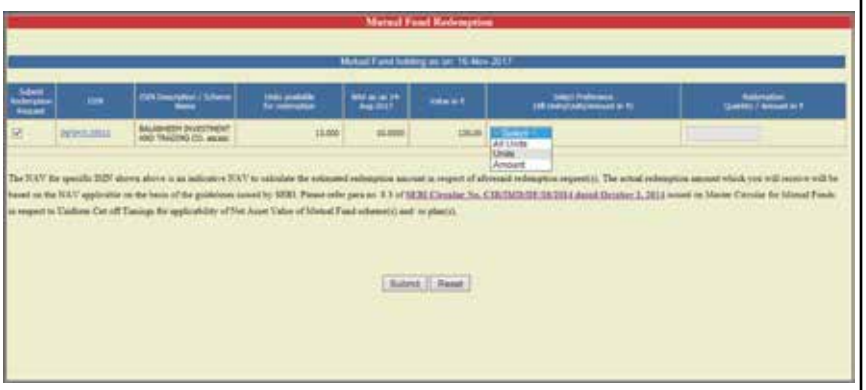


Exhibit 3 – Mutual Fund Redemption – Submission

4) Upon entering the appropriate details for specific ISIN(s), user will be required to click on Submit option to redeem the mutual fund units (refer exhibit 4).

Exhibit 4 – Mutual Fund Redemption – Submission

b) **View SoT/SoH screen**

5) Password / e-Token User(s) can also click on "View SoT/SoH" link available under IDeAS option for submission of mutual fund redemption request(s) (refer exhibit 5 & 6).

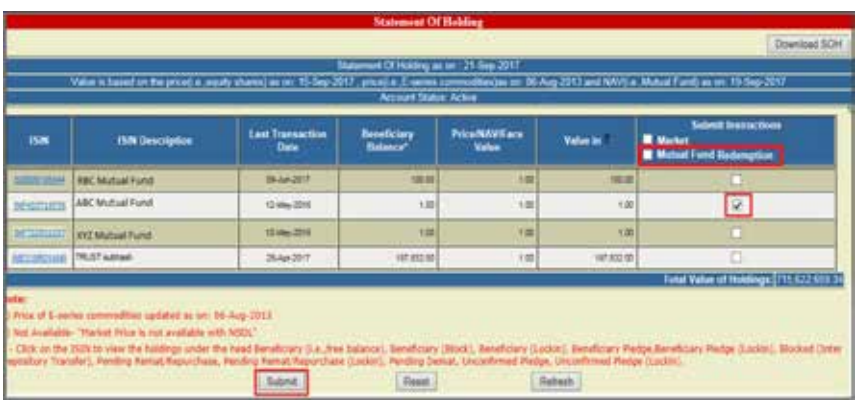


Exhibit 5 – Mutual Fund Redemption – Password based User

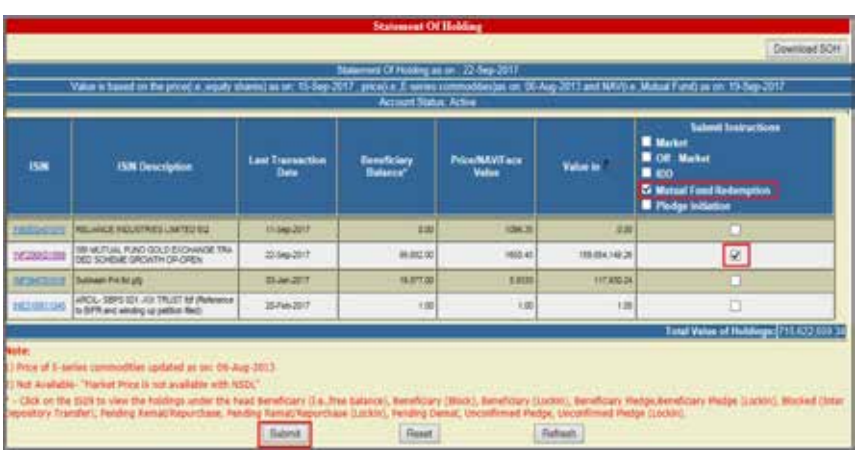


Exhibit 6 – Mutual Fund Redemption – e-Token based User

6) Upon clicking on “Submit” button, the system will automatically display the ‘Mutual fund Redemption’ screen to the Users. Further, drop down (*i.e. Select Preference*) option for selected ISIN will be enabled on the screen wherein All Units, Units and Amount options will be available to the user for submitting the redemption requests on SPEED-e facility (refer exhibit 7).

Exhibit 7 – Mutual Fund Redemption – Submission

7) User will be required to select any one option i.e. All Units, Units or Amount from the drop down menu and enter requisite units / amount under “Redemption Quantity / Amount” field available on the screen. Upon entering the aforesaid details, user will be required to click on submit button for submission of mutual fund units redemption request(s) on SPEED-e facility (refer exhibit 8).

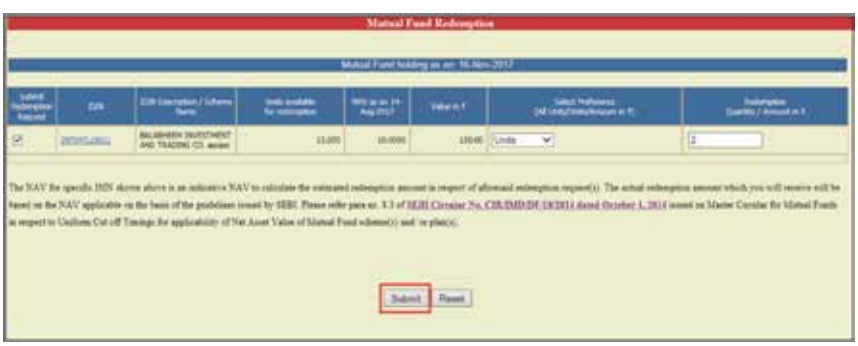


Exhibit 8 – Mutual Fund Redemption – Submission

8) After clicking on submit button, mutual fund units redemption confirmation page will be displayed to the user for verification. User will be required to click on confirm button after verifying the details captured by user (refer exhibit 9).

Exhibit 9 – Mutual Fund Redemption – Confirmation

9) After clicking on confirm button, an acknowledgement page will be displayed to the user (refer exhibit 10).

Exhibit 10 – Mutual Fund Redemption – Acknowledgement

c) **Authorization of Mutual Fund Redemption Request :**

10) In case of password based login, only one User operates the demat account through SPEED-e facility. Hence, mutual fund redemption request(s) will be captured and authorized on SPEED-e facility after password based user clicks on submit and confirm buttons. Therefore, mutual fund units redemption request(s) submitted by password based users will **not** be required any authorization.

11) In case of client is accessing through e-Token based functionality for a depository account pertaining to single holder wherein only one authorized signatory (*who is having authorized rights*) is accessing SPEED-e facility and the Number of Authorizations captured in SPEED-e is also one, then mutual fund redemption request will be captured and authorized on SPEED-e after user click on submit and confirm buttons. Separate authorization from checker/another user will **not** be required.

12) The existing functionality of Multiple Authorizations as informed to Participants vide NSDL Circular No. NSDL/PI/2001/1895 dated December 27, 2001 for submitting the instructions on SPEED-e will also continue to be applicable for mutual fund unit redemption request(s) by e-Token based users on SPEED-e facility.

13) e-Token User who is having authorize rights will access SPEED-e facility and click on the 'Submit Authorization' link available under Mutual Fund Authorization option (refer exhibit 11).

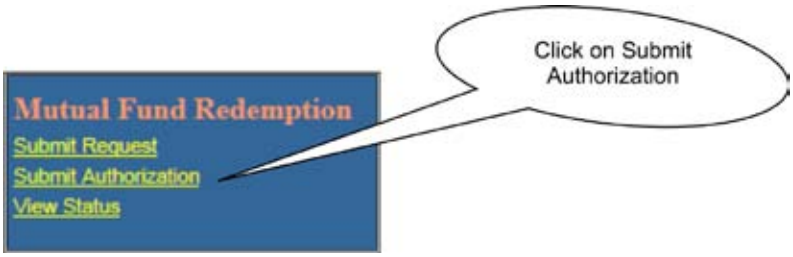


Exhibit 11 - Mutual Fund Redemption - Authorization

Alternatively, Authorizer User will be provided a facility to view Pending Authorization Summary after login on SPEED-e facility (refer exhibit 12). User can directly click on Authorization pending for 'Mutual Fund Redemption' link available under Pending Authorization Summary on the home page.

Exhibit 12 - Mutual Fund Redemption - Authorization

14) Upon clicking on the aforesaid (*i.e. Submit Authorization / Mutual Fund Redemption*) for authorization, mutual fund redemption details will be displayed to the User. User will be required to click on hyperlink provided under SPEED-e Transaction Number for authorizing mutual fund redemption request (refer exhibit 13).

Exhibit 13 - Mutual Fund Redemption - Authorization

15) Upon clicking on SPEED-e Transaction Number, complete mutual fund redemption request details will be displayed to the User. User will be required to check the mutual fund redemption details and click on Authorize button (refer exhibit 14).

Exhibit 14 – Mutual Fund Redemption – Authorization

16) Upon clicking on Authorize, mutual fund redemption request details would be displayed to the User for confirmation. User will be required to click on Confirm button for successful authorization of the mutual fund redemption request(s) (refer exhibit 15).

Exhibit 15 – Mutual Fund Redemption – Confirmation

17) After confirmation of mutual fund redemption request, an acknowledgement page will be displayed to the User (refer exhibit 16).

Exhibit 16 – Mutual Fund Redemption – Acknowledgement

d) View Status of Instructions :

18) Upon submitting Mutual Fund Redemption request(s) on SPEED-e facility, password and e-Token based users (*i.e. Capturer and Authorizer*) will be able to view the status of redemption instruction(s) submitted on SPEED-e facility through View Status link available under "Mutual Fund Redemption" option (refer exhibit 17).

Exhibit 17 – Mutual Fund Redemption – View Status

19) Upon clicking on the View Status link available under "Mutual Fund Redemption" option, search criteria viz., SPEED-e Transaction Number, ISIN, Scheme Name and Submission Date From & To fields will be displayed to the User. User will be required to enter any of the requisite details on the screen and click on search option to view the status of the mutual fund redemption request (refer exhibit 18).

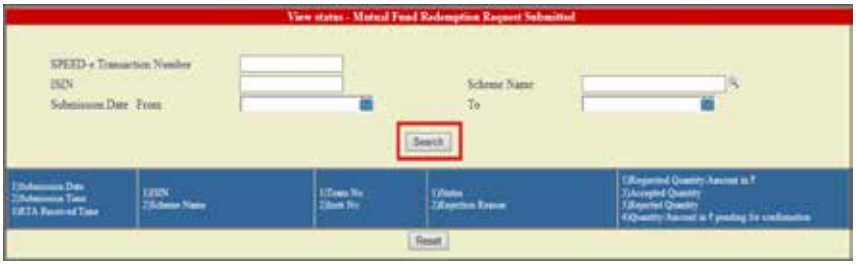


Exhibit 18 – Mutual Fund Redemption – View Status

Further, following status transitions will be reflected for Mutual Fund Redemption request(s) on SPEED-e facility:

Various status of instructions will be displayed on SPEED-e for Users
Pending (Instructions that are yet to be authorized by other authorized signatories/accountholders)
Pending with Issuer/RTA
Partially Accepted/Pending with Issuer/RTA
Partially Rejected/Pending with Issuer/RTA
Partially Accepted/Rejected by Issuer/RTA
Partially Accepted/Rejected by Issuer RTA/Pending with Issuer/RTA
Accepted
Rejected by Issuer/RTA
Failed
Cancelled due to ACA

Circular No.: NSDL/POLICY/ 2017/0052
Date: August 22, 2017

Subject: Facility for upload of Pledge initiation instruction file on SPEED-e.

Attention of Participants is invited to Circular No. NSDL/POLICY/2017/0023 dated April 24, 2017 regarding launch of Pledge facility on SPEED-e which enables Client whose depository account is registered for e-Token based facility to submit Pledge instructions through SPEED-e facility. Participants are hereby informed that the facility for uploading pledge initiation instruction will be provided to e-Token based Users (i.e. Beneficial Owner) on ***SPEED-e*** facility. In this regard, file formats related to pledge initiation instruction file upload, response file and error code descriptions are enclosed at Annexure. The aforesaid facility for uploading pledge initiation instructions file on ***SPEED-e*** will be made available to e-Token Users with effect from **Saturday, September 2, 2017.**

Participants are requested to take note of the above and inform their Clients about the same

Annexure

A. File Upload - Pledge Initiation Instruction:

File begin Indicator Record

Description	Data Type	Size	End	Status	Remarks
File Begin Indicator	Character	2	2	M	{} by default

Header

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	01 (Header Record)
Filler	Character	6	15	O	Default Spaces
Pledger DP Id	Character	8	23	M	
Pledger Client ID	Integer	8	31	M	
Total No. Of Detail Records	Integer	5	36	M	
File Creation Date	Date	8	44	M	YYYYMMDD
File Creation Time	Time	4	48	M	
Filler	Character	2	50	O	Default Spaces
		Total	**50**		

Details Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	02 (Detail Record)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	908
Transaction Flag	Character	1	18	M	Default 'A'
Filler	Character	2	20	O	Default Spaces
ISIN	Character	12	32	M	
Quantity	Decimal	15	47	M	12+3 without decimal point
Execution Date	Date	8	55	M	YYYYMMDD
Filler	Character	1	56	O	Default Spaces
Closure Date	Date	8	64	M	YYYYMMDD
Pledgee DP ID	Character	8	72	M	
Pledgee CLIENT ID	Integer	8	80	M	
Filler	Character	8	88	O	Default Spaces
Internal Reference Number/Remarks	Character	20	108	O	Default Spaces
Agreement no	Character	20	128	M	
Lock-in Reason	Integer	2	130		M in case of Lock-in Quantity. Optional in case of Free (Default Spaces)
Lock-in Release date	Date	8	138		M in case of Lock-in Quantity. Optional in case of Free (Default Spaces)
		Total	**138**		

Trailer Record:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	99 (Trailer Record)
Filler	Character	6	15	O	Default Spaces
Filler	Decimal	45	60	O	Default "000000000000000000000000000000000000000000000000"

Description	Data Type	Size	End	Status	Remarks
Pledge Instructions Total Quantity	Decimal	15	75	O	12+3 without decimal point
Filler	Decimal	15	90	O	Default "000000000000000"
Filler	Decimal	15	105	O	Default "000000000000000"
Filler	Decimal	15	120	O	Default "000000000000000"
Filler	Decimal	15	135	O	Default "000000000000000"
Grand Total Of Quantity	Decimal	15	150	O	12+3 without decimal point
		Total	**150**		

File end Indicator Record

Description	Data Type	Size	End	Status	Remarks
File End Indicator	Character	2	2	M	{} by default

B. Response File Upload - Pledge Initiation Instruction:

Header

Description	Data Type	Size	End	Remarks
Batch Number	Integer	8	8	
Record Type	Integer	2	10	01 (Header Record)
Pledger DP Id	Character	8	18	
Pledger Client ID	Integer	8	26	
Total No. Of Detail Records	Integer	6	32	
Number of accepted/Rejected records	Integer	6	38	

Details Record

Description	Data Type	Size	Remarks
Batch Number	Integer	8	
Record Type	Integer	2	02 (Detail Record)
Line Number	Integer	6	
Transaction Type	Integer	3	908
Accept/Reject Flag	Character	1	
Pledgee DP ID	Character	8	
Pledgee Client ID	Integer	8	
ISIN	Character	12	
Quantity	Decimal	15	
Execution Date	Date	8	
Remark	Alfa-numeric	20	
Default		20	Default 0

C. Error Codes and Descriptions - Pledge Initiation Instruction:

ERRORCODE	ERROR DESCRIPTION
DIH00001	Invalid header record type
DIH00000	Invalid header record length
DIH00017	Header records type should always be 01
DIH00032	Header is not the first record
STLMT009	Invalid detail record length
DIT00045	Invalid trailer record length
DIT00207	Trailer records cannot be more than one row
STLMT008	Record type is invalid in in header/in detail/in trailer
DIH00036	Detail records cannot be blank
DIH00118	Batch number in header and detail does not match
DIH00005	Source Pledger Client ID in file does not match with Pledger Client ID of the client logged in.
DIH00119	Filler records must not contain any character
DIH00003	Invalid DP ID
DIH00005	Invalid Client ID
DIH00028	Client ID should be numeric
DIH00008	Total number of record mentioned in record field is not numeric
DIH00012	Total number of records is zero
DIH00076	Enter valid numeric date format
DIH00013	Enter valid numeric date format
DIH00077	Invalid date field entered in header
DIH00079	Batch number is already exist
DIH00018	Source (pledger) DP ID in file does not match with DP ID used in the file
DIH00106	Source (pledger) DP ID & Client ID in file does not matched with DP ID & Client ID of the client logged in.
STLMT010	Special character (tab,{,},[,],:) entered in detail record
FV0005	Batch number should be numeric and as per prescribed format
FV0009	Record type should be numeric and as per prescribed r format
FV0013	Line number should be numeric and as per prescribed format
FV0015	Transaction type should be numeric and as per prescribed format
FV0016	Transaction type in detail record is not valid
FV0017	Transaction flag must be "a" in detail record
FV0023	ISIN should be valid and in proper format
FV0027	Quantity should be numeric, non-negative and maximum length should be 15 digits (12+3 without decimal point)
FV0041	Execution date should be valid and as per prescribed format
FV0081	Closure date should be valid and as per prescribed format
FV0021	Invalid Client ID
FV0018	Agreement number is mandatory
FV0083	Locked- in date is mandatory for the locked-in position

ERRORCODE	ERROR DESCRIPTION
FV0084	Locked- in date is not required in case of free position
DIH00019	Line number in detail record filed is invalid
DIH00038	Batch number entered in header does not match with details mentioned in record(s) field
DIT00232	Special character in trailer record is not allowed
DIT00058	Batch number in trailer record is not numeric
DIH00009	Batch number cannot be only zero(s)
DIT00211	Total quantity of pledge initiation instruction is not numeric
DIT00067	Total records in header does not match with total detail records
DIT00056	Grand total quantity is not numeric
DIT00069	Error in grand total quantity
DIH00016	Total records in header does not match with total detail records
DIT00231	No trailer record present
AT0014	Invalid ISIN
CM0032	ISIN does not exist
CM0005	Invalid Client status
PL0020	Pledge closure date must be greater than pledge execution date
PL0021	Pledge closure date must be greater than current business date
PL0036	Pledge execution date must be greater than or equal to current business date
PL0031	Pledger and Pledgee Client details cannot be same

Circular No.: NSDL/POLICY/ 2017/0050
Date: August 14, 2017

Subject: Incorporation of pre-defined Reasons for Submitting Off-market instructions and Inter-depository transactions through SPEED-e

Attention of Participants is invited to Circular Nos. NSDL/POLICY/2017/0040 dated June 30, 2017, NSDL/POLICY/2016/0105 dated December 29, 2016 and NSDL/POLICY/2016/0101 dated December 16, 2016 in respect to additional reason codes for off-market and inter-depository transfer instruction pursuant to enhanced supervision of stock brokers. In this regard, Participants are hereby informed that additional reason codes have been incorporated on SPEED-e facility pursuant to SEBI Circular dated September 26, 2016 in respect to transfer instruction between 'Stock Broker – Client' to 'Stock Broker – Proprietary'.

The details of the same are given below:

Reason Code	Reason
96	Govt. / Regulatory directions or orders
97	Reversal of Erroneous Transfers
98	Legitimate Dues of the stock broker

The operational process of the aforesaid facility is enclosed at an Annexure.

Annexure A

1. Delivery to Client (Off-market) transfer:

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	12 (Detail Record)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	904 - Delivery to Pool 904 - Delivery to Client
Transaction Flag	Character	1	18	M	Default 'A'
Filler	Character	7	25	O	Default Spaces
ISIN	Character	12	37	M	
Quantity	Decimal	15	52	M	12+3 without decimal point
Filler	Character	9	61	O	Default Spaces
Execution Date	Date	8	69	M	
DP Id	Character	8	77	M	
Client Id	Integer	8	85	M	
Filler	Character	8	93	O	Default Spaces
Internal Reference Number/Remarks	Character	20	113	O	Default Spaces
Consideration	Integer	15	128	M	The trailing extra characters, if any, to be filled with spaces No decimal Values should be allowed. Mandatory in case of reason code as 01. For remaining reason codes it will be fillers
Reasons code	Character	2	130	M	Allowed values are 01 ,02,03,04,05,06,07,08 ,99,96,97,98
Filler	Character	1	131	M	Space should be provided
Purpose	Character	22	153	M	The trailing extra characters, if any, to be filled with spaces Mandatory for Reason code '99' . and for remaining it will be spaces.
MARKET TYPE	Integer	2	155	O	Mandatory only for target is RGESS Clients
SETTLEMENT NUMBER	Character	7	162	O	Mandatory only for target is RGESS Clients
CC_ ID	Character	8	170	O	Mandatory only for target is RGESS Clients
Filler	Character	3	173	O	Default Spaces

2. Inter depository delivery instruction

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	12 (Detail Record)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	925- Inter Depository Delivery
Transaction Flag	Character	1	18	M	Default 'A'
Filler	Character	7	25	O	Default Spaces
ISIN	Character	12	37	M	
Quantity	Decimal	15	52	M	12+3 without decimal point
Filler	Character	9	61	O	Default Spaces
Execution Date	Date	8	69	M	
Client Code	Character	16	85	M	This would be the target Client code
Other Depository Id	Character	8	93	M	This would be the target Depository Id (IN000026)
Internal Reference Number/Remarks	Character	20	113	O	Default Spaces
Consideration	Integer	15	128	M	The trailing extra characters, if any, to be filled with spaces No decimal Values should be allowed. Mandatory in case of reason code as 01. For remaining reason codes it will be fillers
Reasons Code	Character	2	130	M	Allowed values are 01 ,02,03,04,05,06,07,08 ,99,09,10,11,96,97,98
Filler	Character	1	131	M	Space should be provided
Purpose	Character	22	153	M	The trailing extra characters, if any, to be filled with spaces. Mandatory for Reason code ‘99’ . and for remaining it will be spaces.
Settlement Details	Integer	13	166	O	If settlement detail is provided then it must be of 13 digits End position will be moved to 166.
Filler	Character	7	173		
		Total	**173**		

3. PBO instruction

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	**941** for SPICE instruction
Transaction Flag	Character	1	18	M	It should be A for all orders
Filler	Character	7	25	O	Default Spaces
ISIN	Character	12	37	M	
Quantity	Decimal	15	52	M	12+3 without decimal point
Filler	Character	9	61	O	Default Spaces
Execution Date	Date	8	69	M	
DP Id	Character	8	77	M	Source DP Id
Client Id	Integer	8	85	M	Source Client Id
DP Id	Character	8	93	M	Target DP Id
Client Id	Integer	8	101	M	Target Client Id
Filler	Character	1	102	O	Default Spaces
Internal Reference Number/Remarks	Character	20	122	O	Default Spaces
Consideration	Integer	15	137		The trailing extra characters, if any, to be filled with spaces No decimal Values should be allowed. Mandatory in case of reason code as 01. For remaining reason codes it will be fillers
Reasons code	Character	2	139	M	Allowed values are 01,02,03,04,05,06,07,08,99,96,97,98
Filler	Character	1	140	M	Space should be provided
Purpose	Character	22	162	M	The trailing extra characters, if any, to be filled with spaces Mandatory for Reason code '99' . and for remaining it will be spaces.
SPICE ID	Integer	8	170	O	The End position will be changed to 170.
Filler	Character	17	187	O	Default Spaces
	Total	**187**			

4. **Reason Codes**

Sr. No.	Reason	For Delivery to Client (Off-market) transfer	For Inter depository delivery instruction
1	Off-market Sale	1	1
2	Margin to stock broker	2	2
3	Margin returned by stock broker	3	3
4	Transfer to Own account	4	4
5	Open Offer / Buy-back	5	5
6	Transfers to PMS account	6	6
7	Transfers from PMS account	7	7
8	Gift / Donation	8	8
9	Other (please specify)	99	99
10	Account Closure	---	9
11	On-market Sale (Transfer Towards Pay-in)	---	10
12	Transmission	---	11
13	Govt. / Regulatory directions or orders	96	96
14	Erroneous Transfers	97	97
15	Legitimate Dues of the stock broker	98	98

Annexure B

1. **(Client to client) Instruction download for DP**

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record(12)
Line Number	Integer	6	16	M	
Transaction Type	Integer	3	19	M	904
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
Filler	Character	7	27	O	
Client Id	Integer	8	35	M	
ISIN	Character	12	47	M	
Quantity	Decimal	18	65	M	15+3 without decimal point
Filler	Character	6	71	O	
Market Type	Integer	2	73	O	
Settlement Number	Character	7	80	O	
Execution Date	Date	8	88	M	
Filler	Character	6	94	O	
Other DP Id	Character	8	102	M	

Description	Data Type	Size	End	Status	Remarks
Other Client Id	Integer	8	110	O	Required only if target client is House/ NonHouse i.e. CM BP Id is not present
Filler	Integer	6	116	O	In Case of Auto-Payin Instructions, two digits would be 11, incase of normal DFP Instructions it would be 00
Other CM BP Id	Character	8	124	O	
Filler	Character	1	125	O	
Internal Reference Number/Remarks	Character	35	160	O	Remarks
Sender Reference Number1	Character	50	210	O	
Sender Reference Number2	Character	33	243	O	
Market Type	Integer	2	245	O	Mandatory for BO to BO RGESS
Settlement Number	Character	7	252	O	
CC_ID	Character	8	260	O	
Internet Transaction Id	Integer	15	275	O	Added for Internet Transaction ID
Internet Instruction Id	Integer	16	291	M	Added for Internet Instruction ID
Consideration	Integer	15	306	M	The trailing extra characters, if any, to be filled with spaces No decimal Values should be allowed. Mandatory in case of reason code as 01. For remaining reason codes it will be fillers
Reasons code	Character	2	308	M	Allowed values are 01,02,03,04,05,06,07,08,99,96,97,98
Filler	Character	1	309	M	Space should be provided
Purpose	Character	22	331	M	The trailing extra characters, if any, to be filled with spaces Mandatory for Reason code ‘99’ . and for remaining it will be spaces.
Routing Indicator	Integer	2	333	M	00 in case of SPEED-e batch 01,02,03,04,05 - in case routed through BO
Filler	Character	3	336	O	
		Total	336		

2. **Inter depository delivery instruction download by DP**

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record (12)
Line Number	Integer	6	16	M	
Transaction Type	Integer	3	19	M	925
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
Filler	Character	4	24	O	Not in Use
Client Id	Integer	8	32	M	
ISIN	Character	12	44	M	
Quantity	Decimal	18	62	M	15+3 without decimal point
Filler	Character	5	67	O	
Market Type	Integer	2	69	O	
Settlement Number	Character	7	76	O	
Execution Date	Date	8	84	M	
Other Client Code	Character	16	100	M	
Filler	Integer	1	101	O	
Other Depository Id	Integer	8	109	O	
Internal Reference Number/Remarks	Character	35	144	O	Remarks
Sender Reference Number 1	Character	50	194	O	
Sender Reference Number 2	Character	50	244	O	
Internet Transaction Id	Integer	15	259	O	Added for Internet Transaction ID
Internet Instruction ID	Integer	16	275	M	Added for Internet Instruction ID
Consideration	Character	15	290	O	The trailing extra characters, if any, to be filled with spaces No decimal Values should be allowed. Mandatory in case of reason code as 01. For remaining reason codes it will be fillers

Description	Data Type	Size	End	Status	Remarks
Reasons code	Character	2	292	M	Allowed values are 01 ,02,03,04,05,06,07,08 ,99,09,10,11,96,97,98
Filler	Character	1	293	M	Space should be provided
Purpose	Character	22	315	M	The trailing extra characters, if any, to be filled with spaces Mandatory for Reason code '99' . and for remaining it will be spaces.
Routing Indicator	Integer	2	317	M	00 in case of SPEED-e batch 01,02,03,04,05 - in case routed through BO
Other Settlement Details	Integer	13	330	O	
Filler	Character	6	336	O	Not in Use

3. **Reason Codes**

Sr. No.	Reason	For Delivery to Client (Off-market) transfer	For Inter depository delivery instruction
1	Off-market Sale	1	1
2	Margin to stock broker	2	2
3	Margin returned by stock broker	3	3
4	Transfer to Own account	4	4
5	Open Offer / Buy-back	5	5
6	Transfers to PMS account	6	6
7	Transfers from PMS account	7	7
8	Gift / Donation	8	8
9	Other (please specify)	99	99
10	Account Closure	---	9
11	On-market Sale (Transfer Towards Pay-in)	---	10
12	Transmission	---	11
13	Govt. / Regulatory directions or orders	96	96
14	Erroneous Transfers	97	97
15	Legitimate Dues of the stock broker	98	98

A. Manual Instruction Submission:

1. Delivery to Client

e-Token User(s) are allowed to submit delivery instruction(s) from its demat account maintained with Participant under sub-type (i.e. 'Stock Broker – Client') to other demat account(s) which is under sub-type (i.e. 'Stock Broker – Proprietary') only for legitimate purpose such as implementation of any Government / Regulatory directions or orders, reversal of erroneous transfers pertaining to Client's securities, for meeting legitimate dues of the stock broker. In this regard, e-Token User will be required to select appropriate reason from the drop down while submitting instructions on SPEED-e (*refer exhibit 1*).

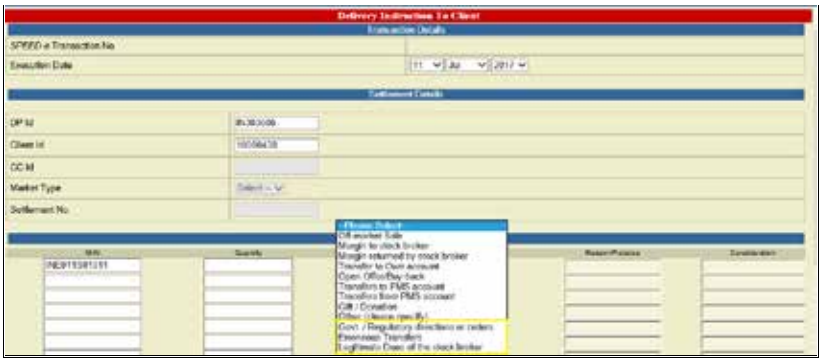


Exhibit 1: Delivery to Client

2. Details of validation in respect of capturing the consideration and reason / purpose while executing the Delivery instruction to Client are mentioned below.

Sr. No.	Reason	Consideration	Reason / Purpose
1	Off-market Sale	Required	NA
2	Margin to stock broker	NA	NA
3	Margin returned by stock broker	NA	NA
4	Transfer to Own account	NA	NA
5	Open Offer / Buy-back	NA	NA
6	Transfers to PMS account	NA	NA
7	Transfers from PMS account	NA	NA
8	Gift / Donation	NA	NA
9	Other (please specify)	NA	Required
10	Govt. / Regulatory directions or orders	NA	NA
11	Reversal of Erroneous Transfers	NA	NA
12	Legitimate Dues of the stock broker	NA	NA

3. **Inter Depository Delivery**

e-Token User(s) are allowed to submit inter-depository transfer instruction(s) from its demat account maintained with Participant under sub-type (i.e. 'Stock Broker – Client') to the demat account maintained with other depository only for legitimate purpose such as implementation of any Government / Regulatory directions or orders, reversal of erroneous transfers pertaining to Client's securities, for meeting legitimate dues of the stock broker. In this regard, e-Token User will be required to select appropriate reason from the drop down while submitting instructions on SPEED-e (*refer exhibit I1*).

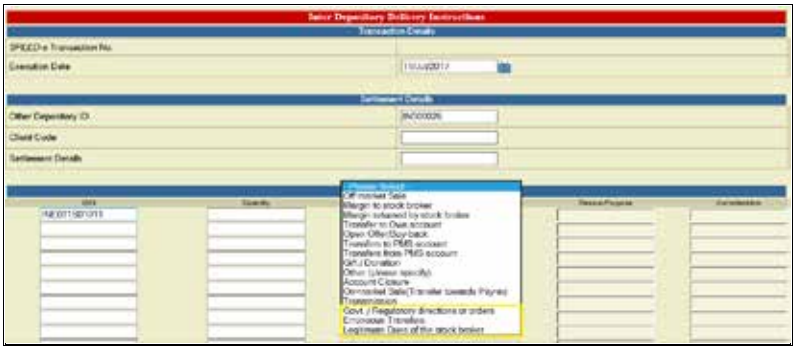


Exhibit 2: Inter Depository Delivery Instructions

4. **Details of validation in respect of capturing the consideration and reason / purpose while executing the Inter Depository Delivery instructions are mentioned below:**

Sr. No.	Reason	Consideration	Reason/ Purpose
1	Off-market Sale	Required	NA
2	Margin to stock broker	NA	NA
3	Margin returned by stock broker	NA	NA
4	Transfer to Own account	NA	NA
5	Open Offer / Buy-back	NA	NA
6	Transfers to PMS account	NA	NA
7	Transfers from PMS account	NA	NA
8	Gift / Donation	NA	NA
9	Other (please specify)	NA	Required
10	Account Closure	NA	NA
11	On-market Sale (Transfer Towards Pay-in)	NA	NA
12	Transmission	NA	NA

Sr. No.	Reason	Consideration	Reason/ Purpose
13	Govt. / Regulatory directions or orders	NA	NA
14	Reversal of Erroneous Transfers	NA	NA
15	Legitimate Dues of the stock broker	NA	NA

B. **Submission of bulk instructions through batch upload mode:**

File format changes

1) Changes in the existing file formats for following types of instructions uploaded by e-token based Clients / CMs on SPEED-e facility are enclosed at Annexure A:

   a) Delivery to Client transfer

   b) Inter Depository transfer

   c) SPICE instructions upload by Margin based beneficiary account to debit Client's beneficiary account and credit margin account of the CM

Participants are requested to inform such e-token based Users to carry out the changes in their back office.

2) Participants would be required to update their back office with respect to the changes in the file formats in respect of the SPEED-e instructions download (Those Participants who are routing SPEED-e instructions file through their back office). Revised file formats for Participants are enclosed at Annexure B.

Circular No.: NSDL/POLICY/ 2017/0004
Date: January 16, 2017

Subject: Facility for online retrieval of User ID for Password Users of SPEED-e / IDeAS facility.

As Participants are aware, NSDL provides common internet based facilities called **SPEED-e** and **IDeAS** through its e-Services website (https://eservices.nsdl.com) which facilitates demat account holders to submit delivery instructions to their DPs online instead of submitting delivery instruction slips (in paper form) and view status of instructions submitted on **SPEED-e**. Further, **IDeAS** enables demat account holders to view latest balances alongwith the value based on the previous day closing price and transactions that have taken place during last 30 days in their demat accounts. **IDeAS** also provide the facility of downloading, printing and viewing digitally signed monthly transaction statements for previous 12 months.

All Participants are hereby informed that password Users (i.e. Clients) of **SPEED-e** / **IDeAS** facilities will be given the ability to retrieve forgot User ID themselves by keying-in few parameters on e-Services website. The User ID will be made available to the clients online after successful validation of the demat account details captured by the users on **SPEED-e** / **IDeAS** facility. This facility will eliminate the need for Clients to submit revocation request of present User ID by quoting Client ID to their Participants and re-registration of **SPEED-e** / **IDeAS** facility after revocation of existing User Id.

The procedure for **Retrieval of User ID** for **SPEED-e** / **IDeAS** facility is enclosed at Annexure.

Circular No.: NSDL/POLICY/ 2014/0054
Date: April 30, 2014

Subject: Launch of FAST - Freezing of demat Account Securities for Trade - Facility for Clients to freeze securities in their demat accounts in favour of Clearing Member through SPEED-e facility.

NSDL is pleased to launch a facility named FAST (**F**reezing of demat **A**ccount **S**ecurities for **T**rade) which enable Clients to freeze securities in their demat accounts in favour of Clearing Member (CM) through SPEED-e facility for the trade orders submitted on NOW (NEAT on Web) facility. For this purpose, SPEED-e facility, offered by NSDL to its Participants, has been integrated with NOW facility. FAST will be launched from **May 5, 2014**.

In view of this, SPICE facility *(Ref.: Circular No. NSDL/POLICY/2013/0070 dated May 10, 2013)* has been further enhanced to enable CMs to debit the securities frozen in Client's beneficiary accounts (who have given POA to CM) and credit their CM Pool Account. This facility is named as SPICE - FAST.

The salient features of FAST facility are as under:

- Client will approach its CM for availing FAST facility.
- Client will log-in to NOW facility using the User ID and password provided by CM and submit the "sell" order on NOW facility.
- User will be re-directed to SPEED-e website (https://eservices.nsdl.com/) where user will log-in to SPEED-e facility to execute freezing of securities in its demat account based on the details mentioned in "sell" order. The securities will be frozen (in favour of CM) .
- Subsequent to the execution of trade order, CMs will debit the frozen securities through SPICE - FAST facility so as to transfer frozen securities from Client's account to the CM Pool Account.

The detailed process flow alongwith various features of this facility are enclosed at annexure. The file formats in respect of the back office interface with SPEED-e and DPM system were provided vide Circular No. NSDL/POLICY/2013/0120 dated October 15, 2013 (*copy of the circular is enclosed*). While explaining the process flow, references of various annexures are given. Participants are requested to refer the aforesaid circular dated October 15, 2013 for these annexures.

For information / clarification on file formats and technology related issues, Participants are requested to contact the following officials:

Name of the official	Contact details	Email ID
Mr. Vaibhav Ambre	(022) 2499 4766	vaibhava@nsdl.co.in
Mr. Dattaram Sawant	(022) 2499 4869	dattarams@nsdl.co.in
Mr. Prasad Uttam Phodkar	(022) 2499 4729	prasadp@nsdl.co.in

For information / clarification on operations related issues or understanding of the facility, Participants are requested to contact the following officials:

Name of the official	Contact details	Email ID
Mr. Dhananjay Chauhan	(022) 2499 4647	dhananjayc@nsdl.co.in
Mr. Narain Tanwani	(022) 2499 4355	naraint@nsdl.co.in
Mr. Rahul Gupta	(022) 2499 4372	rahulg@nsdl.co.in
Mr. Pritesh Parikh	(022) 2499 4574	priteshp@nsdl.co.in

Annexure

Salient features of FAST (**F**reezing of demat **A**ccount **S**ecurities for **T**rade)

(I) Pre-requisites:

Entities	Subscription to	Remark
Clearing Member	*SPEED-e*	Client should have given POA in favour of the CM for submission of instructions.
Participant of the CM	*SPEED-e*	-
Client (beneficiary accountholder)	-	Must have given POA in favour of the CM and POA must have been submitted to the Participant.
Participant of the Client	Either *SPEED-e or IDeAS*	Must have taken the POA *(given by Clients in favour of the CM)* documents in its records.

(II) Client registration

1) Clearing Members (CMs) will upload the list of Client accounts to be registered for FAST facility on SPEED-e (*refer Annexure 1 for file format*), using new link "Upload (FAST Registration)".

2) NSDL will send the 'PDF' file containing registration link to the Sole Holder's / First Holder's *(in case of joint accounts)* email address *(that is captured in the DPM System)* within three days of the registration file uploaded by CMs on SPEED-e. In case the email address of the first holder is not available, email will be sent to the second or third holder, as the case may be, whose email address is captured in the DPM System to facilitate Clients to login to SPEED-e facility. In case email address of Client is not available in the depository account, then email will be sent to the email address specified by CMs in the registration file.

3) The 'PDF' file sent to the Client will be password protected. Logic for opening the 'PDF' file will be communicated to Client in the email. In case the account holder does not register for FAST facility within 90 days of sending of the email, the registration link will get disabled. Client in such case will have to again approach its CM to re-register for FAST facility.

4) CMs can ascertain the details of the Clients who have confirmed the registration for FAST facility by clicking on the link "FAST Client List".

5) Such Clients will have limited access to SPEED-e facility i.e. only for freezing securities in their demat accounts in favour of CM. In case the Client is already registered for SPEED-e/IDeAS facility, message will be sent to the Client on the specified email IDs, to login with the existing User credentials.

6) Based on the Power of Attorney (POA) given by the Clients to their CM, CM will register the Clients for SPICE – FAST facility for submitting instructions to the Participants (*where Client maintains demat accounts*) to debit the demat accounts of the Clients and credit its CM Pool Account (*refer Annexure 2*). Even if the Client is already registered for SPICE, CMs will be separately required to register such Clients for SPICE – FAST facility by uploading the Client registration file using existing link "Upload (POA Registration)" (*refer Annexure 2 for file formats*).

7) Participants (*where the Client maintain demat account*) will download the Client registration file for SPICE – FAST facility through SPEED-e / IDeAS (*IDeAS in case the Participant has not subscribed for SPEED-e facility*) from the existing link "Download (POA Registration)" (*refer Annexure 3 for file format*). The file will indicate details of the Clients registered for SPICE and / or SPICE - FAST facility.

8) The authorisation file as per the prescribed file format will be uploaded by Participants using the existing link "Upload (POA Authorisation)" (*refer Annexure 4 for file format*). The file will contain details as to whether the Participant has accepted or rejected the Client registration for this facility. Participants should ensure that acceptance is provided only for those Clients (*on whose behalf instructions will be submitted through SPEED-e by the CMs*) who have given POA to the concerned CM and the POA document must be available in the records of the Participant.

9) CMs and Participants can download the list of Clients registered for SPICE - FAST facility from the existing link "POA Client List Download" and "Download SPICE Client List" (*refer Annexures 5 & 6 for file format*). The download file will indicate details of the Clients registered for SPICE and / or SPICE - FAST facility.

(III) Freezing of securities by Clients on SPEED-e

1) Once the Client decides to sell a particular securities, the Client will submit the requisite order details on NOW (NEAT on Web) internet portal facility. The User credentials to login to NOW facility will be as provided by the CM to the client.

2) The order details will then be forwarded by NOW system for the concerned Client to SPEED-e system. Order details viz. DP ID, Client ID, CM BP ID, ISIN, market type, settlement number and execution / order date will be validated in the SPEED-e system.

3) In case the order details received from NOW system are not validated with the details available in the SPEED-e system, the message about the same will be displayed to the Client on NOW System.

4) In case the order details validate with the details available in the SPEED-e system, the Client will be redirected to SPEED-e facility for freezing the securities available in demat account. The Client will be required to enter the User credentials to login to SPEED-e facility and confirm the Terms and Conditions to execute freezing of securities in demat account based on the details mentioned in "sell" order.

5) After successful login, Client will be required to confirm the order details. The Client will not be able to modify the order details.

6) An interim status may be displayed on the screen that the transaction is in process. At this stage, Client should not refresh the page or click on any of the buttons/links.

7) If sufficient balance, as mentioned in the order details received from NOW system, is available in the demat account of client, the Client will be allowed to freeze the requisite securities in favour of the CM. After the securities are successfully frozen in favour of CM, confirmation message will be displayed on the screen.

8) Client will be re-directed to NOW facility wherein client will be required to confirm the trade details.

9) CMs will receive NOW reference number from the NOW system to facilitate them to incorporate the same in their SPICE file, which will be used for debiting the frozen securities in the demat accounts of the Clients and crediting their CM Pool Accounts.

(IV) Execution of instructions by CMs (debiting of frozen securities from the Client's *demat account*)

1) CMs will incorporate the NOW reference number received from NOW system in the instruction file to debit the frozen securities from the demat accounts of the Clients and credit their CM Pool Accounts (*refer Annexure 7 for file format*).

2) CMs will be required to upload the instruction file on SPEED-e through existing link "Upload Auto-Payin Instruction" to debit the frozen securities in the demat accounts of Clients and credit their CM Pool Accounts within a cut-off time i.e. **before 8.00 pm on the trade (T) day**. It will be mandatory for CMs to use SPICE – FAST facility for debiting the frozen securities in their favour and credit their CM Pool Account. Also CMs can download the response file through existing link "View Status" for aforesaid instructions uploaded on behalf of Clients.

3) The CM will be able to debit the securities to the extent of securities frozen in the demat account of the client in its favour. In case the quantity of securities in the debit instruction is less than or equal to the frozen balance, securities will be debited to the extent of quantity mentioned in the debit instruction. In case the quantity of securities in the debit instruction is greater than the frozen balance, securities will be debited to the extent of frozen balance.

4) After the aforesaid cut-off time on the trade day, in case the frozen securities are not debited for any reason, such securities would automatically get unfrozen **after 8.10 pm on Trade (T) day**.

(V) Changes in Change Order for the Day (COD) and SOT file downloads for Participants

For changes in the file format of the COD and SOT download for Participant, please refer Annexure 8 and Annexure 9 respectively.

Circular No : NSDL/POLICY/ 2013/0027
Date: February 8, 2013

Sub: Deadline time for submission of pay-in instruction on eDPM System and SPEED-e

Attention of Participants is invited to NSDL Circular Nos. NSDL/POLICY/2012/0124 dated November 1, 2012, NSDL/POLICY/2013/0007 dated January 9, 2013, NSDL/POLICY/2013/0021 and NSDL/POLICY/2013/0022 dated January 30, 2013 regarding addition of market type codes. In this regard, deadline time for submission of instructions on eDPM System and ***SPEED-e*** in respect of the settlement of various market types of MCX-SX, NSE & BSE are as follows:

Name of the Stock Exchange	**Market Type**	**Deadline time for submission of instructions on a Pay-in day**		
		SPEED-e	***SPEED-e* DIRECT**	**eDPM System**
MCX-SX	Auction	08:55 a.m.	09:20 a.m.	09:30 a.m.
	Normal			
	Trade For Trade	10:15 a.m.	10:40 a.m.	10:50 a.m.
	Block Deals			
NSE	Offer For Sale (T+2)	09:15 a.m.	09:40 a.m.	09:50 a.m.
BSE	OFST2	09:45 a.m.	10:10 a.m.	10:20 a.m.

In view of the above, revised list containing deadline time for various market types of these Exchanges is enclosed at Annexure. Participants are requested to inform their Clients and Clearing Members accordingly.

Participants must ensure that all the instructions submitted by the Clients (other than ***SPEED-e* DIRECT**) within the aforesaid deadline time are duly executed in the eDPM System well before the specified deadline time. In case Participants encounter any difficulty in downloading the instructions from ***SPEED-e***, the same should be reported to Help Desk immediately and a Token Number must be obtained.

Annexure

I. Deadline time for submission of instructions by Clients / Clearing Members on SPEED-e / SPICE and SPEED-e DIRECT / SPICE DIRECT on a Pay-in day:

Name of the Stock Exchange	Market Type	Deadline time for submission of instructions on a Pay-in day		
		SPEED-e SPICE	*SPEED-e* DIRECT SPICE DIRECT	eDPM System
NSE	SLB First Leg SLB Return Leg SLB Auction Buy-in	8.45 am	9.10 am	9.20 am
	Offer For Sale Offer For Sale (T+2)	09:15 am	09:40 am	09:50 am
	Normal Auction Normal Trade for Trade Retail Debt Market Bad Delivery Company Objection IRF Normal IRF Auction	10.15 am	10.40 am	10.50 am
	Normal Subscription	1.55 pm	2.20 pm	2.30 pm
	Normal Redemption Liquid Subscription Liquid Redemption MFSS T+2 MFSS T+4	3.55 pm	4.20 pm	4.30 pm
BSE	SLB SLB-R Buy-in Auction	8.45 am	9.10 am	9.20 am
	Auction Rolling	8.55 am	9.20 am	9.30 am
	Auction Delv. Derivatives	8.55 am	9.20 am	9.30 am
	Normal Delv. Derivatives	9.15 am	9.40 am	9.50 am
	Offer For Sale OFST2	09:45 am	10:10 am	10:20 am
	Rolling Market Lot	10.15 am	10.40 am	10.50 am
	Company Objection	11.00 am	12.50 pm	1.00 pm 4.00 pm
	Mutual Fund Subscription	1.55 pm	2.20 pm	2.30 pm
	Mutual Fund Redemption	3.55 pm	4.20 pm	4.30 pm
	MF Subscription Liquid	2.55 pm	3.20 pm	3.30 pm
MCX-SX	Auction	08:55 am	09:20 am	09:30 am
	Normal	10:15 am	10:40 am	10:50 am
	Trade For Trade			
	Block Deals			

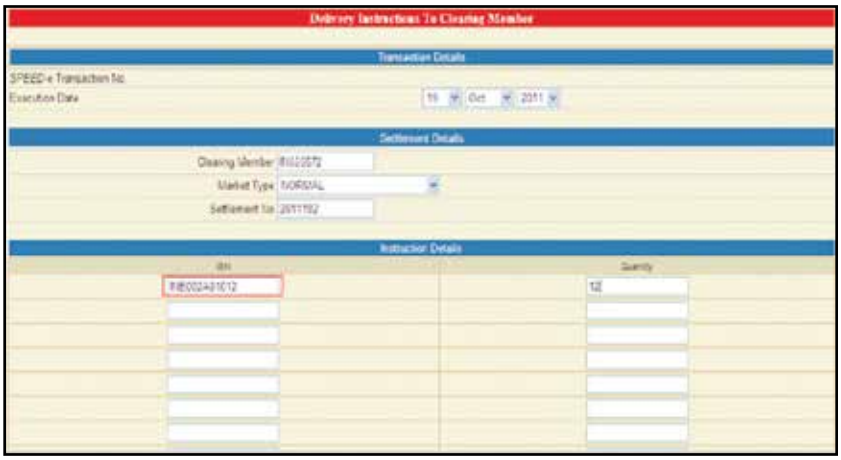
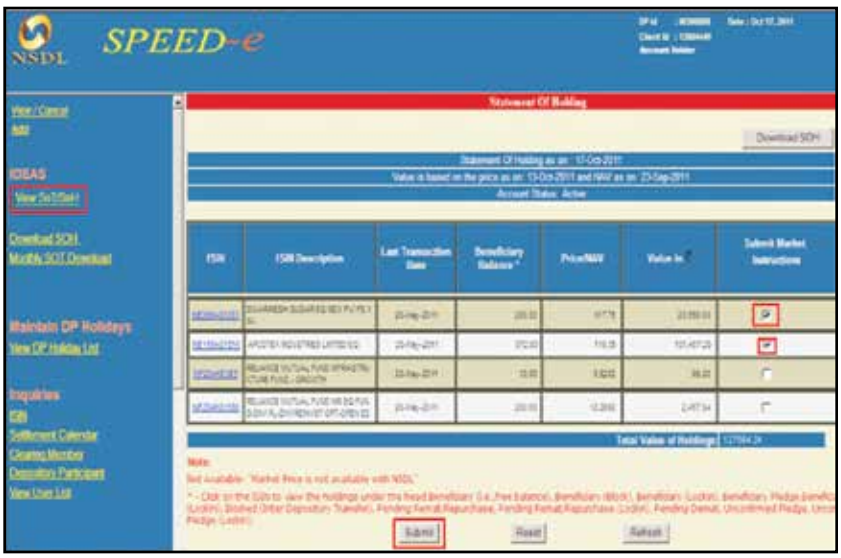
Name of the Stock Exchange	Market Type	Deadline time for submission of instructions on a Pay-in day		
		SPEED-e SPICE	*SPEED-e* DIRECT SPICE DIRECT	eDPM System
CSE	Rolling Market Lot	10.15 am	10.40 am	10.50 am
	Auction Rolling			
NSEL	T+0 - AU	9.30 am	10.20 am	10.30 am
	T+1 - AU			
	T+3 - AU			
	T+4 - AU			
	T+5 - AU			
	T+6 - AU			
	T+7 - AU			
	T+8 - AU			
	T+9 - AU			
	T+10 - AU			
	T+2	12.00 noon	12:50 pm	1:00 pm
	T+2 - AU			
	T+3	12.30 pm	1:20 pm	1:30 pm
	T+4			
	T+5			
	T+6			
	T+7			
	T+8			
	T+9			
	T+10			
	T+1			
	T+0	4.00 pm	4.50 pm	5.00 pm
	T+4 DAYS	9.30 am	10.20 am	10.30 am
	T+10 DAYS			
	T+4 DAYS-SO			
	T+7 DAYS-SO			
	T+10 DAYS-SO			
NCDEX	T+2 DAYS - G	10.00 am	10:50 am	11:00 am
	T+1 DAY	10.30 am	11:20 am	11:30 am
	T+2 DAYS			
	T+7 DAYS			
	T+2 DAYS-SO			

Name of the Stock Exchange	Market Type	Deadline time for submission of instructions on a Pay-in day		
		***SPEED-e* SPICE**	***SPEED-e* DIRECT SPICE DIRECT**	**eDPM System**
	T+2 DAY-S			
	E+1	9:30 am	10:20 am	10:30 am
	T+2 Days	1:30 pm	2:20 pm	2:30 pm
	E+2			
MCX	E+3			
	E+4	3:30 pm	4:20 pm	4:30 pm
	E+5			
	SO+2			
	SP+3			
	T+1			
	T+3	3:30 pm	4:20 pm	4:30 pm
	T+4			
	T+5			
ICCL	ICDM T+1	2.30 pm	3.20 pm	3.30 pm
	ICDM T+2			
	ICDM T+0	4.30 pm	5.20 pm	5.30 pm

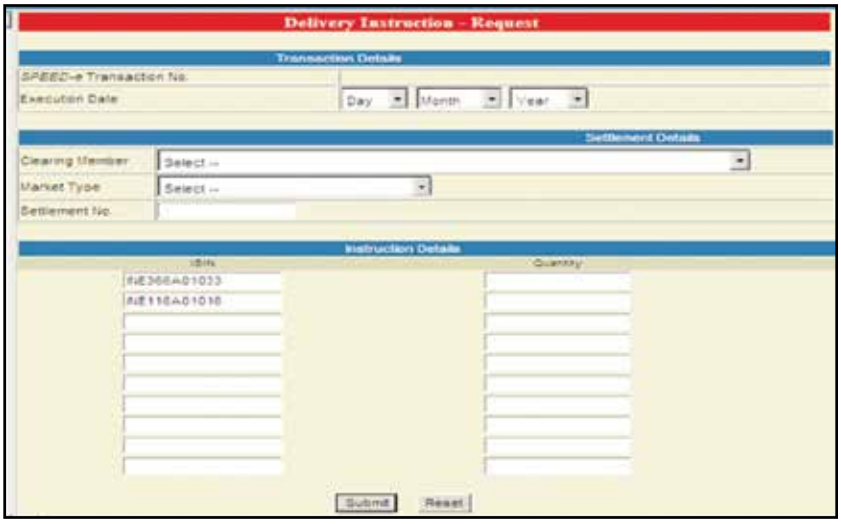
1) **SPEED-e DIRECT / SPICE DIRECT** instructions will be directly transmitted to NSDL.

2) In case there are multiple pay-ins of same market type for NSE, BSE and CSE scheduled on the same day, the deadline time of submission of instructions by Users of ***SPEED-e*** / **SPICE** and ***SPEED-e* DIRECT** / **SPICE DIRECT** on the Pay-in day will be 9.15 am and 9.40 am respectively for all multiple Pay-ins of same market type scheduled on a Pay-in date.

Circular No : NSDL/POLICY/ 2011/0098 Date: November 28, 2011	***Sub: Display of price and value for E-series ICINs of National Spot Exchange Limited on IDeAS facility*** As Participants are aware, Clients availing **IDeAS** facility can view the latest balances of their demat accounts on the internet along with the value based on price/NAV. **IDeAS** facility has been further enhanced to display the price and value in respect of E-series ICINs (*Commodity Identifier*) of National Spot Exchange Limited for the previous business date, held by Clients in their demat accounts. This aforesaid feature is released on **IDeAS** facility with effect from Monday, November 28, 2011.

Circular No : NSDL/POLICY/ 2011/0087 Date: October 22, 2011	***Sub: New feature on SPEED-e facility – Selection of instruction and ISIN from SOH-SOT view screen*** As Participants are aware, currently Clients (*i.e., beneficiary account holders*) subscribed to SPEED-e facility are required to manually capture the ISIN(s) at the time of submitting instructions on SPEED-e, as exhibited below:  SPEED-e facility has been enhanced to facilitate Clients (*password and e-token Users*) to select the type of instruction and ISIN(s) directly from the Statement of Holdings screen. Thus, eliminating the need to manually capture the ISIN(s) at the time of submitting the instructions. For availing this facility, Clients should have subscribed to IDeAS facility as well. Clients will be required to do the following:
	(I) Password based Users (i) Click on 'View SoT/SoH' link under the head IDeAS. (ii) Checkbox would be available at the end of the screen to facilitate Clients to select the ISIN(s) for submitting market instructions (i.e, Client to Clearing Member Pool Account transfer), as exhibited below: 

(iii) Upon clicking on 'Submit' button, the system will automatically take the Client to the requisite screen as exhibited below :

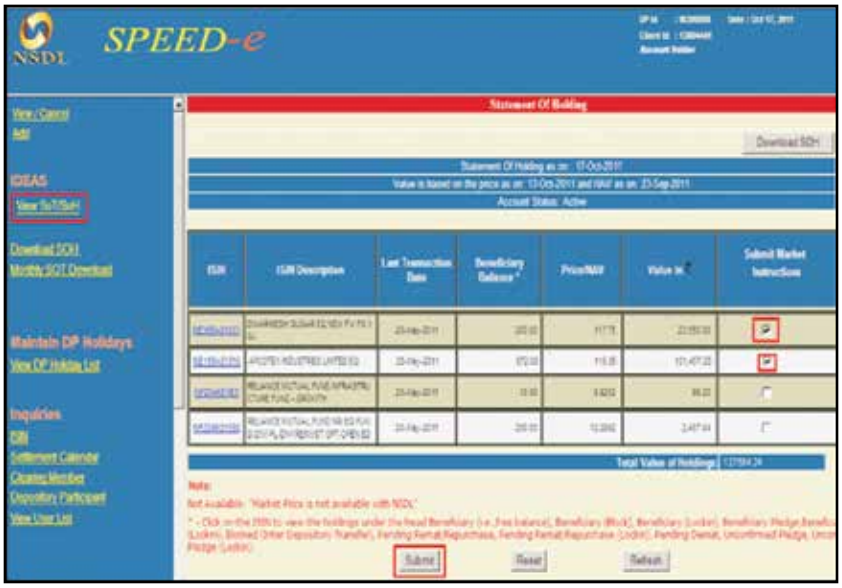


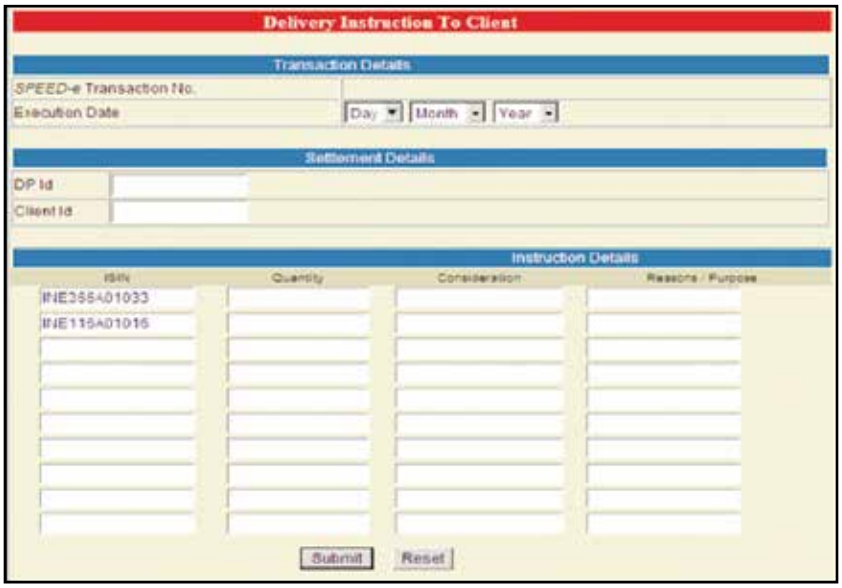
(II) e-token based Users

(i) Click on 'View SoT/SoH' link under the head IDeAS.

(ii) Checkbox would be available next to 'Submit Instructions' viz., 'Market' (*i.e, Client to Clearing Member Pool Account transfer*), 'Off-Market' (*i.e., Client to Client account transfer*) and 'IDD' (*i.e.,Client to other depository transfer*). Clients would be required to select the required type of instruction. Only one type of instruction can be selected at a time.

(iii) Checkbox would also be available at the end of the screen to facilitate Clients to select the ISIN(s) in respect of which they wish to submit instructions.



	(iv) Upon clicking on 'Submit' button, the system will automatically take the Client to the requisite screen i.e., 'Delivery instruction to Clearing Member'/'Delivery instruction to Client' / 'Inter Depository Delivery Instructions', as the case may be. Further, the selected ISIN will also be displayed on the screen. Sample screen of 'Delivery Instruction to Client' is exhibited below :  The existing feature of manually capturing the ISIN(s) at the time of submitting instructions on SPEED-e will remain unchanged.
Circular No : NSDL/POLICY/ 2011/0086 Date: October 19, 2011	***Sub: Extension in deadline time for submission of instructions with current date for Users of SPEED-e Direct*** As Participants are aware, SPEED-e facility has been enhanced to include the feature of SPEED-e Direct wherein instructions submitted by Users of SPEED-e (*i.e., Clients and Clearing Members*) can be directly transmitted to NSDL (*Refer NSDL Circular No. NSDL/POLICY/2011/0084 dated October 15, 2011*). Participants will be pleased to know that the deadline time for submission of instructions (*transfers within NSDL*) by Users of SPEED-e Direct through SPEED-e facility with current date as the execution date is extended upto **8:15 p.m.** IST on weekdays and **4:15 pm** IST on Saturdays. The deadline time for submission of inter depository delivery instructions with current date as the execution date and Pay-in instructions on a Pay-in day for NSE, BSE, CSE & other Exchanges will remain unchanged (*refer point no. 12 of the aforesaid circular*).
Circular No : NSDL/POLICY/ 2011/0084 Date: October 15, 2011	***Sub: Launch of SPEED-e Direct*** As Participants are aware, currently instructions submitted by the Users of SPEED-e (*password and e-token based Users*) are downloaded by Participants and then either directly uploaded into the eDPM System or routed through back office system of Participants (*after verifying the signature*) and then uploaded into eDPM System.

All Participants are hereby informed that SPEED-e facility is being enhanced to include the feature of SPEED-e Direct wherein instructions submitted by Users of SPEED-e (*i.e.,Clients and Clearing Members*) can be directly transmitted to NSDL. For Participants using this facility, it will eliminate the need to download and upload instructions. Participants can choose the Users of SPEED-e for whom they intend to offer this facility i.e., Participants will have the ability to register/de-register Users of SPEED-e for SPEED-e Direct.
The salient features of SPEED-e Direct are provided at Annexure A.

Annexure 1

(I) File Format for "Registered Clients/CMs List"

Header Record:

<DP ID>,<DP User ID>,<Number of Records>,<Download file Timestamp>

Detail Record:

<DP ID>,<Client ID/CM BP ID>,<Status Description>,<Registration/ De-registration Date>

(II) SPEED-e DIRECT Registration/De-Registration Response File Format

Header Record

Description	Data Type	Size	Status	Remarks
Batch Number	Integer	7	M	
Record Type	Integer	2	M	Header Record (11)
DP ID	Character	8	M	
Total number of Detail Records	Integer	5	M	
Response Creation Date	Date	8	M	
Response Creation Time	Character	4	M	
Detail Record				
Description	**Data Type**	**Size**	**Status**	**Remarks**
Batch Number	Integer	7	M	
Record Type	Integer	2	M	Detail Record (12)
Line Number	Integer	5	M	
Transaction Flag	Character	1	M	
Instruction ID	Integer	15	M	
Instruction capture date time	Date time	14	M	System date time
Order Status	Integer	2		
Rejection reason code 1	Integer	5	O	Default '00000'
Rejection reason code 2	Integer	5	O	Default '00000'
Rejection reason code 3	Integer	5	O	Default '00000'
Rejection reason code 4	Integer	5	O	Default '00000'
Trailer Record				
Description	**Data Type**	**Size**	**Status**	**Remarks**
Batch Number	Integer	7	M	
Record type	Character	2	M	Trailer Record (19)

Annexure A

1) Registration

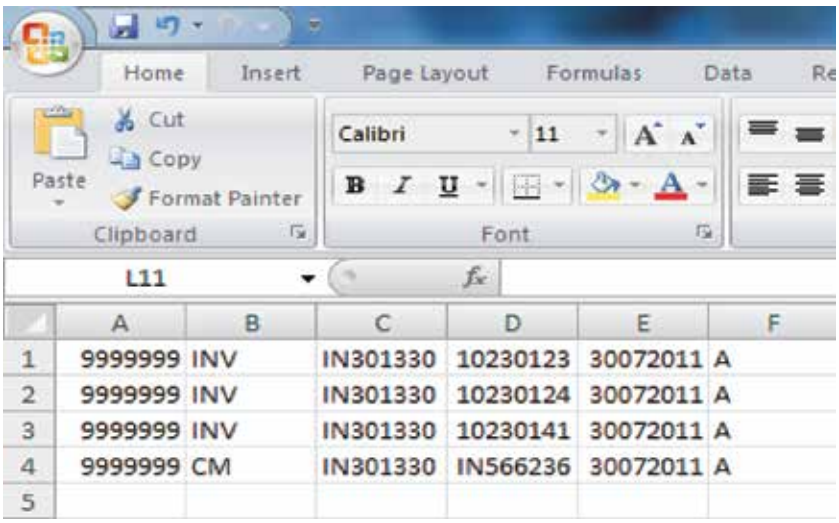
Participants will be required to register SPEED-e Users (*Password and e-token Users*) for SPEED-e Direct facility by uploading a file in specified format.

(a) User registration for SPEED-e Direct

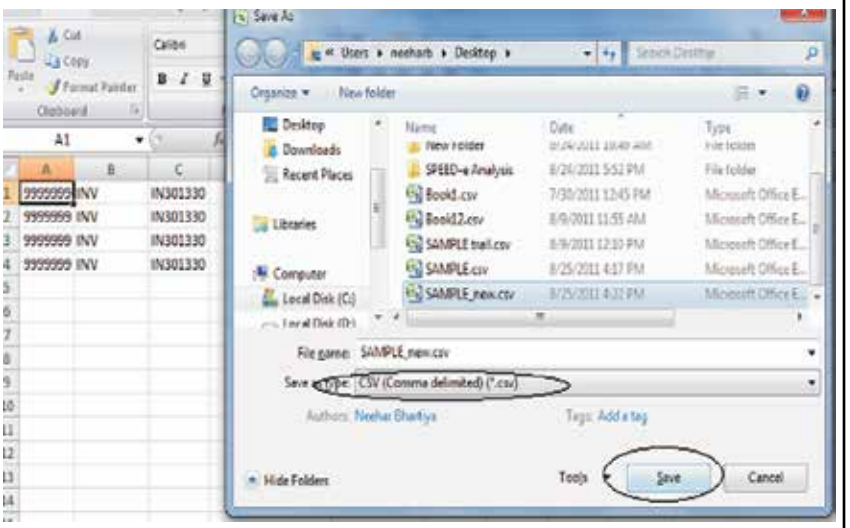
To register SPEED-e Users for SPEED-e Direct, Participants are requested to follow the undermentioned steps :

(i) Prepare User details in an excel file in the following format. Ensure to enter the details in the columns as follows :

Column	Particulars
A	Batch ID ranging between 1-7 digits
B	Client Type i.e., 'INV' for Investors and 'CM' for Clearing Members
C	DP ID
D	Client ID in case of investors /CM BP ID in case of Clearing Members
E	Execution date
F	Status of each record i.e., ('A' to register and 'R' to de-register)



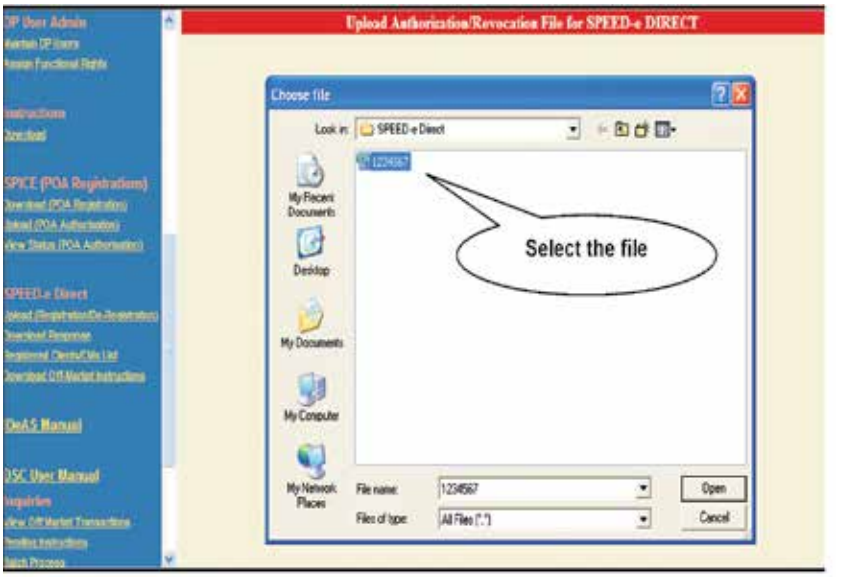
(ii) After the file is created, 'Save' the excel file as a comma delimited file i.e. *.CSV



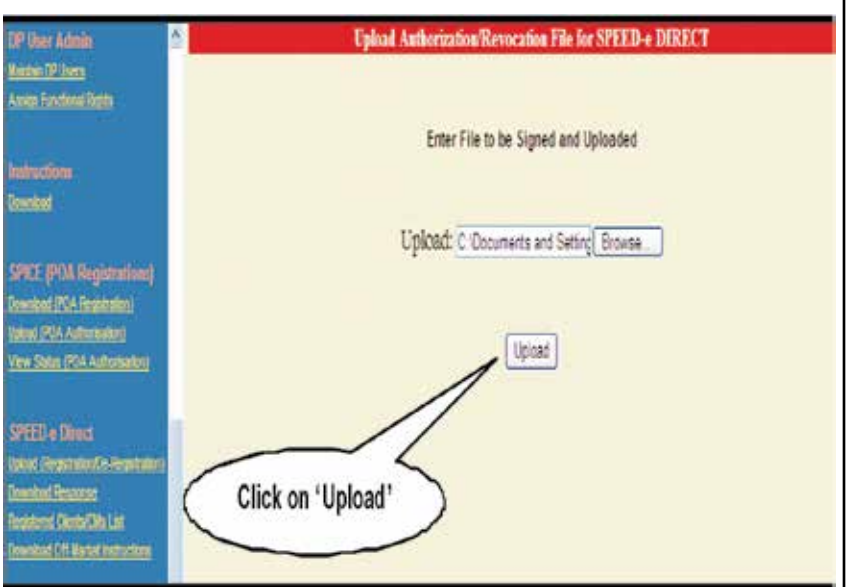
(iii) A warning message may be displayed on the screen at the time of saving the file. Ignore the warning message and save the file by clicking on 'Yes' button.

(iv) Participant (*Functional User*) will login to the SPEED-e website. Click on the link 'Upload (Registration/De-Registration)' under the head SPEED-e Direct.

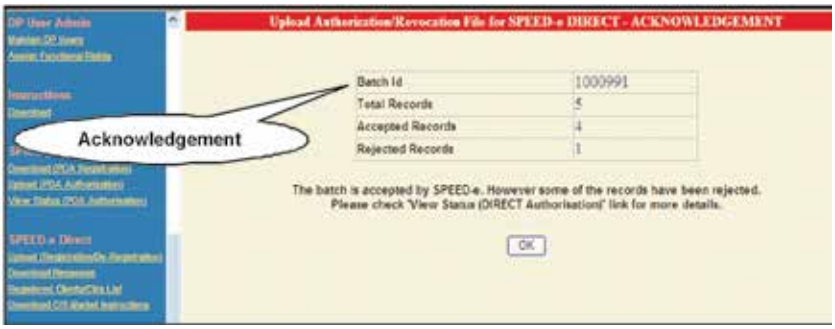
(v) Click on 'Browse' button and select the requisite '.CSV' file *containing Users details*) that are required to be registered and then click on 'Open' button.



(vi) Click on 'Upload' button and select the requisite digital signature certificate to upload the file.

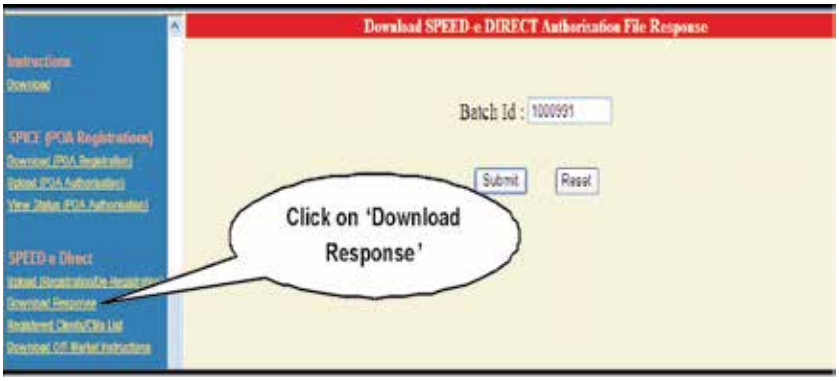


(vii) Once the file is uploaded, there will be a confirmation screen displaying the Batch ID, total number of records, number of records accepted and/or number of records rejected.



(b) Response file

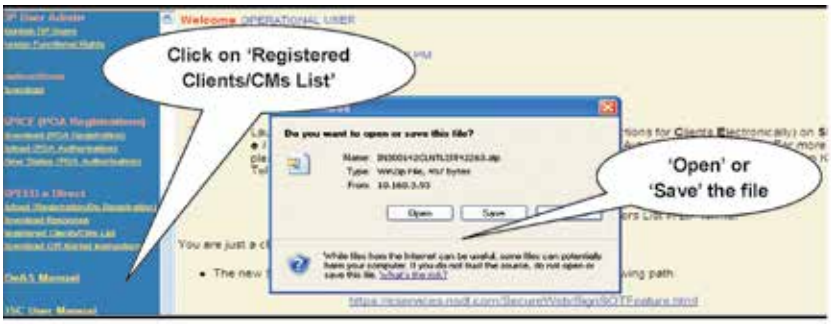
Click on 'Download Response' to ascertain the status of the uploaded file. Enter the Batch ID (*generated during batch upload*) and click on 'Submit' button.



Response file would be generated. Save the file in the desired folder. The file format of the response file is enclosed at Annexure 1.

(c) List of registered Users

Click on 'Registered Clients/CMs List' link to download list of Users registered for SPEED-e Direct. The file format is enclosed at Annexure 1.



2) De-registration

Participants will have the ability to de-register the Clients from SPEED-e Direct. Participants will be required to follow the process mentioned in point no.1 (a) above and ensure to mention 'R' in column F. After de-registration, in case if such Users submit instructions on SPEED-e, Participants will be required to follow the usual method of processing SPEED-e instructions.

3) Status of instructions

Upon submission of instructions submitted by Users (*registered for SPEED-e Direct*) the status of the instruction will be displayed as 'Released' instead of 'Downloaded by DP' as instructions submitted by such Users are directly transmitted to NSDL.

4) Holiday Master

Currently, there are two types of holidays which can be marked on SPEED-e :

(i) Participant Holiday

(ii) NSDL Holiday

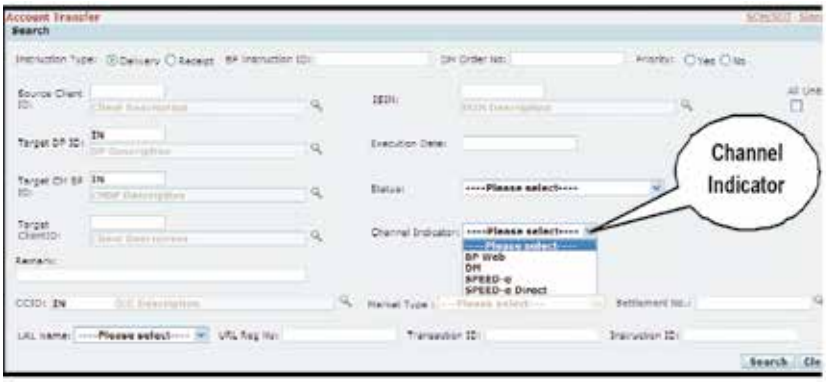
The Participant holiday is marked by the Participant on SPEED-e and are applicable only for its Clients. Even NSDL can mark Participant holiday on behalf of Participant in exceptional circumstances.

NSDL holiday is marked by NSDL on SPEED-e and are applicable for Clients of all Participants. For a Participant holiday(s) on SPEED-e, Users of SPEED-e (*maintaining depository accounts with that Participant*) are not allowed to submit/ authorize instructions on SPEED-e with execution date that is marked as Participant holiday. This facility would be applicable for only normal Users of SPEED-e. Users of SPEED-e Direct will have the ability to submit instructions on a date which is marked as holiday by their Participants.

For a NSDL holiday marked by NSDL for all Participants, Users of SPEED-e Direct will not be able to submit instructions on SPEED-e with execution date marked as NSDL holiday.

5) Channel Indicator

The channel indicator will display the source of instructions i.e., whether the instructions have been received through SPEED-e Direct or through regular method.



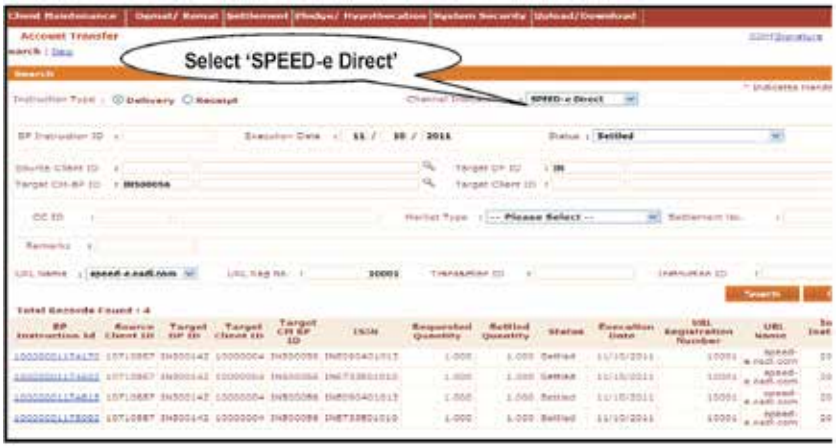
6) Changed Order for the Day (COD) download at Local DPM System

The 'Channel Indicator' field in the COD download would display as '11' for SPEED-e Direct and '12' for regular SPEED-e instructions. This will facilitate Participants to identify instructions submitted by regular Users of SPEED-e and Users of SPEED-e Direct.

7) View instructions in eDPM System and Local DPM System

Participants can view the instruction details pertaining to SPEED-e Direct at eDPM System and Local DPM System as exhibited below :

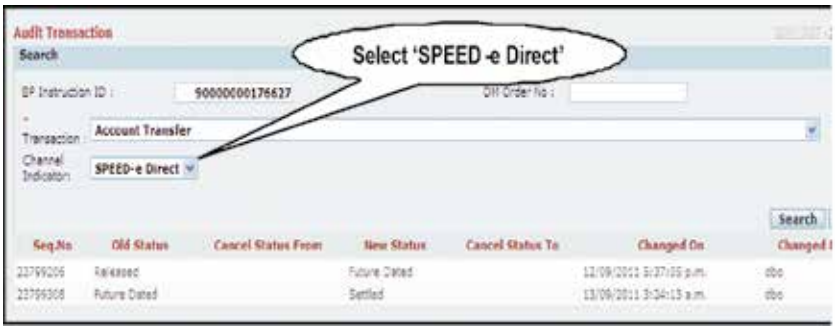
eDPM System



Local DPM System

8) Audit trail

In the Local DPM System, audit trail of an instruction would be available after the instruction is processed at NSDL and details of the same are received at the Local DPM System. The audit trail will display the status of the instruction of SPEED-e Direct as follows:



9) Revocation of SPEED-e facility

Upon revocation of SPEED-e facility for Users, feature of SPEED-e Direct will also get automatically revoked.

10) SPICE

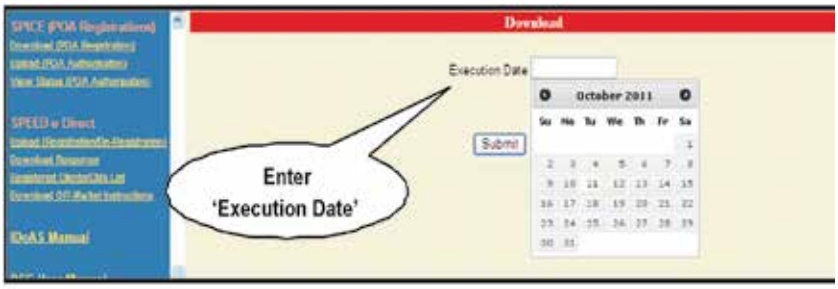
SPEED-e Direct would facilitate routing of only SPEED-e instructions directly to NSDL. In case User registered for SPEED-e Direct submits SPICE (***S**ubmission of **P**ower of attorney based **I**nstructions for **C**lients **E**lectronically*) instructions then Participants (*where Clients maintain demat accounts*) will be required to download such instructions. Facility for submitting SPICE instructions directly to NSDL would be provided in the subsequent version release.

11) Download of off-market related instructions

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/SPEEDe/2008/0006 dated November 10, 2008 regarding incorporation of fields viz., 'Consideration' and 'Reasons/Purpose' on SPEED-e for smart card / e-token Users submitting off-market instructions. In this regard, facility to view off-market instructions of past three months was provided

on SPEED-e facility for Participants (*refer Circular No. NSDL/POLICY/SPEEDe/2009/0003 dated May 15, 2009*). On similar lines, facility to download off-market instructions submitted by Users of SPEED-e Direct that are in 'Settled' status is being provided to Participants. To download this file, click on the link named 'Download off-market instructions' as exhibited below.

Enter the date and then click on 'Submit' button.



A file would be downloaded containing off-market instructions that are in 'Settled' status for the requested date. Save the file to the desired folder.

In case request is for a current date, then off-market instructions submitted by Users of SPEED-e Direct till the download time, that are in 'Settled' status, would be available in the downloaded file.

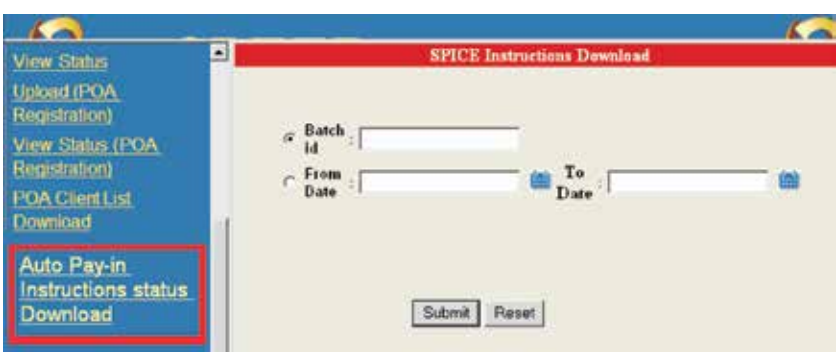
12) Deadline time

The deadline time for submission of instructions through SPEED-e facility by Clients and Clearing Members of SPEED-e Direct with current date as the execution date for intra and inter depository delivery instructions would be 6:00 m. IST on weekdays and 1:30 p.m. IST on Saturdays.

Further, the deadline time for submission of Pay-in instructions on a Pay-in day for NSE, BSE and CSE and other Exchanges will remain same as currently applicable, as given below :

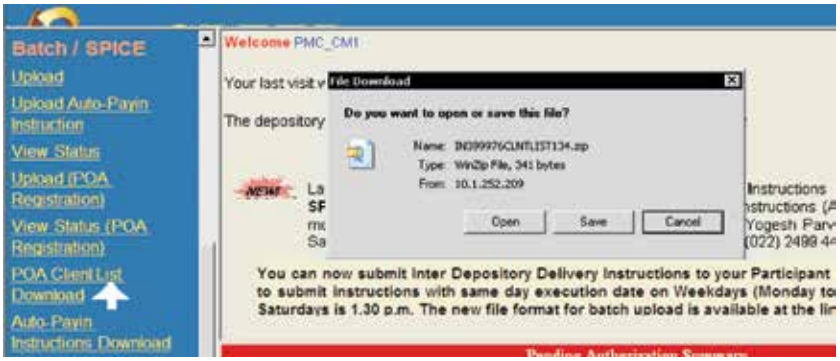
Name of the Stock Exchange	Market Types	Deadline time for submission of instructions (pertaining to Pay-in) by Clients / CMs of SPEED-e Direct on SPEED-e on a Pay-in day	NSDL deadline time for execution of instructions in the eDPM System on a Pay-in day
	SLB First Leg	8.00 am	9.00 am
	SLB Return Leg		
	SLB Auction Buy-in		
	Normal	10.15 am	10.50 am
	Auction Normal		
	Trade for Trade		
	Retail Debt Market		
NSE	Bad Delivery		
	Company Objection		
	IRF Normal		
	IRF Auction		
	Normal Subscription	1.30 pm	2.30 pm
	Normal Redemption	3.30 pm	4.30 pm
	Liquid Redemption		
	MFSS T+2		
	MFSS T+4		
	SLB	8.00 am	9.00 am
	SLB-R		
	Buy-in Auction		
	Auction Rolling	8.45 am	9.30 am
	Auction Delv. Derivatives	8.55 am	9.30 am
BSE	Normal Delv. Derivatives	9.15 am	9.50 am
	Rolling Market Lot	10.15 am	10.50 am
	Company Objection	11.00 am	1.00 pm
			4.00 pm
	Mutual Fund-Subscription	1.30 pm	2.30 pm
	Mutual Fund-Redemption	3.30 pm	4.30 pm
CSE	Rolling Market Lot	10.15 am	10.50 am
	Auction Rolling		
	T+0 - AU	9.30 am	10.30 am
	T+1 - AU		
	T+3 - AU		
	T+4 - AU		
	T+5 - AU		
	T+6 - AU		
	T+7 - AU		
	T+8 - AU		
	T+9 - AU		
	T+10 - AU		

	Name of the Stock Exchange	Market Types	Deadline time for submission of instructions (pertaining to Pay-in) by Clients / CMs of SPEED-e Direct on SPEED-e on a Pay-in day	NSDL deadline time for execution of instructions in the eDPM System on a Pay-in day
	NSEL	T+2	12.00 noon	1:00 pm
		T+2 - AU		
		T+3	12.30 pm	1:30 pm
		T+4		
		T+5		
		T+6		
		T+7		
		T+8		
		T+9		
		T+10		
		T+1		
		T+0	4.00 pm	5.00 pm
		T+4 DAYS	9.30 am	10.30 am
		T+10 DAYS		
		T+4 DAYS-SO		
		T+7 DAYS-SO		
	NCDEX	T+10 DAYS-SO	10.30 am	11:30 pm
		T+1 DAY		
		T+2 DAYS		
		T+7 DAYS		
		T+2 DAYS-SO		
		T+2 DAY-S		
		T+2 DAYS	9.30 am	10.30 am
		E+1	12.00 noon	1.00 pm
		E+2	6.00 pm	7:00 pm
	MCX	E+3		
		E+4		
		E+5		
	ICCL	ICDM T+1	2.30 pm	3.30 pm
		ICDM T+2		
		ICDM T+0	4.30 pm	5.30 pm
Circular No : NSDL/POLICY/ 2010/0060 Date: June 3, 2010	***Sub: Amendment to Business Rules*** All Participants are hereby informed that Annexure 'LA' (old format) and Annexure 'LA' (new format) of Business Rules pertaining to 'Combined – Delivery Instructions by Clients' have been amended and renamed as Annexure LA – I and Annexure LA – II respectively. The amended Annexures LA-I and LA-II are enclosed with highlighting the changes and without highlighting the changes. Participants may continue to use their existing stock of 'Combined-Delivery Instructions by Clients' till such time it is exhausted and would be required to print and issue the revised Combined Delivery Instruction slips i.e. Annexure LA – I and Annexure LA – II thereafter.			

Circular No : NSDL/POLICY/ 2010/0059 Date: May 28, 2010	***Sub: SPICE enhancement – Ascertain status of uploaded instructions and Clients registered for SPICE*** As Participants are aware that Clearing Members can avail the feature of **SPICE** *(Submission of Power of attorney based Instructions for Clients Electronically)* for submitting instructions *(auto pay-in)* through ***SPEED-e*** facility *(refer Circular No. NSDL/POLICY/2009/0126 dated December 31, 2009)*. **SPICE** has been further enhanced with two features viz., (i) 'Auto Pay-in Instructions Status Download' to ascertain the status of the instructions *(auto pay-in)* uploaded through ***SPEED-e*** facility and (ii) 'POA Client List Download' to ascertain the Clients registered for **SPICE**. The features are explained in detail which is enclosed at Annexure I. The aforesaid features will be released on ***SPEED-e*** facility on Saturday, May 29, 2010. For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in). **Annexure I** **(i) 'Auto Pay-in Instructions Status Download':** Clearing Members (CMs) can download status of instructions with respect to digitally signed instructions submitted through ***SPEED-e*** facility to debit the demat accounts of Clients and credit their pool accounts. This new feature will facilitate CMs to ascertain the status of the instructions and if required make follow-up with their Clients. Example; if the downloaded file has instructions in overdue status i.e., 'Waiting for balances' on account of shortages of securities in the Client's account, CMs can ascertain the status and make follow up with their Clients accordingly. CMs will be required to click on the link named 'Auto Pay-in Instructions status Download' as exhibited below and enter either the batch number or date range to download the status of uploaded instructions *(auto pay-in)*. The downloaded file would be zipped using 'WinZip'. Participants will be required to unzip the file and save the same in their desired folder. File formats and a sample file are enclosed at Annexure A. 

(ii) POA Client List Download :

CMs can download list of its Clients that are currently registered for **SPICE**. CMs will be required to click on the link named 'POA Client List Download' as exhibited below. The downloaded file would be zipped using 'WinZip'. Participants will be required to unzip the file and save the same in their desired folder. The status of the Clients would be displayed as 'Accepted' in the downloaded file provided Participants *(where Clients have their demat accounts)* have registered *(uploaded acceptance file)* the Client for **SPICE**. File formats and a sample file are enclosed at Annexure B.



Annexure A

File formats for 'Auto-Payin Instructions status Download':

HEADER RECORD

Sr. No.	Field	Description
1	CM BP ID	
2	User ID	
3	Number of records in file	
4	Timestamp of creation of file	Ddmmyyyyhhmmss format e.g.:01042010142558

DETAILED RECORD

Sr. No.	Field	Description
1	Batch ID	Max 8 Integers
2	TXN Number	Max 15 integers
3	SPEED-e Instruction ID	Max 15 integers
4	DPM Instruction Id	Max 15 integers
5	CM ID	
6	DP ID	
7	Client ID	
8	POA ID	Max 8 Integers
9	ISIN	Max 12 characters
10	Market type	Max 24 characters
11	Settlement Number	Max 7 characters

12	Execution Date	dd-MMM-yyyy format e.g. 30-Mar-2010
13	Requested Quantity	Decimal with Max size 16 e.g.: 123451234512.500
14	Settled Quantity	Decimal with Max size 16 e.g.: 123451234512.500
15	Status	2 characters
16	Rejection reason 1	Max 5 Integers
17	Rejection reason 2	Max 5 Integers
18	Rejection reason 3	Max 5 Integers
19	Rejection reason 4	Max 5 Integers
Note : Field details would be 'Charat' separated		
Status Code and Description:		
CODE	**Description**	
00	Rejected at DP	
03	Withheld by DP in Backoffice	
04	Rejected by DP in its Backoffice	
10	Received by SPEED-e	
11	Received by DP	
13	Received by DP	
20	Instruction sent to other depository	
21	Instruction sent to other depository	
31	Received by DP	
32	Received by DP	
33	Waiting for Counter-Party Instruction	
34	Received by DP	
35	Closed Partially Settled	
37	Received by DP	
38	Transferred	
40	Waiting for Balances	
41	Waiting for Balances	
51	Transferred to CC	
53	Failed	
54	Rejected	
55	Cancelled by DP	
56	Cancelled by Clearing Corporation	
57	Cancelled due to ACA	
99	Updated by DP	

Rejection Reason Code:

Rejection Reason Code:	Description
3045	ISIN not in valid status
3121	Stlm date not equal to system stlm run date
3166	Cancelled - Overdue status
3167	Cancelled - Not matched status
3182	SI rejected; invalid client id
3801	Invalid client status
61715	Isin does not exist
9703	Rejected due to ACA
3801	Invalid client status
3334	ADO Exec date is before the instruction execution
3333	ACA Exec date is same as the instruction execution
5013	Invalid Market Details
5046	Your instruction has been received beyond the acceptance deadline
5058	Invalid Other Depository ID.
5059	The ISIN is Partially Freezed.
5060	Invalid Target/Source Market Details combination
5061	The Source and Target CM Ids cannot be the same
5062	Invalid CM Id & Market Details Combination
5015	Qty should not be in decimals
5045	Execution date cannot be Sunday
5003	Invalid Execution Date
5058	Invalid Other Depository ID
5014	Quantity should be greater than zero and less than 999999999999.999
5002	ISIN does not exist
5021	Pay In Date is Less Than Exec Date
7070	DP holiday
7071	CDSL holiday
5090	You cannot submit an instruction of current execution date after 6 pm IST from Monday to Friday and 3 pm IST on Saturday”

N000001	CM_USER	4	28052010115649															
7223747	2.09E+08	99661140	12345678	IN000001	IN000000	12589666	12345678	INE784A01011	ROLLING MKT LOT	809184	29-May-10	10	0	13	0	0	0	0
7223747	2.09E+08	99661150	12345678	IN000001	IN000000	12589666	12345678	INE784A01011	ROLLING MKT LOT	809184	29-May-10	10	0	10	0	0	0	0
7223747	2.09E+08	99661156	12345678	IN000001	IN000000	12589666	12345678	INE784A01011	ROLLING MKT LOT	809184	29-May-10	10	10	51	0	0	0	0
7223747	2.09E+08	99661136	12345678	IN000001	IN000000	53534534	12345678	INE784A01011	ROLLING MKT LOT	809184	29-May-10	10	0	99	3045	0	0	0

Annexure B				
File formats for 'POA Client List Download':				
HEADER				
Sr. No.	**Field**		**Description**	
1	CM BP ID			
2	User ID			
3	Number of records in file			
4	Timestamp of creation of file		Ddmmyyyyhhmmss format e.g.:01042010142558	
RECORD				
Sr. No.	**Field**		**Description**	
1	CM BP ID			
2	DP ID		DP ID of the Client	
3	Client ID			
4	Current Status		Accepted	
5	POA ID		Default 8 spaces	
IN000001	CM_USER	12	28052010124302	
IN000001	IN000000	42042043	Accepted	1
IN000001	IN000000	42042143	Accepted	1
IN000001	IN000000	42042943	Accepted	1
IN000001	IN000000	11001915	Accepted	1
IN000001	IN000000	10000001	Accepted	12345678
IN000001	IN000000	76576857	Accepted	0
IN000001	IN000000	10000015	Accepted	1010
IN000001	IN000000	19870203	Accepted	100
IN000001	IN000000	46453453	Accepted	0
IN000001	IN000000	19410002	Accepted	18400003
IN000001	IN000000	19410003	Accepted	18400003
IN000001	IN000000	19410004	Accepted	18400003

Circular No : NSDL/POLICY/SPEED-e/ 2010/0008 Date: May 26, 2010	***Sub: Execution date based download of instructions from SPEED-e*** All Participants are hereby informed that based on the representations received from Participants, ***SPEED-e*** facility has been enhanced whereby pending instructions can be downloaded based on an execution date. The regular download i.e., download of all instructions pending for download will continue to be operative. Post version release, Participants will have the flexibility to download instructions by either selecting the execution date or through regular download. The process flow and important instructions are enclosed at Annexure A. This feature will be released on ***SPEED-e*** facility on Saturday, May 29, 2010.

	For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel: (022) 2499 4361 (email: sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel: (022) 2499 4372 (email: rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel: (022) 2499 4479 (email: narayanv@nsdl.co.in).
Circular No : NSDL/POLICY/ SPEED-e/2010/0003 Date: March 9, 2010	***Sub: Incorporation of designated CM BP IDs of NSCCL and ICCL as Pre-notified accounts in SPEED-e facility*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2009/ 0116 dated December 5, 2009 regarding facility for holding Mutual Fund (MF) units in dematerialised form. To facilitate Clients *(Password based Users)* to submit instructions pertaining to MF units *(for redemption purpose)* through ***SPEED-e*** facility, designated CM BP IDs viz., IN565576 and IN619960 of National Securities Clearing Corporation Limited and Indian Clearing Corporation Limited respectively have been incorporated as pre-notified accounts in the ***SPEED-e*** facility. Clients will be able to transfer only MF units *(Security type code '20')* into these designated pre-notified pool accounts through ***SPEED-e*** facility. This feature is scheduled to be released on ***SPEED-e*** facility on March 13, 2010.
Circular No : NSDL/POLICY/ SPEED-e/2010/0001 Date: January 19, 2010	***Sub: Participant-wise deadline for submission of instructions with current date as the execution date on SPEED-e*** As all Participants are aware, the deadline time for submission of instructions through ***SPEED-e*** facility by Clients and Clearing Members (CMs) with current date as the execution date is upto 7:00 p.m. IST on weekdays and 3:00 p.m. IST on Saturdays. This deadline is uniformly applicable to all Participants. Based on the feedback received from Participants, Participants would be given the flexibility to decide their own deadlines for their Clients and CMs within a permissible range. The feature will be released on ***SPEED-e*** on Saturday, January 23, 2010. Salient features of this facility are as follows: (i) The current deadline time of 7.00 pm for submission of instructions with current date as execution date can be extended till **8.15 pm** or can be reduced till **6.00 pm** on weekdays. Similarly, the deadline time of 3.00 pm for submission of instructions on ***SPEED-e*** on Saturdays can be extended till **4.15 pm** or can be reduced till **1.30 pm**. The deadline time for submission of inter depository delivery instructions on ***SPEED-e*** on weekdays and Saturdays will remain unchanged. (ii) To avail this feature, Participants will be required to submit a written request [*duly authorized by the Compliance Officer of the Participant stating the Participant name, DP ID and the deadline time to be set-up on **SPEED-e** as mentioned in point no. (i) above]* to ***SPEED-e*** cell of NSDL at least one day in advance, i.e. prior to the effective date for extending / reducing the deadline time on ***SPEED-e*** for submission of instructions by their Clients and CMs with current date as the execution date on weekdays and / or Saturdays. (iii) The request letter should be addressed to: ***SPEED-e*** Cell National Securities Depository Limited Trade World, A-Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. Tel : (022) 2499 4200 • Fax : (022) 2497 2993

(iv) Upon receipt of the request from the Participant, NSDL will set-up the deadline time on ***SPEED-e*** system. The deadline time once set-up on ***SPEED-e*** system will continue with revised deadline time till request to make changes to the same is received from the Participant.

(v) Pursuant to the release of this feature, the current deadline time for submission of instructions with current date as the execution date on ***SPEED-e*** i.e., 7.00 pm for weekdays and 3.00 pm for Saturdays will continue to be effective till request to make changes to the deadline time *(in the manner mentioned above)* is received from Participants.

For more information / clarification, Participants are requested to contact the following officials:

Name of the official	Telephone Number	Email address
Ms. Kirti Samant	(022) 2499 4424	kirtis@nsdl.co.in
Mr. Sandeep Kumar	(022) 2499 4361	sandeepk@nsdl.co.in
Mr. Rahul Gupta	(022) 2499 4372	rahulg@nsdl.co.in
Mr. Narayan Venkat	(022) 2499 4479	narayanv@nsdl.co.in

Circular No : NSDL/POLICY/ 2009/0126
Date: December 31, 2009

Sub: Launch of SPICE (Submission of Power of attorney based Instructions for Clients Electronically) on ***SPEED-e / IDeAS***

All Participants are hereby informed about the introduction of a facility for auto pay-in of securities named **SPICE** ***(Submission of Power of attorney based Instructions for Clients Electronically)*** using the infrastructure of ***SPEED-e*** and ***IDeAS***. The details of the facility are given below:

(I) Introduction :

This facility is in respect of demat accounts operated on the basis of Power of Attorney (POA). Many investors execute POA in favour of their stock brokers *(i.e. Clearing Members)* and advise their Participants accordingly. Based on the POA, Clearing Members (CMs) submit instructions *(auto pay-in)* to the Participants *(where Clients maintain demat accounts)* to debit the demat accounts of the Clients. **SPICE** would enable such CMs to submit digitally signed instructions to Participant through the ***SPEED-e*** facility thereby eliminating the need to give paper based delivery instructions to the Participants.

(II) Process :

a) CMs can set up registration requests in respect of their Clients *(who have given POA in their favour)* on ***SPEED-e***.

b) Registration requests can be confirmed by the Clients' Participant through ***SPEED-e*** or ***IDeAS*** *(if not subscribed for **SPEED-e** facility)*.

c) Upon confirmation by the Clients' Participant, the Client accounts get registered for the **SPICE** facility.

d) After Clients are registered for this facility, CM can submit digitally signed instructions to debit the demat accounts of Clients and credit its pool account through ***SPEED-e*** facility.

e) Participants of the Clients *(where Clients maintain demat accounts)* will download these instructions and import it into their DPM system for execution.

(III) Pre-requisites:

Entities	Subscription to	Remark
Clearing Member	***SPEED-e***	Client should have given POA in favour of the CM for submission of instructions.
Participant of the CM	***SPEED-e***	-
Client (beneficiary accountholder)	-	Must have given POA in favour of the CM and POA must have been submitted to the Participant.
Participant of the Client	Either ***SPEED-e*** *or* ***IDeAS***	Must have taken the POA *(given by Clients in favour of the CM)* documents in its records.

(IV) Registration:

The Participant of the CM *(where the CM maintains the CM Pool Account)* and the CM should have subscribed for the ***SPEED-e*** facility for availing the facility of **SPICE**. In case the CM has not subscribed for ***SPEED-e*** facility, the CM will be required to register on ***SPEED-e*** by following the existing process.

CMs who wish to avail **SPICE** facility *(existing as well as new subscribers of **SPEED-e**)* will be required to submit an application as per Annexure 1 (enclosed) to their Participants *(subscribed for **SPEED-e** facility)*. Clients of such CMs should have given Power of Attorney (POA) in favour of the CM and POA documents must be in the records of the Participants where the Clients are maintaining their demat accounts. Participants of the CM will be required to forward Annexure 1 *(duly authorized by their Compliance Officer)* to NSDL for activating the **SPICE** facility for their CMs.

In case CMs shift their CM Pool Accounts, then such CMs will be required to re-register their Clients and follow the procedures mentioned above.

(V) Workflow:

Workflow enclosed at Annexure A.

(VI) Back office file formats:

Back office file formats for CMs and Participants enclosed at Annexure B. Further, the file formats will be displayed on ***SPEED-e*** website and NSDL SQLASSIST intranet site (https://sqlassist). Participants are also requested to inform their CMs about the new file formats.

(VII) Charges :

Particulars	Charges payable
Client	Free
Participant	Free
CM	No additional charges for CMs for availing **SPICE** facility. The existing charge of Rs.125 payable per quarter towards subscription for ***SPEED-e*** will continue.

For more information / clarification, Participants are requested to contact the following officials :

Name of the official	Telephone Number	Email address
Mr. Yogesh Parve	(022) 2499 4490	yogeshp@nsdl.co.in
Mr. Sandeep Kumar	(022) 2499 4361	sandeepk@nsdl.co.in
Mr. Narayan Venkat	(022) 2499 4479	narayanv@nsdl.co.in

Annexure 1

(Draft application to be given on the letter head of the Clearing Member to its Depository Participant)

Date :

Name of the Compliance Officer

DP Name (DP ID)

Address

Dear Sir/Madam,

We wish to subscribe our Clearing Member (CM) Account for **SPICE** *(**S**ubmission of **P**ower of attorney based **I**nstructions for **C**lients **E**lectronically)* facility which will facilitate us to submit instructions on behalf of Clients *(who have given Power of Attorney in favour of us)* on ***SPEED-e***. We agree that if any securities are moved to our CM Pool Account which are not due to us for any reasons including but not limited to an error or fraud, we undertake to immediately return the securities to the Client. The details of our account are as under:

CM-BP-ID	I	N						

Yours faithfully,

(Authorised Signatories)

To be signed by the current authorized signator(ies) of the Clearing Member

==========

Authorisation

Received an application for subscription for **SPICE** facility from _____(name of the Clearing member) having CM BP ID IN_____. The application form has been verified with respect to the mentioned CM account and certified that the same is in order. We request NSDL to activate the CM for **SPICE** facility.

Name of the Compliance Officer _____

Signature of the Compliance Officer : _____

Date: ___/___/_____ (Stamp of the DP)

DD MM YYYY Place_____

Annexure 2 SPEED-e
File formats

DPMWEB Import

Header Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
Filler	Character	6	15	O	Can be used for branch code in future
DP Id	Character	8	23	M	
DP Role	Integer	2	25	M	
Total number of Detail Records	Integer	5	30	M	
Sender Date	Date	8	38	M	
Sender Time	Character	4	42	M	
Sender User Id	Character	8	50	O	
Filler	Character	4	54	O	Not in use
URL Registration No	Integer	5	59	M	
		Total	**59**		

Trailer Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Trailer Record (19)
Filler	Character	6	15	O	Can be used for branch code in future
CM pool Delivery Qty	Decimal	15	30	O	12+3 without decimal point
Filler	Decimal	15	45	O	Not in Use
Filler	Decimal	15	60	O	Not in Use
DFP Instruction Total Qty	Decimal	15	75	O	12+3 without decimal point
Filler	Decimal	15	90	O	Not in Use
Delivery Out Instruction Total Qty	Decimal	15	105	O	12+3 without decimal point
Inter Settlement Instruction Total Qty	Decimal	15	120	O	12+3 without decimal point
Filler	Decimal	15	135	O	Not in Use
Filler	Decimal	15	150	O	Not in Use
Filler	Decimal	15	165	O	Not in Use
Filler	Decimal	15	180	O	Not in Use
Irreversible Delivery Out Total Qty	Decimal	15	195	O	12+3 without decimal point
Inter Depository Transfer DFP	Decimal	15	210	O	12+3 without decimal point
Filler	Decimal	15	225		Not in Use
Filler	Decimal	15	240	O	Not in Use
Filler	Character	7	247	O	Not in Use
Grand Total of Qty	Decimal	15	262	M	12+3 without decimal point
		Total	262		

Inter Transfer Instruction(DFP) (904)

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	

Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	904
Transaction Flag	Character	1	18	M	It should be 'A' for all orders
Filler	Character	7	25	O	Not in Use
Client Id	Integer	8	33	M	
ISIN	Character	12	45	M	
Quantity	Decimal	15	60	M	12+3 without decimal point
Filler	Character	10	70	O	
Market Type	Integer	2	72	O	
Settlement Number	Character	7	79	O	
Execution Date	Date	8	87	M	
Filler	Character	6	93	O	Not in Use
Other DP Id	Character	8	101	M	
Other Client Id	Integer	8	109	O	Required only if target client is House/NonHouse i.e. CM BP Id is not present
Filler	Integer	2	111	O	For POA instruction submiteed by CM filler is '11'. For CC filler is '12'.
Other CM BP Id	Character	8	119	O	Required only if target is a CM
Filler	Character	9	128	O	Not in Use
Internal Reference Number/ Remarks	Character	20	148	O	Remarks
Sender Reference Number 1	Character	35	183	O	
Sender Reference Number 2	Character	35	218	O	
Internet Transaction Id	Integer	15	233	O	Added for Internet Transaction ID,
Internet Instruction ID	Integer	15	248	M	Added for Internet Instruction ID,
Consideration	Character	15	263	M	Required only if target client is House/NonHouse i.e. CM BP Id and settlement number are not present and market type is 00.
Reason/Purpose	Character	20	283	M	Required only if target client is House/NonHouse i.e. CM BP Id and settlement number are not present and market type is 00.
Routing Indicator	Integer	2	285	M	00 in case of SPEED-e batch 01,02,03,04,05 - in case routed through BO
Filler	Character	28	313	O	Not in Use
		Total	**313**		
Delivery Out Instruction (906)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	906
Transaction Flag	Character	1	18	M	It should be 'A' for all orders
Filler	Character	7	25	O	Not in Use

Client Id	Integer	8	33	M	
ISIN	Character	12	45	M	
Quantity	Decimal	15	60	M	12+3 without decimal point
Filler	Character	10	70	O	
Market Type	Integer	2	72	M	
Settlement Number	Character	7	79	M	
Execution Date	Date	8	87	M	
Filler	Character	41	128	O	Not in Use
Internal Reference Number/ Remarks	Character	20	148	O	Remarks
Sender Reference Number 1	Character	35	183	O	
Sender Reference Number 2	Character	35	218	O	
Internet Transaction Id	Integer	15	233	O	Added for Internet Transaction ID,
Internet Instruction ID	Integer	15	248	M	Added for Internet Instruction ID,
Filler	Character	35	283	O	Not in use (Fillers Added in the place of Consideration & Reason/purpose, for keeping the length of detail record in Download file same)
Routing Indicator	Integer	2	285	M	00 in case of SPEED-e batch 01, 02, 03,04,05 - in case routed through BO
Filler	Character	28	313	O	Not in Use
		Total	313		
Inter Settlement Transfer Instruction (907)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	907
Transaction Flag	Character	1	18	M	It should be 'A' for all orders
Filler	Character	7	25	O	Used for pledge closure/invocation
Client Id	Integer	8	33	M	
ISIN	Character	12	45	M	
Quantity	Decimal	15	60	M	12+3 without decimal point
Filler	Character	10	70	O	
Market Type	Integer	2	72	M	
Settlement Number	Character	7	79	M	
Execution Date	Date	8	87	M	
Filler	Character	32	119	O	
Other Market Type	Integer	2	121	M	
Other Settlement Number	Character	7	128	M	
Internal Reference Number/ Remarks	Character	20	148	O	Remarks
Sender Reference Number 1	Character	35	183	O	
Sender Reference Number 2	Character	35	218	O	
Internet Transaction Id	Integer	15	233	O	Added for Internet Transaction ID,

Internet Instruction ID	Integer	15	248	M	Added for Internet Instruction ID,
Filler	Character	35	283	O	Not in use (Fillers Added in the place of Consideration & Reason/purpose, for keeping the length of detail record in Download file same)
Routing Indicator	Integer	2	285	M	00 in case of SPEED-e batch 01,02,03,04,05 - in case routed through BO
Filler	Character	28	313	O	Not in Use
		Total	313		

Irreversible Delivery Out Instruction (912)

Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	912
Transaction Flag	Character	1	18	M	It should be 'A' for all orders
Filler	Character	7	25	O	Not in Use
Client Id	Integer	8	33	M	
ISIN	Character	12	45	M	
Quantity	Decimal	15	60	M	12+3 without decimal point
Filler	Character	10	70	O	
Market Type	Integer	2	72	M	
Settlement Number	Character	7	79	M	
Execution Date	Date	8	87	M	
Filler	Character	6	93	O	
Irreversible Reason Code 1	Integer	4	97	O	
Irreversible Reason Code 2	Integer	4	101	O	
Irreversible Reason Code 3	Integer	4	105	O	
Irreversible Reason Code 4	Integer	4	109	O	
Filler	Character	19	128	O	Not in Use
Internal Reference Number/ Remarks	Character	20	148	O	Remarks
Sender Reference Number 1	Character	35	183	O	
Sender Reference Number 2	Character	35	218	O	
Internet Transaction Id	Integer	15	233	O	Added for Internet Transaction ID,
Internet Instruction ID	Integer	15	248	M	Added for Internet Instruction ID,
Filler	Character	35	283	O	Not in use (Fillers Added in the place of Consideration & Reason/purpose, for keeping the length of detail record in Download file same)
Routing Indicator	Integer	2	285	M	00 in case of SPEED-e batch 01, 02, 03, 04,05 - in case routed through BO
Filler	Character	28	313	O	Not in Use
		Total	313		

CM pool to pool transfer(934)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	934
Transaction Flag	Character	1	18	M	It should be 'A' for all orders
Filler	Character	7	25	O	Not in Use
Client Id	Integer	8	33	M	
ISIN	Character	12	45	M	
Quantity	Decimal	15	60	M	12+3 without decimal point
Filler	Character	10	70	O	
Market Type	Integer	2	72	O	
Settlement Number	Character	7	79	O	
Execution Date	Date	8	87	M	
Filler	Character	6	93	O	Not in Use
Other DP Id	Character	8	101	O	
Other Client Id	Integer	8	109	O	Required only if target client is House/NonHouse i.e. CM BP Id is not present
Filler	Integer	2	111	O	
Other CM BP Id	Character	8	119	M	Required only if target is a CM
Other Market Type	Integer	2	121	O	
Other Settlement Number	Character	7	128	O	
Internal Reference Number/ Remarks	Character	20	148	O	Remarks
Sender Reference Number 1	Character	35	183	O	
Sender Reference Number 2	Character	35	218	O	
Internet Transaction Id	Integer	15	233	O	Added for Internet Transaction ID, earlier not in use
Internet Instruction ID	Integer	15	248	M	Added for Internet Instruction ID, earlier not in use
Filler	Character	35	283	O	Not in use (Fillers Added in the place of Consideration & Reason/purpose, for keeping the length of detail record in Download file same)
Routing Indicator	Integer	2	285	M	00 in case of SPEED-e batch 01, 02, 03, 04, 05 - in case routed through BO
Filler	Character	28	313	O	Not in Use
		Total	313		
Detail record for Inter Transfer Instruction (925)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	925
Transaction Flag	Character	1	18	M	It should be 'A' for all orders

Filler	Character	7	25	O	Not in Use
Client Id	Integer	8	33	M	
ISIN	Character	12	45	M	
Quantity	Decimal	15	60	M	12+3 without decimal point
Filler	Character	10	70	O	
Market Type	Integer	2	72	O	
Settlement Number	Character	7	79	O	
Execution Date	Date	8	87	M	
Filler	Character	6	93	O	Not in Use
Other Client Code	Character	16	109	M	
Filler	Integer	2	111	O	
Other Depository Id	Character	8	119	M	IN000026
Filler	Character	9	128	O	
Internal Reference Number/ Remarks	Character	20	148	O	Remarks
Sender Reference Number 1	Character	35	183	O	
Sender Reference Number 2	Character	35	218	O	
Internet Transaction Id	Integer	15	233	O	Added for Internet Transaction ID, earlier not in use
Internet Instruction ID	Integer	15	248	M	Added for Internet Instruction ID, earlier not in use
Consideration	Character	15	263	M	Required only if target client is House/ NonHouse i.e. settlement number is not present and market type is 00.
Reason / Purpose	Character	20	283	M	Required only if target client is House / NonHouse i.e. settlement number is not present and market type is 00.
Routing Indicator	Integer	2	285	M	00 in case of SPEED-e batch 01, 02, 03, 04, 05 - in case routed through BO
Other Settlement Details	Integer	13	298	O	
Filler	Character	15	313	O	Not in Use
		Total	313		

when URL 90001	Routing Indicator	BackOffice
	02	Captured
	01	Captured and VR
	03	With held with DP
	04	Rejected
	05	Only VR

when URL 10001	Routing Indicator	Speede
	Always 00	Capture and VR

Response File

Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
File begin Indicator	Character	2	2	M	It should be '{}' by default
Header Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)

Filler	Character	6	15	O	Can be used for branch code in future
DP Id	Character	8	23	M	
DP Role	Integer	2	25	M	
Batch Acceptance Status	Character	1	26	M	A-Successful Verification Release, R- Failure during Verification- Release
Total number of Detail Records	Integer	5	31	M	
Business Date	Date	8	39	M	YYYYMMDD
Sender User Id	Character	8	47	O	
Filler	Character	9	56	O	Not in use
URL Registration No	Integer	5	61	M	
	Total		61		

Detail Record (904, 906,907)

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Character	3	17	M	
Transaction Flag	Character	1	18	M	
Instruction Id	Integer	9	27	M	Instruction id generated by DPM.
Internal Reference Number	Character	20	47	O	
Sender Reference Number 1	Character	35	82	O	
Sender Reference Number 2	Character	35	117	O	
Internet Transaction Id	Integer	15	132	O	Added for Internet Transaction ID, earlier not in use
Internet Instruction ID	Integer	15	147	M	Added for Internet Instruction ID, earlier not in use
Order Status	integer	2	149	M	List given below.
Status change date time	Date time	14	163	M	System date time
Filler	Integer	7	170	O	Can be used to represent Original Order Reference Number for pledge closure, pledge invocation, closure confirmation and invocation confirmation. Also can be used for SLB - Lend and Borrow
Client Id	Integer	8	178	M	
ISIN	Character	12	190	M	
Quantity	Decimal	15	205	M	12+3 without decimal point (for manual and automatic Delivery Out, quantity executed, i.e. sent to DM)
Filler	Character	2	207	O	Can be used to represent lock-in code
Filler	Character	8	215	O	Can be used to represent lock-in reason
Market Type	Integer	2	217	O	
Settlement Number	Character	7	224	O	
Execution Date/Closure Date	Date	8	232	O	Execution date for account transfer/ DO /Corporate Action/inter settlement, Closure Date for Pledging and Hypothecation (Pledgor, Pledgee) and SLB
Filler	Character	6	238	O	Can be used for branch code in future

Other DP Id/Related DP Id	Character	8	246	O	Applicable in case of DFP/ RFP/ Pledge/SLB. Related DP Id for NSDL transfer instruction
Other Client Id/No. of certificates	Integer	8	254	O	Applicable in case of DFP/ RFP/Intra transfer/Pledge/ Demat/ Remat/ SLB.
Filler	Integer	2	256	O	For POA instruction submiteed by CM filler is '11'. For CC filler is '12'.
Other CM BP Id	Character	8	264	O	only for DFP/RFP subject to other a/c is of CM
Other Market Type	Integer	2	266	O	Applicable in case of Inter Settlement transfer
Other Settlement Number	Character	7	273	O	Applicable in case of Inter Settlement transfer
Filler	Character	20	293	O	Can be used to represent agreement no which is mandatory for pledge/SLB instruction
Rejection reason code 1	Integer	5	298	O	
Rejection reason code 2	Integer	5	303	O	
Rejection reason code 3	Integer	5	308	O	
Rejection reason code 4	Integer	5	313	O	
Routing Indicator	Integer	2	315	M	00 in case of SPEED-e batch 01, 02, 03, 04, 05 - in case routed through BO
Filler	Character	8	323	O	
	Total		323		
Detail Record (912- Irreversible Delivery Out)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Character	3	17	M	
Transaction Flag	Character	1	18	M	
Instruction Id	Integer	9	27	M	
Internal Reference Number	Character	20	47	O	
Sender Reference Number 1	Character	35	82	O	
Sender Reference Number 2	Character	35	117	O	
Internet Transaction Id	Integer	15	132	O	Added for Internet Transaction ID, earlier not in use
Internet Instruction ID	Integer	15	147	M	Added for Internet Instruction ID, earlier not in use
Order Status	integer	2	149	M	List given below.
Status change date time	Date time	14	163	M	System date time
Filler	Integer	7	170	O	

Client Id	Integer	8	178	M	
ISIN	Character	12	190	M	
Quantity	Decimal	15	205	M	12+3 without decimal point (for manual and automatic Delivery Out, quantity executed, i.e. sent to DM)
Filler	Character	10	215	O	
Market Type	Integer	2	217	O	
Settlement Number	Character	7	224	O	
Execution Date	Date	8	232	O	
Filler Irreversible Reason Code 1	Character Integer	6 4	238 242	O	Can be used for branch code in future
Irreversible Reason Code 2	Integer	4	246		
Irreversible Reason Code 3	Integer	4	250		
Irreversible Reason Code 4	Integer	4	254		
Filler	Character	19	273		
Filler	Character	20	293	O	
Rejection reason code 1	Integer	5	298	O	
Rejection reason code 2	Integer	5	303	O	
Rejection reason code 3	Integer	5	308	O	
Rejection reason code 4	Integer	5	313	O	
Routing Indicator	Integer	2	315	M	00 in case of SPEED-e batch 01, 02, 03, 04, 05 - in case routed through BO
Filler	Character	8	323	O	
	Total		323		
Detail Record (934 CM pool to pool)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Character	3	17	M	
Transaction Flag	Character	1	18	M	
Instruction Id	Integer	9	27	M	Instruction id generated by DPM.
Internal Reference Number	Character	20	47	O	
Sender Reference Number 1	Character	35	82	O	
Sender Reference Number 2	Character	35	117	O	
Internet Transaction Id	Integer	15	132	O	Added for Internet Transaction ID, earlier not in use
Internet Instruction ID	Integer	15	147	M	Added for Internet Instruction ID, earlier not in use
Order Status	integer	2	149	M	List given below.<00>
Status change date time	Date time	14	163	M	System date time<null>

Filler	Integer	7	170	O	Can be used to represent Original Order Reference Number for pledge closure, pledge invocation, closure confirmation and invocation confirmation. Also can be used for SLB - Lend and Borrow
Client Id	Integer	8	178	M	
ISIN	Character	12	190	M	
Quantity	Decimal	15	205	M	12+3 without decimal point (for manual and automatic Delivery Out, quantity executed, i.e. sent to DM)
Filler	Character	2	207	O	Can be used to represent lock-in code
Filler	Character	8	215	O	Can be used to represent lock-in reason
Market Type	Integer	2	217	O	List given below
Settlement Number	Character	7	224	O	
Execution Date/Closure Date	Date	8	232	O	Execution date for account transfer/ DO /Corporate Action/inter settlement, Closure Date for Pledging and Hypothecation (Pledgor, Pledgee) and SLB
Filler	Character	6	238	O	Can be used for branch code in future
Filler	Character	8	246	O	Applicable in case of DFP/ RFP/ Pledge/SLB. Related DP Id for NSDL transfer instruction
Filler	Integer	8	254	O	Applicable in case of DFP/ RFP/Intra transfer/Pledge/ Demat/ Remat/ SLB.
Filler	Integer	2	256	O	
Other CM BP Id	Character	8	264	O	only for DFP/RFP subject to other a/c is of CM
Other Market Type	Integer	2	266	O	Applicable in case of Inter Settlement transfer
Other Settlement Number	Character	7	273	O	Applicable in case of Inter Settlement transfer
Filler	Character	20	293	O	Can be used to represent agreement no which is mandatory for pledge/SLB instruction
Rejection reason code 1	Integer	5	298	O	
Rejection reason code 2	Integer	5	303	O	
Rejection reason code 3	Integer	5	308	O	
Rejection reason code 4	Integer	5	313	O	
Routing Indicator	Integer	2	315	M	00 in case of SPEED-e batch 01, 02, 03, 04, 05 - in case routed through BO
Filler	Character	8	323	O	
	Total		323		
Detail Record (925 Inter-Depository)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	

Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Character	3	17	M	
Transaction Flag	Character	1	18	M	
Instruction Id	Integer	9	27	M	Instruction id generated by DPM.
Internal Reference Number	Character	20	47	O	
Sender Reference Number 1 Sender Reference Number 2	Character Character	35 35	82 117	O O	
Internet Transaction Id	Integer	15	132	O	Added for Internet Transaction ID, earlier not in use
Internet Instruction ID	Integer	15	147	M	Added for Internet Instruction ID, earlier not in use
Order Status	integer	2	149	M	List given below.<00>
Status change date time	Date time	14	163	M	System date time<null>
Filler	Integer	7	170	O	Can be used to represent Original Order Reference Number for pledge closure, pledge invocation, closure confirmation and invocation confirmation. Also can be used for SLB - Lend and Borrow
Client Id	Integer	8	178	M	
ISIN	Character	12	190	M	
Quantity	Decimal	15	205	M	12+3 without decimal point (for manual and automatic Delivery Out, quantity executed, i.e. sent to DM)
Filler	Character	2	207	O	Can be used to represent lock-in code
Filler	Character	8	215	O	Can be used to represent lock-in reason
Market Type	Integer	2	217	O	
Settlement Number	Character	7	224	O	
Execution Date/Closure Date	Date	8	232	O	Execution date for account transfer/ DO / Corporate Action / inter settlement, Closure Date for Pledging and Hypothecation (Pledgor, Pledgee) and SLB
Filler	Character	6	238	O	Can be used for branch code in future
Other Client Code	Integer	16	254	O	
Filler	Integer	2	256	O	
Other Depository Id	Character	8	264	O	IN000026
Filler	Integer	2	266	O	Spaces
Filler	Character	7	273	O	Spaces
Other Settlement Details	Integer	13	286	O	
Filler	Character	7	293	O	Can be used to represent agreement no which is mandatory for pledge/SLB instruction
Rejection reason code 1	Integer	5	298	O	
Rejection reason code 2 Rejection reason code 3	Integer Integer	5 5	303 308	O O	

Rejection reason code 4	Integer	5	313	O	
Routing Indicator Filler	Integer Character	2 8	315 323	M O	00 in case of SPEED-e batch 01, 02, 03, 04, 05 - in case routed through BO
	Total		323		
Trailer Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Trailer Record (19)
Filler	Character	6	15	O	Can be used for branch code in future
CM pool Delivery Accepted Qty	Decimal	15	30	O	12+3 without decimal point
CM pool Delivery Rejected Qty	Decimal	15	45	O	12+3 without decimal point
Filler	Decimal	30	75	O	Not in Use
Filler	Decimal	30	105	O	Not in Use
DFP Instruction Accepted Qty	Decimal	15	120	O	12+3 without decimal point
DFP Instruction Rejected Qty	Decimal	15	135	O	12+3 without decimal point
Filler	Decimal	30	165	O	Not in Use
Delivery Out Instruction Accepted Qty	Decimal	15	180	O	12+3 without decimal point
Delivery Out Instruction Rejected Qty	Decimal	15	195	O	12+3 without decimal point
Inter Settlement Instruction Accepted Qty	Decimal	15	210	O	12+3 without decimal point
Inter Settlement Instruction Rejected Qty	Decimal	15	225	O	12+3 without decimal point
Filler	Decimal	30	255	O	Not in Use
Filler	Decimal	30	285	O	Not in Use
Filler	Decimal	30	315	O	Not in Use
Filler	Decimal	30	345	O	Not in Use
Irreversible Delivery Out Accepted Qty	Decimal	15	360	O	12+3 without decimal point
Irreversible Delivery Out Rejected Qty	Decimal	15	375	O	12+3 without decimal point
Inter Depository Delivery Accepted Qty	Decimal	15	390	O	12+3 without decimal point
Inter Depository Delivery Rejected Qty	Decimal	15	405	O	12+3 without decimal point
Filler	Decimal	30	435	O	Not in Use
Filler	Decimal	30	465	O	Not in Use
Filler	Character	7	472	O	Not in Use
Grand Total of Accepted Qty	Decimal	15	487	M	12+3 without decimal point
Grand Total of Rejected Qty	Decimal	15	502	M	12+3 without decimal point
	Total		502		
File end Indicator Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
File end Indicator	Character	2	2	M	It should be '{}' by default
when URL is 90001	Routing Indicator				Back Office
	02				Captured
	01				Captured and VR

	03				With held with DP
	04				Rejected
	05				Only VR
when URL is 10001	Routing Indicator				Speede
	Always 00				Capture and VR
Change Orders for the Day (COD)					
Description	Data Type	Size	End	Status	Remarks
File begin Indicator	Character	2	2	M	It should be '{}' by default
Header Record					
Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Header Record (11)
DP Id	Character	8	10	M	
Full/Incremental Flag	Character	1	11	M	F- Full, I - Incremental, Default to F
Last Export date and time	Date	14	25	O	Can be used to represent last export date and time in case of incremental import
Filler	Date	8	33	O	Not in use
Statement Preparation Date	Date	8	41	M	System Date
Statement Preparation Time	Time	6	47	M	System Time
Total number of Detail Records	Integer	9	56	M	
URL Registration No	Integer	5	61	M	
Filler	Character	9	70	O	Not in use
	TOTAL		70		
Detail Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Record Type	Integer	2	2	M	Detail Record (12)
Line Number	Integer	9	11	M	
Filler	Character	6	17	O	Can be used for branch code in future
Transaction Type	Integer	3	20	M	List given below
Transaction No.	Integer	9	29	M	Transaction number of DPM.
Order Status from	integer	2	31	M	List given below.
Order Status to	integer	2	33	M	List given below
Cancellation Status from	integer	2	35	M	List given below
Cancellation Status to	integer	2	37	M	List given below
Status change date time	Date time	14	51	O	System date time
Filler	Integer	7	58	O	May be used in future to represent original order reference no of pledge closure, pledge invocation, closure confirmation and invocation confirmation. It may also used for SLB.
ISIN	Character	12	70	M	
Requested Quantity	Decimal	15	85	M	12+3 without decimal point
Booked Quantity	Decimal	15	100	M	12+3 without decimal point (for manual and automatic Delivery Out, quantity executed, i.e. sent to DM)

Internet Transaction Id	Integer	15	115	O	Added for Internet Transaction ID, earlier not in use
Internet Instruction ID	Number	15	130	M	
Filler	Character	10	140	O	
	Total		140		
Trailer Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Record Type	Integer	2	2	M	Trailer Record (19)
Filler	Character	6	8	O	Can be used for branch code in future
Filler	Decimal	30	38	O	Not in Use
Filler	Decimal	30	68	O	Not in Use
Total CM pool Delivery Requested Qty	Decimal	15	83	O	12+3 without decimal point
Total CM pool Delivery Booked Qty	Decimal	15	98	O	12+3 without decimal point
Total DFP Instruction Requested Qty	Decimal	15	113	O	12+3 without decimal point
Total DFP Instruction Booked Qty	Decimal	15	128	O	12+3 without decimal point
Filler	Decimal	30	158	O	Not in Use
Total Delivery Out Instruction Requested Qty	Decimal	15	173	O	12+3 without decimal point
Total Delivery Out Instruction Booked Qty	Decimal	15	188	O	12+3 without decimal point
Total Inter Settlement Instruction Requested Qty	Decimal	15	203	O	12+3 without decimal point
Total Inter Settlement Instruction Booked Qty	Decimal	15	218	O	12+3 without decimal point
Filler	Decimal	30	248	O	Not in Use
Filler	Decimal	30	278	O	Not in Use
Filler	Decimal	30	308	O	Not in Use
Filler	Decimal	30	338	O	Not in Use
Total Irreversible Delivery Out Requested Qty	Decimal	15	353	O	12+3 without decimal point
Total Irreversible Delivery Out Booked Qty	Decimal	15	368	O	12+3 without decimal point
Filler	Decimal	30	398	O	Not in Use
Filler	Decimal	30	428	O	Not in Use
Filler	Decimal	30	458	O	Not in Use
Filler	Character	7	465	O	Not in Use
Grand Total of Requested Qty	Decimal	15	480	M	12+3 without decimal point
Grand Total of Booked Qty	Decimal	15	495	M	12+3 without decimal point
	Total		495		
File end Indicator Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
File end Indicator	Character	2	2	M	It should be '{}' by default

Annexure A Salient features of the facility and detailed work flow		
Sr. No.	**Work Flow**	**Reference no. of the file format as per Annexure B**
1	CM will register the Client IDs on SPEED-e on behalf of whom it wishes to submit instructions using Digital Signature Certificate (DSC) through upload link "Upload (POA Registration)"	1.1 - Client Registration by CM.
2	The status of the Client registration can be ascertained by the CM by downloading the response file through link "View status (POA Registration)".	1.2 - Response file for Client Registration.
3	Participants *(where the Client has the demat account)* will download the Client registration file (uploaded by CM) through ***SPEED-e*** / ***IDeAS (IDeAS*** *in case the Participant has not subscribed for* ***SPEED-e*** *facility}* website through link "Download (POA Registration)"	1.3 - Batch Download by Participant with respect to batch uploaded by CM for Client registration.
4	The downloaded file will carry the signature of NSDL. Participants will verify the file using signature verification utility (SVU). The SVU can be downloaded from ***SPEED-e / IDeAS*** website. Thereafter, the prescribed file as per 1.4 will be uploaded by Participants using DSC through link "Upload (POA Authorisation)". The file will contain details as to whether the Participant has accepted or rejected the Client registration for this facility. Participants should ensure that acceptance is provided only for those Clients *(on whose behalf the* *CM will be submitting instructions through* ***SPEED-e)*** who have given POA in favour of the CM.	1.4 - Batch Upload by Participant for accepting / rejecting the requests submitted by the CM.
5	Participants can ascertain the status of the records with respect to the file uploaded by them by downloading a response file through link "View Status (POA Authorisation)".	1.5 - View Response file
6	Once Clients are registered for this facility, CM can start submitting instructions on behalf of the Clients on ***SPEED-e*** through link "Upload Auto- Payin Instruction"	1.6 - Batch Upload by CM on behalf of Clients
7	Participants will download the instructions, verify it with the SVU and upload the same into the DPM System. For this purpose, a download link is provided on ***SPEED-e*** / ***IDeAS*** and necessary 'EXE' will be required to be loaded in the DPM system. A separate indicator to identify POA based instructions submitted by CMs is provided in the download instructions file.	Annexure 2
8	In case the Client revokes the POA then Participant should immediately ensure to upload rejection file on ***SPEED-e*** / ***IDeAS*** as the case may be and discontinue the facility for the Client. The requisite link to upload is "Upload (POA Authorisation)".	1.4 - Batch Upload by Participant for accepting / rejecting the requests submitted by the CM.

Annexure B

1.1 Batch Upload - Client registration by CM File begin Indicator Record

Description	Data Type	Size	End	Status	Remarks
File begin Indicator	Character	2	2	M	It should be '{}' by default
Header Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
CM BP ID	Character	8	17	M	
Total number of Detail Records	Integer	5	22	M	
Filler	Character	10	32	O	Default Spaces
	Total	32			
Detail record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (12)
Line Number	Integer	5	14	M	
DP Id	Character	8	22	M	
Client ID	Integer	8	30	M	
POA ID	Integer	8	38	O	
Filler	Character	12	50	O	Default spaces
	Total	50			
File end Indicator Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
File end Indicator	Character	2	2	M	It should be '{}' by default
1.2 Response file for Client Registration					
Header Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
CM BP ID	Character	8	17	M	
Total number of Detail Records	Integer	5	22	M	
Response Creation Date	Date	8	30	M	
Response Creation Time	Character	4	34	M	
Detail Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Flag	Character	1	15	M	
Instruction ID	Integer	15	30	M	
Instruction capture date time	Date time	14	44	M	System date time

Order Status	Character	2	46		
Rejection reason code 1 Rejection reason code 2	Integer Integer	5 5	51 56	O O	Default '00000' Default '00000'
Rejection reason code 3	Integer	5	61	O	Default '00000'
Rejection reason code 4	Integer	5	66	O	Default '00000'
Filler	Character	10	76	O	Default spaces
	Total	76			
Trailer Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			
1.3 Batch Download by Participant with respect to batch uploaded by CM for Client registration					
Header					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
DP Id	Character	8	17	M	
Total number of Detail Records	Integer	5	22	M	
File create Date	Integer	8	30	O	System Date
File create Time	Integer	4	34	O	System Time
	Total	34			
Detail Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14		
Client Id	Integer	8	22	M	
CM BP Id	Character	8	30	M	
POA ID	Integer	8	38	O	
Status	Character	1	39	M	S - Submitted
Filler	character	11	50	O	Default Spaces
	Total	50			
Trailer Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			
1.4 Batch Upload by Participant for accepting / rejecting the requests submitted by the CM.					
Header					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
DP Id	Character	8	17	M	
Total number of Detail Records	Integer	5	22	M	
File create Date	Integer	8	30	O	

File create Time	Integer	4	34	O	
	Total	34			
Detail Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14		
Client Id	Integer	8	22	M	
CM BP Id	Character	8	30	M	
POA ID	Integer	8	38	O	
Status	Character	1	39	M	A - Accepted
					R - Rejected
Filler	Character	11	50	O	Default Spaces
	Total	50			
Trailer Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)
Filler	Character	10	19	O	Default Spaces
	Total	19			
1.5 View Response file Header					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
DP ID	Character	8	17	M	
Total number of Detail Records	Integer	5	22	M	
Response Creation Date	Date	8	30	M	
Response Creation Time	Character	4	34	M	
Detail Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Flag	Character	1	15	M	
Internet Instruction ID	Integer	15	30	M	
Order Status	integer	2	32	M	
Instruction capture date time	Date time	14	46	M	System date time
Rejection reason code 1	Integer	5	51	O	Default '00000'
Rejection reason code 2	Integer	5	56	O	Default '00000'
Rejection reason code 3	Integer	5	61	O	Default '00000'
Rejection reason code 4	Integer	5	66	O	Default '00000'
Filler	Character	10	76	O	Default spaces
	Total	76			
Trailer Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record type	Character	2	9	M	Trailer Record (19)

Filler	Character	10	19	O	Default Spaces
	Total	19			
1.6 Batch Upload by CM on behalf of Clients					
File begin Indicator Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
File begin Indicator	Character	2	2	M	It should be '{}' by default
Header Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Header Record (11)
Filler	Character	6	15	O	Can be used for branch code in future.
CM BP ID / DP Id / CC Id	Character	8	23	M	
Total number of Detail Records	Integer	5	28	M	
Role	Character	2	30	O	Mandatory if batch has POA instructions. Role are as follows:-CM
	Total	30			
Detail record:-					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Detail Record (12)
Line Number	Integer	5	14	M	
Transaction Type	Integer	3	17	M	940 for Auto-Payin Instruction
Transaction Flag	Character	1	18	M	It should be A for all orders
Filler	Character	7	25	O	Not in Use
ISIN	Character	12	37	M	
Quantity	Decimal	15	52	M	12+3 without decimal point
Market Type	Integer	2	54	M	
Settlement Number	Character	7	61	M	
Execution Date	Date	8	69	M	
Source DP Id	Character	8	77	M	
Source Client Id	Integer	8	85	M	
Target CM BP Id	Character	8	93	M	
Filler	Character	1	94	O	Not in Use
Internal Reference Number/Remarks	Character	20	114	O	Remarks, Populate Reference Details as in CM BO
POA ID	Integer	8	122	O	
Filler	Character	22	144	O	Not in Use
	Total	144			

Trailer Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	7	7	M	
Record Type	Integer	2	9	M	Trailer Record (19)
Filler	Character	6	15	O	Default spaces
Filler	Decimal	15	30	O	Default 15 Zero's
Filler	Decimal	15	45	O	Default 15 Zero's
Filler	Decimal	15	60	O	Default 15 Zero's
DFP Instruction Total Qty	Decimal	15	75	O	12+3 without decimal point
Filler	Decimal	15	90	O	Default 15 Zero's
Delivery Out Instruction Total Qty	Decimal	15	105	O	12+3 without decimal point
Inter Settlement Instruction Total Qty	Decimal	15	120	O	12+3 without decimal point
Inter Depository Instruction Total Qty	Decimal	15	135	O	12+3 without decimal point
Auto - Payin Instruction Total Qty	Decimal	15	150	O	12+3 without decimal point
Filler	Decimal	15	165	O	Default 15 Zero's
Filler	Decimal	15	180	O	Default 15 Zero's
Irreversible Delivery Out Total Qty	Decimal	15	195	O	12+3 without decimal point
Pool to Pool Instruction Total Qty	Decimal	15	210	O	Default 15 Zero's
Filler	Decimal	15	225	O	Default 15 Zero's
Filler	Decimal	15	240	O	Default 15 Zero's
Filler	Character	7	247	O	Default spaces
Grand Total of Qty	Decimal	15	262	M	12+3 without decimal point
	Total	262			

Circular No : NSDL/POLICY/ 2009/0120
Date: December 7, 2009

Sub: Change in e-Token Specification for SPEED-e facility

As all Participants are aware, Participants and Clients who have subscribed to ***SPEED-e*** facility as e-Token User can access the ***SPEED-e*** website through digital signature certificate using the e-Token facility (*Ref.: Circular No. NSDL/ POLICY/2008/0013 dated March 3, 2008*). The specifications for e-Token were as given below:

e-Token	Aladdin e-Token
e-Token Memory Size Option	32K

The 32K memory is now upgraded to 72K memory and its cost is around Rs.1000 (which is same as the cost for 32K e-Token). Henceforth, Participants procuring e-Tokens are advised to procure the 72K e-Token. They should also advise the same to their Clients. Existing users who have 32K e-Token can continue to use the same.

For any clarification with respect to e-Token, Participants are requested to contact Mr. Ganesh Pawar / Mr. Rahul Mehta on 022-24994447/ 4456.

Circular No : NSDL/POLICY/ SPEED-e/ 2009/0008
Date: September 10, 2009

Sub: Facility of Inter Depository Delivery Instructions on SPEED-e

All Participants are hereby informed that facility to submit **Inter Depository Delivery Instructions (IDD)** on ***SPEED-e*** will commence on Saturday, September 12, 2009. In this regard, the deadline timings for submitting IDD instructions on ***SPEED-e*** will be as follows:

Particulars	Days	Timings
Deadline time for Clearing Members (CMs) / Clients (smart card / e-token Users) to submit instructions on SPEED-e with same day execution date	Weekdays (Monday to Friday)	5.00 pm
	Saturdays	1.30 pm

1) Clients and CMs can continue to submit future dated IDD instructions on ***SPEED-e*** after the aforesaid deadline time.
2) Participants should download at least one batch of instructions from ***SPEED-e*** after the aforesaid deadline time and ensure to upload the same into the DPM System before the prescribed deadline time for executing Inter Depository Transfer instructions i.e., 6.00 pm on weekdays and 2.30 pm on Saturdays.
3) Participants are requested to refer to NSDL Circular No. NSDL/POLICY/ SPEED-e/2009/0004 dated June 15, 2009 in regard to changes to the back office file formats.
   (i) Participants who route their ***SPEED-e*** instructions through back office system and thereafter upload the same into the DPM System are requested to be ready with the latest back office file formats by September 11, 2009 otherwise routing instruction through back office would not be feasible. Participants will then have to directly import instruction downloaded from ***SPEED-e*** into DPM system.
   (ii) Operations of ***SPEED-e*** remain unchanged for Participants who download instructions from ***SPEED-e*** and upload them directly into the DPM System.
4) If the back office file formats of Clients / CMs are not ready by the version release date i.e. September 12, 2009, they can still continue to submit instructions with the existing file formats with respect to the existing features available on ***SPEED-e*** *(i.e., Delivery-Out to Clearing Corporation, Inter-settlement, CM Pool to CM Pool and Delivery to Client in case of CMs and Delivery to CM and Delivery to Client in case of Clients)*.
5) New web-import utility will be provided to Participants in the Compact Disk (CD) containing DPM System Version 9.7 *(scheduled to be released on September 12, 2009, ref Circular No. NSDL/POLICY/2009/0081 dated September 5, 2009)*. Upon installing DPM System Version 9.7 in the DPM server, the new web-import will automatically get installed.

6) Clients (smart card / e-token Users) who wish to submit IDD instructions will be required to mention the 'Consideration' and 'Reasons/Purpose' *(ref Circular No. NSDL/POLICY/SPEED-e/2008/0007 dated December 13, 2008)*. These are mandatory fields in the ***SPEED-e*** system.

Alongwith the aforesaid launch, 'Pending Instruction' option *(under 'Inquiries')* has been enhanced which will facilitate Participant to view various types of instructions submitted by their CMs and Clients on ***SPEED-e*** which are pending for download. Upon entering the execution date, following details will be displayed:

Execution date	Instruction Type	Number of Pending Instructions	Number of Late Submissions

It may be noted that submission of IDT instruction through ***SPEED-e*** will be available for all smart card / e-token users of ***SPEED-e***. Further, ***SPEED-e*** will reflect the following status transition for IDT instruction submitted from ***SPEED-e***:

Actions initiated	**Various status of instructions displayed on *SPEED-e* for Clients / CMs**
Instruction submitted by Clients / CMs on ***SPEED-e***	Pending *(Instructions that are yet to be authorized)* / Received by ***SPEED-e***
Instruction downloaded by Participant	Received by DP
After instructions are uploaded by Participant on the DPM System	Accepted by NSDL
	Instruction Sent to other Depository
	Transferred
	Waiting for Balances
	Failed
	Canceled by DP
	Rejected at DP
	Rejected
	Withheld by DP in Backoffice
	Received by DP
	Rejected by DP in its Backoffice
	Updated By DP

For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in).

Circular No : NSDL/POLICY/ SPEED-e/2009/0004 Date: June 15, 2009	***Sub : Facility to submit Inter -Depository Delivery Instructions on SPEED-e*** All Participants are hereby informed that ***SPEED-e*** facility is being enhanced to include the feature of enabling investors / clearing members (CMs) to submit **Inter Depository Delivery (IDD)** instructions. This facility will be available only to Smart Card / E-token Users. IDD instructions can be submitted on interactive as well as batch mode basis. Participants who route their ***SPEED-e*** instructions through their back office and thereafter upload the same into the DPM System are requested to make necessary changes in their back office as highlighted in the enclosed file format at Annexure A by July 15, 2009. Changes in the existing file formats for Clients and CMs are enclosed at Annexure B which will also be displayed on the ***SPEED-e*** website. Participants are requested to inform their Clients / CMs about the new file formats. Even after the release of new version, Clients / CMs can upload other type of instructions in batch mode as per the existing file formats. For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in).
Circular No : NSDL/POLICY/ SPEED-e/2009/0003 Date: May 15, 2009	***Sub : View facility on SPEED-e for Participants in respect of off-market instructions submitted by Clients on SPEED-e*** A facility to view off-markets instructions *(submitted by smart card /e-token Users through **SPEED-e**)* on ***SPEED-e*** has been provided for Participants subscribed for ***SPEED-e*** facility. Participants are requested to follow the process enclosed at Annexure I for viewing the off-market instruction details. Participants can view off-market instruction details of past three months. For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar [Tel : (022) 2499 4361 / email : sandeepk@nsdl.co.in] / Mr. Rahul Gupta [Tel : (022) 2499 4372 / email : rahulg@nsdl.co.in]. **Annexure I** (i) Click on icon "View Off Market Transactions" under Inquiries. (ii) Make a search on all or any of the parameter(s) i.e.: ***(a)*** ***SPEED-e*** transaction no., (b) DP instruction no., (c) ISIN, (d) Client ID, (e) Execution date (From - To). (iii) Upon specifying the parameter(s), Participants can view details of off-market instructions such as source & target Client ID, ISIN, Quantity, DPM instruction number, *SPEED-e* transaction / instruction number, Consideration, Reasons / Purpose etc.

Circular No. NSDL/POLICY/ 2009/0027 Date: April 11, 2009	***Sub: Launch of Virtual Keyboard on IDeAS / SPEED-e websites to facilitate Users to enter password in more secured manner and change in minimum configuration for accessing IDeAS / SPEED-e websites*** All Participants are hereby informed that NSDL is pleased to announce the launch of virtual keyboard on ***IDeAS*** *(https://ideas.nsdl.com)* / ***SPEED-e*** *(https://speed-e.nsdl.com)* websites to facilitate Users to enter their password in a more secured manner. This feature is released on April 11, 2009. Salient features of Virtual Keyboard are as follows: (i) This feature is available for password based Users of ***IDeAS*** and ***SPEED-e*** facility and Clearing Members availing the facility of ***IDeAS*** using password based option (hereinafter referred as Users). (ii) Virtual keyboard will be made available for Users on ***IDeAS*** / ***SPEED-e*** websites to enter their password at the time of registration, login, reset of password, change of password and during auto-expiry of password. (iii) At present, Users enter their password using a physical keyboard for login to ***IDeAS*** / ***SPEED-e*** websites. Users will now have the choice to enter their password either using the physical keyboard or virtual keyboard (after enabling the check box - 'Use Virtual Keyboard'). (iv) Users will be required to enter the entire password (in toto) either using the physical keyboard or virtual keyboard for all the password fields provided on the screen. The minimum configuration of a PC for accessing ***IDeAS*** / ***SPEED-e*** websites has been revised as follows:

Operating System	Microsoft Windows 2000, Windows Server 2003, Windows XP and Windows Vista.
Browser	Microsoft Internet Explorer 6.0 and above.
RAM	512 MB

The above information about virtual keyboard will also be displayed on ***IDeAS / SPEED-e*** websites. Participants may guide their Clients in this regard.

For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in).

Circular No. NSDL/POLICY/ 2009/0025 Date: April 1, 2009	***Sub: Withdrawal of User fee for Users of IDeAS facility and reduction in annual fees for SPEED-e facility*** As all Participants are aware, NSDL's common internet facility called ***IDeAS*** facilitates investors to view latest balances and transactions in their depository accounts. ***SPEED-e*** facilitates Users (Beneficial Owners and Clearing Members) to submit delivery instructions on the internet. ***SPEED-e*** facilitates Participants to eliminate paper [Delivery Instruction Slips (DIS)] resulting in reduction in cost of storage and processing of DIS and the risk involved in verifying specimen signatures of account holders at the time of processing DIS.

Particulars	Existing Fees	Revised Fees
IDeAS		
User Fee	Rs.10 per quarter	Nil
SPEED-e		
Admission Fee	Rs. 6,00,000	Rs.2,00,000
Annual Fee	Rs.1,00,000 for main DPM set-up and Rs. 50,000 for every additional DPM set-up subject to a maximum of Rs 3,00,000.	Rs.25,000 irrespective of number of DPM set-ups

The revised fee structure and features of ***IDeAS*** and ***SPEED-e*** facilities are enclosed at Annexure I and Annexure II respectively.

For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in).

Annexure I

Fee structure for *IDeAS* and *SPEED-e* (for Participants)

Type of fee		Fee
IDeAS		
Admission fee	NIL	-
Annual Fee	Rs.10,000 for first DPM set-up and Rs.5,000 for every additional DPM set-up.	Fees for the ensuing calendar year (January to December) will be charged in the monthly bill for December.
SPEED-e		
Admission fee	Rs. 2,00,000	Payable at the time of joining ***SPEED-e*** facility.
Annual Fee	Rs. 25,000 irrespective of number of DPM set-ups.	Payable at the time of joining ***SPEED-e*** facility. Fees will be charged in advance in the monthly bill of March for the ensuing financial year (April to March).

Note : If Participants subscribe for ***SPEED-e*** facility, no charges are payable by Participants for ***IDeAS*** facility.

Type of User	Facility Fee	
Password based User		
BO (Beneficial Owners)	*Only IDeAS*	NIL
BO	*Only SPEED-e*	
BO	*IDeAS and SPEED-e*	
E-token* based User		
BO	*Only IDeAS*	NIL
	Only SPEED-e	Rs. 125 per quarter
	IDeAS and SPEED-e	Rs. 125 per quarter
CM (Clearing Members)	*Only IDeAS*	Payable annually by CM to NSDL
	Only SPEED-e	Rs. 125 per quarter

* Charges for e-token will be Rs.1,000 approx.

Annexure II

Various features and advantages of ***IDeAS*** facility are given below:

(I) Clients (Beneficial Owners)

- View the latest balances along with the value based on the previous day closing price* in depository account(s).
- View transactions that have taken place in depository account(s) during the last 30 days.
- Download month-wise transaction statement for the previous months (maximum 12 months) bearing NSDL's digital signature, which can be verified by using a Signature Verification Utility.
- SEBI has permitted the Participants to discontinue providing physical transaction statements to their Clients who subscribe for the ***IDeAS*** facility. However, Participants will be required to send a consolidated transaction statement, in physical form, for the entire financial year and the same shall be dispatched before 15th of May every year *(Refer NSDL Circular No. NSDL/POLICY/2006/0010 dated March 24, 2006)*.

*Disclaimer : While care has been exercised by NSDL compiling price file, NSDL does not warrant completeness or accuracy and damages arising out of use of this information. For any specific / latest information, you may contact the respective stock exchange.

(II) Clearing Members (CMs)

CMs will be able to view and download the latest balances and transactions in their pool accounts in respect of settlements for the current pay-in date, previous four and next four pay-in dates. Other features available on ***IDeAS*** for CMs are as follows:

- View ISIN-wise positions / transactions for a given market type and settlement number.
- View Delivery-out instructions which are in 'overdue' status, for a given market type and settlement number.
- Download transactions in the Pool Account to determine shortages for follow-up with Clients.
- Download ISIN master to keep the back-office system up-to-date.

Various features and advantages of ***SPEED-e*** facility are given below:

(I) Features

(a) Clients:

- Password based Users can submit market instructions in favour of maximum three pre-notified CM Accounts.
- E-token Users can submit both market as well off-market instructions in an interactive as well as batch upload.
- Submission of instruction(s) to freeze / unfreeze account(s) / ISIN(s) and / or specific quantity of securities under an ISIN. Further, freeze request executed by Clients through ***SPEED-e*** cannot be unfrozen by the Participant *(applicable for e-token based Users)*.

(b) CMs:

CM Users can avail the following features both on interactive as well as on a batch submission mode:

	➢ Delivery-out to Clearing Corporation ➢ Delivery to Client ➢ Inter-Settlement ➢ CM Pool to Pool **(II) Advantages** ➢ Check the latest balances in the depository account through ***IDeAS*** before submitting instructions and monitor the status of execution of the same. ➢ View status of execution of delivery instructions. ➢ Save time and efforts in obtaining delivery instruction slips and submitting them to Participant. ➢ Freeze depository accounts on ***SPEED-e***. Freeze created through ***SPEED-e*** can be unfrozen only through ***SPEED-e*** *(applicable for e-token based Users)*. ➢ Convenience for NRI Clients to operate their accounts.
Circular No : NSDL/POLICY/ SPEED-e/2009/0002 Date : March 21, 2009	***Sub : Partial settlement of pay-in instructions executed from Client to CM Pool Account on SPEED-e*** All Participants were informed about the feature of partial settlement of pay-in related account transfer instructions executed from Client to Clearing Member (CM) Pool account vide NSDL circular no. NSDL/POLICY/2009/0019 dated March 14, 2009. The above feature is scheduled to be released on Saturday i.e., March 21, 2009. In view of the above, Participants who have subscribed for ***SPEED-e*** facility are informed that subsequent to the release of this feature, Clients who submit Client to CM Pool account transfer instructions on ***SPEED-e*** will be enabled to view the "Requested Quantity" and "Delivered quantity" in the link viz., "View Instructions / Delivery to Clearing Member" on ***SPEED-e*** website. Further, the status of the Client to CM Pool account transfer instructions having partial balance in the Client account, subsequent to execution of pay-in, will get updated as "Closed Partially Settled" on ***SPEED-e*** website. The above information will be displayed to the ***SPEED-e*** Clients on the welcome screen on ***SPEED-e*** log-in. Participants may guide their Clients in this regard. For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in).
Circular No : NSDL/POLICY/ SPEED-e/2009/0001 Date : March 13, 2009	***Sub : Facility for Participants to mark holiday(s) on SPEED-e*** All Participants are hereby informed about the launch of Holiday Master feature on ***SPEED-e*** which will facilitate Participants (subscribed for ***SPEED-e*** facility) to mark holiday(s) on ***SPEED-e***. After the Participant has marked holiday(s) on ***SPEED-e***, Clients / Clearing Members (CMs) of the Participant will not be allowed to submit/ authorize instructions on ***SPEED-e*** with execution date as the holiday date. This release is scheduled on March 14, 2009. Salient features of this facility are as follows:

	a) A new function for allocation of rights has been introduced for marking and authorizing a holiday on ***SPEED-e*** to the Admin user. b) To avail of this facility of marking/authorizing a holiday, Admin User must assign the 'capture' and 'authorization' rights to different Functional Users. c) The capturer and authorizer cannot be the same User. d) Capturer can mark holiday(s) (clicking on link 'Add DP Holiday') / cancel the marked holiday(s) (clicking on link 'View / Cancel DP Holiday'). The details thus captured shall remain in captured status i.e. pending for authorization. While marking the holiday(s) Capturer will be required to mention the reason for marking holiday. Care must be taken while capturing the reason as the reason of holiday, as captured by the Participant, will be displayed to Clients/ CMs of that Participant. e) Authorizer will be able to authorize the holiday(s) that are in captured status (clicking on link 'Authorize Add / Cancel Holiday'). Further, the authorizer cannot modify the holiday details that are in captured status. f) The holiday(s) must be marked & authorized by Participants well-in advance i.e. latest by 6.30 pm of one working day prior to the date of holiday. Example: If Participants wish to mark & authorize Friday, March 27, 2009 as a holiday on ***SPEED-e***, Participants must do so latest by 6.30 pm on Thursday, March 26, 2009. g) Once a holiday is captured and authorized by the Participant, the Clients of that Participant will be unable to submit or authorize instructions on ***SPEED-e*** with execution date as the holiday date. If there are instructions already executed by the Clients/ CMs with execution date falling on the date marked as holiday, Participants can still mark such a day as a holiday as such pending instructions can and should be downloaded and imported into DPM System. At the time of marking a holiday, a message will be displayed on the ***SPEED-e*** advising users of the Participants to check for any pending instructions to be downloaded for the date which is marked as holiday. h) After 6.45 pm of one day prior to the day which is marked as a holiday, Participants are advised to download all pending instructions from ***SPEED-e*** and in case there are any instructions, upload the same before 8.30 pm into the DPM System. i) A link viz., "View / Cancel DP Holiday" will facilitate Participants to view various status of holiday details viz., 'Captured', 'Active', 'Cancellation Requested', 'Cancelled'. j) A link is also provided for Clients / CMs to view the holiday(s) along with the reasons, marked by the Participants. For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel: (022) 2499 4361 (email: sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel: (022) 2499 4372 (email: rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in).
Circular No : NSDL/POLICY/SPEED-e/ 2008/0007 Date : December 13, 2008	***Sub : Version Release - Incorporation of FIU details on SPEED-e for smart card / e-token Users*** Further to our Circular No. NSDL/POLICY/SPEED-e/2008/0006 dated November 10, 2008, Participants who have subscribed for SPEED-e facility are requested to note that NSDL has scheduled version release on SPEED-e on December 20, 2008 to incorporate the fields viz., 'Consideration' and 'Reasons/Purpose' for capturing the required details under the said fields, at the time of submitting off-market instructions by smart card / e-token Users. Participants are requested to take note of the following important operating instructions with respect to version release:

	1) Compact Discs (CD) containing new version of the DPM System and instructions regarding upgradation is being sent to Participants by courier separately. In addition, the version release software will also be made available on the intranet site of NSDL viz., http://sqlassist/SPEED-e/Ver8.11 on December 19, 2008. Participants are requested to install the software downloaded from the SQLassist or the CD only on December 20, 2008. If any problem is encountered in installing the software on December 20, 2008, Participants are requested to contact NSDL Help Desk on (022) 2499 4601 to 4610 and obtain a token number for the call. 2) Participants are requested to note that the new file formats as informed in our aforesaid circular will be applicable from December 20, 2008 onwards. Hence, Participants who are routing their SPEED-e instructions through their back office and thereafter uploading the same into the DPM System are requested to be ready with the latest back office file formats. Further, smart card / e-token Users who submit off market instructions on a batch mode also need to be ready with the latest file formats for uploading off market instructions on SPEED-e. Participants are requested to inform their smart card / e-token Users about the developments. 3) Participants are advised to download at least one batch of instructions from SPEED-e after 6.30 pm and upload the same into the DPM System on December 19, 2008. For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in).
Circular No : NSDL/POLICY/2008/0065 Date : September 26, 2008	***Sub : Revocation of SPEED-e and IDeAS facility by NSDL consequent to closure of such Client accounts in the DPM system*** In continuation of NSDL Circular No. NSDL/POLICY/2008/0024 dated April 11, 2008, all Participants are hereby informed that with effect from September 26, 2008, NSDL shall also revoke the Client IDs of password Users and User IDs of smart card / e-token Users on ***SPEED-e / IDeAS*** at regular intervals after such Clients accounts are closed in the DPM System. Other details as informed in NSDL Circular Nos. NSDL/POLICY/2008/0020 and NSDL/POLICY/2008/0024 dated April 4 and 11, 2008 respectively remain unchanged. For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Narayan Venkat Tel (022) 2499 4479 (email : narayanv@nsdl.co.in).
Circular No : NSDL/POLICY/2008/0046 Date: June 26, 2008	***Sub: Withdrawal of usage fee for password based Users of the SPEED-e facility*** As all Depository Participants (DPs) are aware, NSDL launched its common internet facility called ***SPEED-e*** on September 1, 2001, which facilitates Users (Beneficial Owners and Clearing Members) to submit delivery instructions on the internet. Users have the option of accessing ***SPEED-e*** facility either as a Password User or as a Smart Card / e-Token User. With a view to encourage investors to submit delivery instructions electronically over internet, NSDL is pleased to announce the withdrawal of usage fee of Rs.25 charged to DPs, every quarter, in respect of Password based Users of the ***SPEED-e*** facility, with effect from July 1, 2008. DPs are requested to pass on the benefit to the Password based Users of the ***SPEED-e*** facility.

Circular No : NSDL/POLICY/ 2008/0024 Date : April 11, 2008	***Sub : Revocation of SPEED-e and IDeAS facility consequent to closure of demat accounts*** Depository Participants (DPs) have represented to NSDL that Clients (Beneficial Owner) do not submit revocation request to DPs for revoking ***SPEED-e / IDeAS*** facility, at the time of closing their demat accounts. In this context, DPs have requested NSDL to allow them to revoke such Client accounts on ***SPEED-e / IDeAS*** on receipt of closure request with respect to demat accounts. DPs may unilaterally revoke the Client IDs in case of password Users and User IDs in case of smart card / e-token Users on ***SPEED-e / IDeAS*** as applicable, after carrying out the closure of demat accounts of such Clients. In case of smart card / e-token Users, DPs should send the Client details i.e. Client ID, User ID and Signature Revocation Form of such Clients to NSDL after carrying out the revocation of User ID. As all DPs are aware, NSDL vide its Circular No. NSDL/POLICY/2008/0020 dated April 4, 2008 informed DPs about the launch of download of Clients details on ***SPEED-e / IDeAS***, whereby DPs can download and view the details of their respective Clients who have subscribed for the services of ***SPEED-e*** and / or ***IDeAS***. This facility will enable the DPs to identify the accounts in ***SPEED-e / IDeAS*** for the purpose of revocation of access. Consequent to account closure, DPs are advised to provide the transaction statement to such Client for the period from the beginning of the quarter in which the account is closed till the date of closure. Further, the transaction statement should bear the words **"Account Closed"** and should be prominent. For this purpose, DPs can affix a rubber stamp or create a suitable system that will clearly show on the transaction statement that the account has been closed (Refer NSDL Circular No. NSDL/POLICY/2006/0014 dated May 11, 2006). For further information / clarification, DPs are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Narayan Venkat Tel (022) 2499 4479 (email : narayanv@nsdl.co.in).
Circular No : NSDL/POLICY/ 2008/0020 Date: April 04, 2008	***Sub: Launch of new feature 'Client List Download' for DP on SPEED-e and IDeAS*** As all Participants are aware, NSDL has provided a common internet facility called SPEED-e and a facility called IDeAS (Internet-based Demat Account Statement) to view balances and transactions in demat accounts updated on an online but not real time basis. DPs were advised to maintain the list of clients who have subscribed for these facilities manually in a register. DPs have been representing to NSDL for a utility that will provide the list of clients who have subscribed for SPEED-e or/and IDeAS facility. NSDL is now pleased to announce the launch of ***'Client List Download'*** on SPEED-e and IDeAS. This facility is expected to be released on April 4, 2008. In this feature, a new link **"Download Client List"** under the option "Inquiries" would be provided to DP Administrator and DP Functional Users. DPs can download a digitally signed file containing the details of the clients who have subscribed for SPEED-e or/and IDeAS in a TCL file. DPs can verify the digital signature of NSDL using a Signature Verification Utility. Detailed procedure regarding installation of Signature Verification Utility is already available to view and download on ***SPEED-e*** site. **DPs who have subscribed to SPEED-e facility will get the list of clients who have subscribed for SPEED-e or/and IDeAS facility & list of Clearing Members who have subscribed for SPEED-e facility. DPs who have subscribed for IDeAS facility will get the list of clients who have subscribed for only IDeAS facility.** The downloaded file will provide the following details.

	Sr No	Column	Remarks
	1	DP ID	The DP ID of the DP user doing the download
	2	USER ID downloading the file	The USER ID of the DP user doing the download
	3	No of records	Will display total number of records generated in the downloaded file
	4	Downloaded file date & timestamp	The date will be displayed in the following format (YYYYMMDDHHMMSS)
	5	Registration Number	Registration No. will be displayed only in case of a Password based user
	6	Client Activation Date	User Activation Date will be displayed in case of a password based user. Incase of Smart Card based users, the Client registration date will be displayed
	7	Client ID / CM BP ID	In case the client is a CM then Client Id as well as CM BP ID will be shown in the file. In case the client is an investor then only Client Id will be shown.
	8	Status	This field can be Active/Suspended The user present in any other status will not be included in the file.
	9	Service	This field will denote whether the client is using either SPEED-e or IDeAS or Both. It would display SPEED-e or IDeAS or SPEED-e & IDeAS in the file depending on the facility subscribed.
	10	User Type	This field will denote whether the client is smart card based or password based. If the client is password based then the field will be displayed as Password and if the client is smart card based then Smart Card will be displayed.
	The downloaded file will contain the list of clients that are in Active/Suspended status at the time of download by the DP user in the SPEED-e system.		
Circular No : NSDL/POLICY/ 2008/0003 Date: April 03, 2008	***Sub: SPEED-e Operations Manual for DPs*** NSDL is pleased to inform the Depository Participants (DPs) that the SPEED-e Operations Manual for DPs is now available for download on SQLASSIST Intranet site of NSDL *(//sqlassist/SPEED-e Operations Manual)*. This operations manual is also available for download to DP Users (i.e. Admin and Functional User) on NSDL SPEED-e Website *(https://speed-e.nsdl.com)*.		

Circular No : NSDL/POLICY/ SPEED-e/2008/0001 Date : January 3, 2008	***Sub : Extension in Deadline for Submission of Instructions on SPEED-e*** As all Participants are aware, NSDL launched its common internet facility called ***SPEED-e*** on September 1, 2001. At present, ***SPEED-e*** allows the Clients to submit instructions with current date as the execution date only upto 6:00 p.m. IST (3:00 p.m. on Saturdays). Participants have requested NSDL to extend the deadline for submission of instructions on ***SPEED-e*** for their clients on weekdays. In this regard, NSDL is pleased to announce the following changes on ***SPEED-e*** with effect from January 7, 2008: • Instructions with current date as the execution date can be executed on ***SPEED-e*** by the client upto 6:30 p.m. IST (earlier 6:00 p.m. IST). However, instructions with future date as the execution date can be executed at any time, even after **6.30 p.m. IST.** Further, there is no change in the deadline for submission of instructions with current date as the execution date on ***SPEED-e*** by the client on Saturdays which is 3:00 p.m. IST. Participants must ensure that all the instructions received from the clients within the aforesaid deadlines are duly executed in the DPM System and in case Participants encounter any difficulty in downloading the instructions from ***SPEED-e***, the same should be reported to Help Desk immediately. In case of emergency, NSDL will download the file and give it to the Participants. Participants are requested to take note of the above and inform all the ***SPEED-e*** Users accordingly.
Auto Cancellation of Unconfirmed Pledge/Hypothecation/SLB Orders due to Auto Corporate Actions	
Circular No : NSDL/PI/2001/1566 Date : October 13, 2001	In continuation of Circular No. NSDL/PI/2001/1559 dated October 12, 2001 regarding automatic cancellation of unconfirmed Pledge / Hypothecation / SLB orders, Participants are further advised that while re-executing the cancelled orders, proportionate quantity credited under the new ISINs upon conversion should be entered in respect of each cancelled order. Participants can refer to the Auto Corporate Action Details inquiry screen in the DPM for obtaining the details of ACAs viz; Instruction No., Type, Execution Date, Debit ISIN, Credit ISIN, Conversion Ratio and status
Circular No : NSDL/PI/2001/1559 Date : October 12, 2001	All Participants are hereby informed about the effect on unconfirmed Pledge / Hypothecation / SLB orders subsequent to release of DPM Application software Version 3.1. All unconfirmed pledge / hypothecation creation, pledge /hypothecation closure, hypothecation invocation, lend initiation, borrow initiation, recall initiation and repay initiation requests for those ISINs for which Auto Corporate Actions have been executed so far will get automatically cancelled and securities will get transferred to the new ISINs on Monday, October 15, 2001. The cancelled Pledge / Hypothecation / SLB orders will be reflected in the changed orders for the day (COD) Export. Participants should re-execute such cancelled Pledge /Hypothecation / SLB orders immediately. Henceforth, whenever an Auto Corporate Action (ACA) is executed, all unconfirmed Pledge / Hypothecation / SLB orders will get cancelled automatically and securities will be transferred to the new ISINs on the execution date of ACA and Participants will have to re-execute those orders. Fresh instruction forms will not be required to be obtained from the clients for re-execution of the automatically cancelled Pledge/ Hypothecation / SLB orders on account of ACA.

Auto Corporate Action for redemption	
Circular No : NSDL/PI/2002/0763 Date: May 14, 2002	As a part of software version 3.2, a facility has been ntroduced whereby securities can be redeemed by the Issuers through its R&T Agents, by executing an Automatic Corporate Action (ACA). In this regard, Participants are advised to note the following: 1. The details of ACA can be viewed in the main menu of the DPM system under "Inquiries" screen by selecting the option Corporate Action\Auto Corporate Action Allotment. 2. The implications of ACA for various types of instructions are as under:s

Sr. No.	Type of Instruction	Effect of ACA on the Execution Date
1	Free balances under Beneficiary Accounts, CM Pool Accounts and Intermediary Pool Accounts.	ACA executed
2	Pending demat requests	The requests are cancelled
3.	Pending remat / repurchase requests	The requests are cancelled and ACA executed
4.	Unconfirmed Pledge. Hypothecation / SLB instructions	The instructions are cancelled and ACA executed
5.	Securities Pledged/ Hypothecated	ACA not executed. Upon closure or invocation of the pledge/ hypothecation, ACA is executed on the BOD of the next day of such closure /invocation.
6.	Locked-in securities	ACA not executed. When securities become free, ACA is executed on the BOD of the next day when securities become free.
7.	Balances which are frozen	ACA not executed. When freeze is removed, ACA is executed on the BOD on the next day of removal of the freeze.
8.	Balances under the CM Delivery accounts	ACA not executed. On the BOD of the next day when securities are moved to CM Pool account on pay-out or cancellation of delivery out instructions, ACA executed.

3. No fresh Dematerialisation/ rematerialisation/ repurchase requests can be initiated before 21 days of the redemption date.
4. No instructions can be initiated with execution date greater than the redemption date.
5. Redemption by way of ACA is not applicable in case of Commercial Papers and Equity Shares.

Collection of stamp duty

Circular No.: NSDL/POLICY/ 2020/0140 October 26, 2020	**Subject: Stamp duty utilization report.** Attention of Participants is invited to NSDL Circular Nos. NSDL/POLICY/2020/0085 and NSDL/POLICY/2020/0002 dated June 26, 2020 & January 6, 2020 respectively on detailed procedure / guidelines for collection of stamp duty. In this context, Participants are requested to take note that 1. The stamp duty utilization report in respect of payments made at DP ID level has been made available on ePASS. This report will enable the Participants to reconcile the details of stamp duty paid and utilized. 2. The report can be accessed using the existing log-in credentials for ePASS. 3. The report is available under path Stamp duty > Stamp duty utilization report 4. Process flow for viewing / downloading Stamp duty utilization report is enclosed as Annexure.

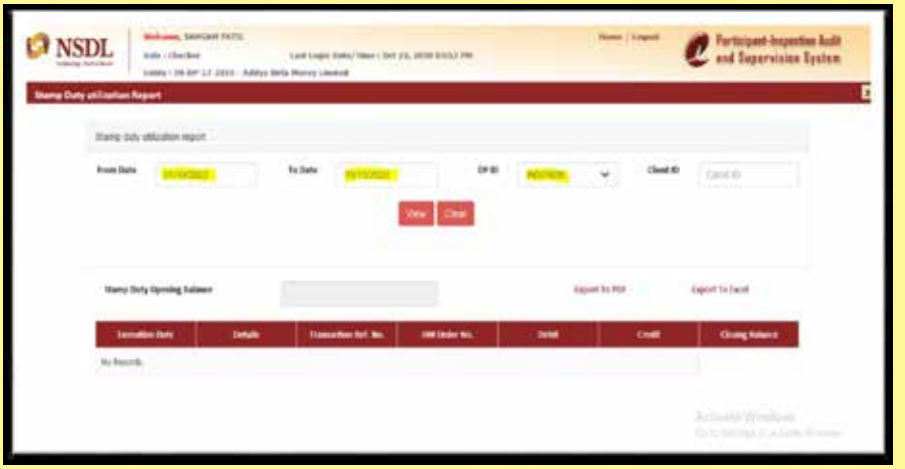
Annexure

Process flow for viewing / downloading of Stamp Duty utilization report

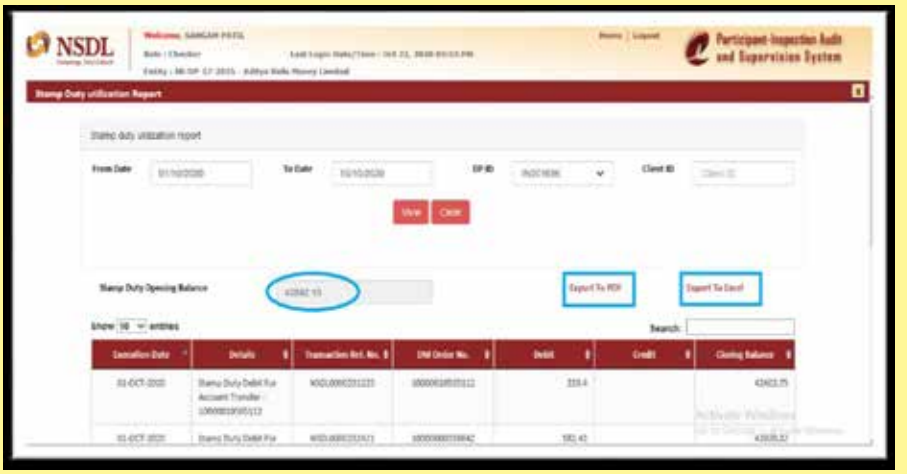
1. Please go to NSDL ePASS by clicking on link - https://www.epass.nsdl.com, following screen will appear:

2. Please login after entering credentials, click on Stamp duty > view stamp duty utilization report.

3. Select the date range and DPID from DPID (in case multiple DPID is mapped to your login). Participant can also check specific client related instruction by mentioning Client ID:



4. Click on view and all entries pertaining to that period will be displayed on the screen:



Circular No.: NSDL/POLICY/ 2020/0120 August 28, 2020	**Subject: Matter raised by Government of Sikkim regarding Indian Stamp Act, 1899.** Attention of Participants is invited to NSDL circular no. NSDL/POLICY/2020/0085 dated June 26, 2020 on detailed procedure / guidelines for collection of stamp duty. In accordance with the regulatory communication, the Depository shall not be collecting stamp duty for State of Sikkim till further communication and stamp duty collected in respect of Sikkim since July 1, 2020 shall be refunded to the concerned from whom the stamp duty has been collected.

Circular No.: NSDL/POLICY/ 2020/0085 June 26, 2020	*Subject: Detailed procedure / guidelines for collection of stamp duty.*

Attention of Participants is invited to NSDL circular no. NSDL/POLICY/2020/0002 dated January 6, 2020 (copy enclosed) on detailed procedure / guidelines for collection of stamp duty and NSDL/POLICY/2020/0039 dated March 30, 2020 on Government of India notification regarding the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019.

Please note following changes has been made in the detailed procedure / guidelines for collection of stamp duty informed vide our aforementioned circulars:

Sr. No.	Reference Point no. of circular no. NSDL/ POLICY/2020/0002 dated January 6, 2020 (copy enclosed)	Details of changes, if any
A)	1 to 10	No change except the effective date to be read as July 1, 2020 instead of January 9, 2020
B)	11	The procedure for payment of stamp duty has been revised and the new detailed procedure applicable for payment of stamp duty by participants and clients is enclosed at **Annexure A & B** respectively.
C)	12-14	To enable collection of stamp duty on off-market transfers in accordance with the Indian Stamp Act, effective from July 1, 2020, a) NSDL system has been enhanced to mandatorily capture 'Consideration Amount' for all types of off-market transfers and pledge invocation requests from July 1, 2020. b) The stamp duty will be collected on the basis of 'consideration amount' entered in the NSDL system. c) In cases where no consideration is involved in off-market transfers, an option is given to select the flag **'Without Consideration'**, this option will not be available for reason codes **'Sale'** and **'Commercial Paper Issuance'**.
D)	15	NSDL system has been enhanced to capture stamp duty payment indicator for payment of stamp duty either by client itself or by DP on behalf of client from July 1, 2020 onwards. In the NSDL system, amount remitted towards stamp duty shall be utilized as per the indicator selected while executing the transaction in the system i.e. ▫ If client indicator is selected, then balance available at the time of execution against the 'DPIDClientID' will be utilized on FIFO basis; ▫ If DP indicator is selected, then balance available against the 'DPID" will be utilized on FIFO basis.

Further, Participants are requested to take note as under:

1. Transactions pending for receipt of stamp duty, will be placed in the new status called "Stamp duty Payment Overdue" and in case of non-receipt/ partial receipt of stamp duty till EOD of the execution date (from July 1, 2020 onwards), transactions lying in the aforesaid status will be rejected.
2. The stamp duty amount will be blocked for the instructions pending in 'Overdue status – Quantity not being there' of the respective entity (DP/ client) till EOD of the execution date of the pending instructions. In instances, where instruction is not executed till EOD of the execution date after blocking of the stamp duty, blocked amount would be reversed to the respective entity ledger (DP/Client) maintained with NSDL, which can be utilized for future transactions eligible for payment of stamp duty. Amount blocked will not be available for use against other instructions till the time block is reversed.
3. In case of off market transactions, through SPEEDe / SPICE platform, option would be provided to users for making payment of stamp duty upfront.
4. Rate of stamp duty specified in schedule I of the Indian Stamp Act, 1899 is given as **Annexure C**.
5. Participants should take additional care that consideration amount as mentioned in the DIS or annexure is correctly captured in the NSDL system.
6. Participants are requested to inform their client(s) about applicability of stamp duty on all off-market transfers involving consideration including pledge invocations and the procedure to be followed, if clients directly want to make payment of stamp duty to NSDL.
7. Stamp duty calculator - For simplicity and convenience of clients, a stamp duty calculator will be made available on NSDL website.

Annexure A

Procedure to be followed by Participants while making payment towards Stamp Duty

Participants can make payment towards stamp duty through following methods only:

1. NEFT/RTGS/Internet Banking/IMPS
2. Payment Gateway

1. Payment through NEFT/RTGS/Internet Banking/IMPS

a. NSDL has availed virtual account facility from NSDL Payments Bank.

b. Payments of stamp duty should be remitted to the virtual bank account only. Payments made through virtual account number shall be considered as payment towards stamp duty only.

c. Participants are requested to make the payment in the virtual account number assigned to them which is as under:

i. For adding NSDL as beneficiary in your bank account, Virtual Account Number for DPs will be "SDDP" followed by 8 digit DP ID. Illustrative examples of virtual account number are given under point no. 1 (d).

ii. Payment of stamp duty should be remitted to the following account

Mode of Payment	NEFT/RTGS/Internet Banking/IMPS
Beneficiary Virtual Account Number	SDDPINXXXXXX {Refer Point No. 1(c)(i) above}
Beneficiary Bank Name	NSDL Payments Bank Limited
Beneficiary Bank IFS Code	NSPB0000002

iii. The funds remitted will be accounted by NSDL under the 'DPID' entered in the virtual account number at the time of remitting the amount.

d. Illustrative examples of virtual account number to be entered are given below:

Sr. No.	DPID	Virtual Account Number	Whether allowed or not allowed
1	**IN300001**	SDDP**IN300001**	**Allowed**
2	IN300001	SDDPIN-300001	Not allowed
3	IN300001	SDDPIN3000012	Not allowed
4	IN300001	SDDP/IN300001	Not allowed
5	IN300001	IN300001	Not allowed
6	IN300001	SDDPIN300004	Not allowed and amount will be accounted to another DP

2. Payment through Payment Gateway

a. Payment can be made through payment gateway link (https://eservices.nsdl.com/sd-payment-web/#/sdAuthValidate). Link will be available from July 1, 2020. Participants are requested to use link given for payment of stamp duty only and not for any other purpose. Payments made using payment gateway shall be considered as payment towards stamp duty only.

b. While making payment, following details are required to be entered:

i. DP ID
ii. Email ID
iii. Mobile Number
iv. Amount towards stamp duty

c. The funds remitted will be accounted by NSDL under the 'DPID' entered in the payment gateway page at the time of remitting the amount.

d. After successful payment, challan will be generated for payment of stamp duty amount.

Annexure B

Procedure to be followed by Clients while making payment towards Stamp Duty

Clients can make payment towards stamp duty through following methods only:

1. NEFT/RTGS/Internet Banking/IMPS
2. Payment Gateway

1. Payment through NEFT/RTGS/Internet Banking/IMPS

a) NSDL has availed virtual account facility from NSDL Payments Bank.

b) Payments of stamp duty should be remitted to the virtual bank account only. Payments made through virtual account number shall be considered as payment towards stamp duty only.

c) Clients are requested to make the payment in the virtual account number assigned to them which is as under:

i. For adding NSDL as beneficiary in your bank account, Virtual Account Number for Clients will be "SDCL" followed by 16 digit DPIDClientID combination. Illustrative examples of virtual account number are given under point no. 1 (d).

ii. Payment of stamp duty should be remitted to the following account:

Mode of Payment	NEFT/RTGS/Internet Banking/IMPS
Beneficiary Virtual Account Number	NSDLINXXXXXXXXXXXXXX {Refer Point No. 1(c)(i) above}
Beneficiary Bank Name	NSDL Payments Bank Limited
Beneficiary Bank IFS Code	NSPB0000002

iii. The funds remitted will be accounted by NSDL under the 'DPIDClientID' entered in the virtual account number at the time of remitting the amount.

d) Illustrative examples of virtual account number to be entered are given below:

Sr. No.	DPIDClientID	Virtual Account Number	Whether allowed or not allowed
1	**IN300.005.12345678**	**SDCLIN300.005.12345678**	**Allowed**
2	IN300.005.12345678	SDCLIN-300.001.12345678	Not allowed
3	IN300.005.12345678	SDCLIN300.001.212345678	Not allowed
4	IN300.005.12345678	SDCL/IN300.001.12345678	Not allowed
5	IN300.005.12345678	IN300.005.12345678	Not allowed
6	IN300.005.12345678	SDCLIN300.005.111111	Not allowed and amount will
			be accounted to another DPIDClientID

2. **Payment through Payment Gateway**

a) Payment can be made through payment gateway link (https://eservices.nsdl.com/sd-payment-web/#/sdAuthValidate). Link will be available from July 1, 2020. Clients are requested to use link given for payment of stamp duty only and not for any other purpose. Payments made using payment gateway shall be considered as payment towards stamp duty only.

b) While making payment, following details are required to be entered:

i. DP ID

ii. Client ID

iii. Email ID

iv. Mobile Number

v. Estimated stamp duty amount

c) The funds remitted will be accounted by NSDL under the combination of 'DPIDClientID' entered in the payment gateway page at the time of remitting the amount.

d) After successful payment, challan will be generated for payment of stamp duty amount.

Annexure C

Extracts of Schedule I of the Stamp duty on Instruments as per the Indian Stamp Act, 1899

Description of Instrument	Proper Stamp-duty
(a) in case of issue of debenture;	0.005%
(b) in case of transfer and re-issue of debenture.	0.0001%

SECURITY OTHER THAN DEBENTURES (Refer section 9A and 9B of the Amendment to the Indian Stamp Act, 1899)

Description of Instrument	Proper Stamp-duty
(a) issue of security other than debenture;	0.005%
(b) transfer of security other than debenture on delivery basis;	0.015%
(c) transfer of security other than debenture on non-delivery basis;	0.003%
(d) Government securities	0%
(e) repo on corporate bonds	0.00001%

Circular No.: NSDL/POLICY/ 2020/0039 March 30, 2020	*Subject: Government of India notification regarding the Indian Stamp* **(Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019.** Attention of Participants is invited to Circular No. NSDL/POLICY/2020/0004 dated January 08, 2020 regarding Government of India notification regarding the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019. Government of India has notified that in the aforesaid notification, for the words and figures "1st day of April, 2020", the words, figures and letters "1st day of July, 2020" shall be substituted (notification copy enclosed).

रजिस्ट्री सं. डी.एल.- 33004/99 REGD. NO. D. L.-33004/99

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CG-DL-E-30032020-218954

असाधारण
EXTRAORDINARY
भाग II—खण्ड 3—उप-खण्ड (i)
PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं. 176] नई दिल्ली, सोमवार, मार्च 30, 2020/चैत्र 10, 1942
No. 176] NEW DELHI, MONDAY, MARCH 30, 2020/CHAITRA 10, 1942

वित्त मंत्रालय

(राजस्व विभाग)

अधिसूचना

नई दिल्ली, 30 मार्च, 2020

सा.का.नि. 226(अ).—केन्द्रीय सरकार, भारतीय स्टाम्प अधिनियम, 1899 (1899 का 2) की धारा 73 क द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, भारतीय स्टाम्प (स्टॉक एक्सचेंज, समाशोधन निगमों एवं निक्षेपागारों के माध्यम से स्टाम्प शुल्क का संग्रहण) नियम, 2019 में संशोधन करने के लिए निम्नलिखित और नियम बनाती है, अर्थात

(1) (1) इन नियमों का संक्षिप्त नाम भारतीय स्टाम्प (स्टॉक एक्सचेंज, समाशोधन निगमों एवं निक्षेपागारों के माध्यम से स्टाम्प शुल्क का संग्रहण) (द्वितीय संशोधन) नियम, 2020 है।

(2) ये राजपत्र में इनके प्रकाशन की तारीख से प्रवृत्त होंगे।

(2) भारतीय स्टाम्प (स्टॉक एक्सचेंज, समाशोधन निगमों एवं निक्षेपागारों के माध्यम से स्टाम्प शुल्क का संग्रहण) (संशोधन) नियम, 2020 द्वारा यथासंशोधित भारतीय स्टाम्प (स्टॉक एक्सचेंज, समाशोधन निगमों एवं निक्षेपागारों

के माध्यम से स्टाम्प शुल्क का संग्रहण) नियम, 2019 में, नियम (1) के, उप नियम (2) में, "1 अप्रैल 2020" शब्दों और अंकों के स्थान पर "1 जुलाई 2020" शब्द, अंक और अक्षर रखे जाएंगे।

[फा. सं. एस. 33013/3/2019 एसटी- I, डीओआर]

ऋत्विक पांडे, संयुक्त सचिव

टिप्पण: मूल नियम भारत के राजपत्र असाधारण भाग II खंड 3, उपखंड (i) में संख्या सा.का.नि. 901 (अ) तारीख 10 दिसंबर, 2019 द्वारा प्रकाशित किए गए थे और प्रथम संशोधन भारत के राजपत्र असाधारण भाग II खंड 3, उपखंड (i) में तारीख 8 जनवरी, 2020 की अधिसूचना सं. सा.का.नि. 19(अ) के तहत प्रकाशित किया गया था।

MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

New Delhi, the 30th March, 2020

G.S.R. 226(E).—In exercise of the powers conferred by section 73A of the Indian Stamp Act, 1899 (2 of 1899), the Central Government hereby makes the following rules to further amend the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019, namely:-

(1) (1) These rules may be called as the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) (Second Amendment) Rules, 2020.

(2) They shall come into force on the date of their publication in the Official Gazette.

(2) In the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019, as amended by the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) (Amendment) Rules, 2020, in rule (1), in sub-rule (2), for the words and figures "1st day of April 2020" the words, figures and letters "1st day of July 2020"shall be substituted.

[F. No. S.33013/3/2019 ST-I, DOR]

RITVIK PANDEY, Jt. Secy.

Note: The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 901(E), dated the 10th December, 2019 and first amendment published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide notification number G.S.R. 19 (E) dated the 8th January, 2020.

Uploaded by Dte. of Printing at Government of India Press, Ring Road, Mayapuri, New Delhi-110064
and Published by the Controller of Publications, Delhi-110054. ALOK KUMAR Digitally signed by ALOK KUMAR Date: 2020.03.30 15:38:14 +05'30'

Circular No.: NSDL/POLICY/ 2020/0004 January 8, 2020	***Subject: Government of India notification regarding the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2019/0086 dated December 12, 2019 regarding Government of India notification regarding the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019. Government of India has notified that in the aforesaid notification, for the words and figures "the 9 day of January, 2020", the words, figures and letters "the 1st day of April, 2020" shall be substituted (notification copy enclosed).

रजिस्ट्री सं. डी.एल.- 33004/99 REGD. NO. D. L.-33004/99

भारत का राजपत्र
The Gazette of India

सी.जी.-डी.एल.-अ.-08012020-215222
CG-DL-E-08012020-215222

असाधारण
EXTRAORDINARY
भाग II—खण्ड 3—उप-खण्ड (ii)
PART II—Section 3—Sub-section (ii)
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं. 107] नई दिल्ली, बुधवार, जनवरी 8, 2020/पौष 18, 1941
No. 107] NEW DELHI, WEDNESDAY, JANUARY 8, 2020/PAUSHA 18, 1941

वित्त मंत्रालय

(राजस्व विभाग)

अधिसूचना

नई दिल्ली, 8 जनवरी, 2020

का.आ. 115(अ).—केन्द्रीय सरकार, वित्त अधिनियम, 2019 (2019 का 7) की धारा 11 द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, का.आ. 4419(अ) तारीख 10 दिसंबर, 2019 द्वारा भारत के राजपत्र में प्रकाशित भारत सरकार के वित्त मंत्रालय की अधिसूचना में निम्नलिखित संशोधन करती है, अर्थात् :—

उक्त अधिसूचना में "9 जनवरी 2020" शब्दों और अंकों के स्थान पर "1 अप्रैल 2020" शब्द, अंक और अक्षर रखे जाएंगे।

[फा. सं. एस-33013/3/2019-एसटी-I, डीओआर-पार्ट-3]

ऋत्विक पांडे, संयुक्त सचिव

टिप्पण : मूल अधिसूचना भारत के राजपत्र असाधारण भाग II खंड 3, उपखंड (ii) में का.आ. 4419 (अ) तारीख 10 दिसंबर, 2019 द्वारा प्रकाशित की गई थी।

MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

New Delhi, the 8th January, 2020

S.O. 115(E).—In exercise of the powers conferred by section 11 of the Finance Act, 2019 (7 of 2019), the Central Government hereby makes the following amendments in the notification of the Government of India, Ministry of Finance, published in the Gazette of India *vide* S.O. 4419 (E), dated the 10th December, 2019, namely:-

In the said notification, for the words and figures "the 9 day of January, 2020", the words, figures and letters "the 1st day of April, 2020" shall be substituted.

[F. No. S-33013/3/2019-ST-I, DOR-Part 3]

RITVIK PANDEY, Jt. Secy.

Note : The principal notification was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) *vide* number S.O. 4419 (E), dated the 10th December, 2019.

Uploaded by Dte. of Printing at Government of India Press, Ring Road, Mayapuri, New Delhi-110064
and Published by the Controller of Publications, Delhi-110054.

MANOJ KUMAR VERMA Digitally signed by MANOJ KUMAR VERMA Date: 2020.01.08 21:46:20 +05'30'

Circular No.: NSDL/POLICY/ 2020/0002 January 6, 2020	**Subject: Detailed procedure / guidelines for collection of stamp duty.** Attention of Participants is invited to NSDL circular no. NSDL/POLICY/2019/0086 dated December 12, 2019 on Government of India notification regarding the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019 and NSDL Circular no. NSDL/POLICY/2019/0089 dated December 18, 2019 on capturing consideration amount in case of Pledge Invocation. Participants are requested to take note of the detailed procedure / guidelines for collection of stamp duty: 1. As per rule 5(1) of the aforementioned rules, stamp duty leviable under clause (b) of sub-section (1) of Section 9A of the Act is to be collected before execution of all off-market transfers on the consideration amount specified by the transferor. Further, in case of transfer of securities pursuant to invocation of pledge, duty shall be collected from the pledgee on the consideration. 2. Stamp duty will be remitted to NSDL for off-market transfers (including inter-depository transfers) involving consideration and pledge invocation before executing the transaction in the NSDL system. 3. The stamp duty will be collected on the 'Consideration Amount' captured in NSDL system based on the consideration amount mentioned on Delivery Instruction Slips (DIS) and Pledge invocation slips. 4. Rate of Stamp Duty is specified in schedule I of the Indian Stamp Act, 1899. Participants may refer to the schedule I for the rates. Rates have been specified for following three categories viz. Debentures, Securities other than debentures & Government Securities. The rate of stamp duty specified for Government Securities is 0%. 5. Presently, it is mandatory to capture the consideration amount for reason codes 'sale' and 'Commercial Paper Issuance', which will continue in future also. 6. From January 9, 2020 onwards, for all off market transfers for reasons other than 'sale' and 'Commercial Paper Issuance', in the Delivery Instruction Slips, clients must either provide a declaration that transaction is 'without consideration' or **consideration amount** should be specified. 7. Stamp duty is applicable for all off market transfers with execution date of January 9, 2020 or later. In case of any future dated off market transfer already entered in the system with execution date as January 9, 2020 or later, Participants shall be required to obtain the consideration amount and ensure remittance of the stamp duty to NSDL. 8. Effective January 9, 2020, all off-market transfers with reason codes 'sale' and 'Commercial Paper Issuance' shall be executed only after remitting stamp duty in NSDL Account. 9. In case stamp duty amount maintained with NSDL is not sufficient, uploaded transaction will be rejected with appropriate error message.

10. Filling of DIS by client –

- If consideration is involved in the off-market transfer, in the 'Consideration' field of the Delivery Instruction Slip, the client can specify '*As per Annexure'* and it will be necessary to fill up the Annexure to DIS as prescribed vide Circular No. NSDL/POLICY/2018/0054 dated October 1, 2018 (*copy of Annexure enclosed for ready reference*).
- For consideration for the reason 'sale', the payment details will be required to be filled-up and for reasons other than 'sale', in the space for payment details, not applicable may be mentioned.
- If the consideration is paid in part or in instalments, full consideration amount should be mentioned in the Annexure to DIS & stamp-duty shall be remitted on the entire consideration.
- If consideration is not involved in the off market transfer, then client(s) can specify **"without consideration"** in the "Consideration" field of Delivery Instruction Slip (DIS).
- In case of reason code 'sale' and 'Commercial Paper Issuance', it will be necessary to provide the consideration details.

11. Payment of Stamp Duty -

- Procedure to be followed by Participant while making payment towards Stamp Duty is given as **Annexure A**.
- Procedure to be followed when client is making payment towards Stamp Duty is given as **Annexure B**.

12. From January 25, 2020 onwards, NSDL system will be enhanced to capture the 'without consideration' flag in system and consideration field will be enabled for all off-market transfer reason codes and pledge invocation.

13. For any off market transfer for reasons other than 'sale' and 'Commercial Paper Issuance', if the consideration amount is specified by the client, the procedure to be followed by Participants till January 24, 2020 is given below:

    a. Prepare and upload the file containing the details as per enclosed format **Annexure C** on I-assist for off-market transfers involving consideration, for the reason codes other than 'sale' and 'Commercial Paper Issuance'.

    b. For off-market transfer 'Without Consideration', DIS can be processed as per the current process.

14. For any pledge invocation on NSDL system till January 24, 2020, Participants are advised to capture the aforesaid consideration in the "Remarks" field provided in the DPM system in the manner provided in **Annexure D**.

15. In the NSDL system, amount remitted towards stamp duty shall be utilized in following order:

- First, balance available at the time of execution against 'DPIDClientID' will be utilized
- Second, balance available against the 'DPID" will be utilized

16. Stamp duty calculator - For simplicity and convenience of clients, a stamp duty calculator will be made available on January 9, 2020.

17. Participants are requested to inform their client(s) about applicability of stamp duty on all off-market transfers involving consideration including pledge invocations with effect from January 9, 2020.

Annexure A

Procedure to be followed by Participant while making payment towards Stamp Duty

a) Payments should be remitted to a designated bank account of NSDL for stamp duty only. Payments made to any other account shall not be considered.

b) Payments should be remitted using NEFT only.

c) Payments should be remitted to the following account.

Mode of Payment	NEFT only
Beneficiary Account Number	502.000.001069
Beneficiary Bank Name	NSDL Payments Bank Limited
Beneficiary Bank IFSC Code	NSPB0000002
Beneficiary Name/Payee Name	"NSDL<DPID>"
Remarks	"NSDL<DPID>"

d) The funds remitted will be accounted by NSDL under the 'DPID' entered in the Beneficiary Name / Remarks column at the time of remitting the amount.

e) Instructions while remitting the funds using NEFT

a. At the time of adding a beneficiary for NEFT or at the time of remitting funds using NEFT, as applicable, it is mandatory to capture "NSDL<DPID>" as the beneficiary name in the "Beneficiary Name/Payee name" field.

b. At the time of adding a beneficiary for NEFT or at the time of remitting funds using NEFT, as applicable, it is mandatory to capture "NSDL<DPID>" in the "Remarks" field.

f) Illustrative examples of Beneficiary Name/Payee Name/Remarks to be entered are given below.

Sr. No.	DPID	Beneficiary Name/Payee Name	Remarks column	Whether allowed or not allowed
1	**IN300001**	**NSDLIN300001**	**NSDLIN300001**	**Allowed**
2	IN300001	NSDLIN-300001	NSDLIN-300001	Not allowed
3	IN300001	NSDLIN300001/	NSDLIN300001/	Not allowed
4	IN300001	NSDL/IN300001	NSDL/IN300001	Not allowed
5	IN300001	IN300001 towards stamp duty	IN300001 towards stamp duty	Not allowed
6	IN300001	No Beneficiary Name/Payee Name	No remarks	Not allowed

Annexure B

Procedure to be followed by Client while making payment towards Stamp Duty

a) Payments should be remitted to a designated bank account of NSDL for stamp duty only. Payments made to any other account shall not be considered.

b) Payments should be remitted using NEFT only.

c) Payments should be remitted to the following account.

Mode of Payment	NEFT only
Beneficiary Account Number	502.000.001071
Beneficiary Bank Name	NSDL Payments Bank Limited
Beneficiary Bank IFSC Code	NSPB0000002
Beneficiary Name/Payee Name	"NSDL<DPIDClientID>"
Remarks	"NSDL<DPIDClientID>"

d) The funds remitted will be accounted by NSDL under the 'DPIDClientID' entered in the Beneficiary Name /Remarks column at the time of remitting the amount.

e) Instructions while remitting the funds using NEFT

a. At the time of adding a beneficiary for NEFT or at the time of remitting funds using NEFT, as applicable, it is mandatory to capture "NSDL<DPIDClientID>" as the beneficiary name in the "Beneficiary Name/Payee name" field.

b. At the time of adding a beneficiary for NEFT or at the time of remitting funds using NEFT, as applicable, it is mandatory to capture "NSDL<DPIDClientID>" in the "Remarks" field.

f). Illustrative examples of Beneficiary Name/Payee Name/Remarks to be entered are given below:

Sr. No.	DPID	Client ID	Beneficiary Name/Payee Name	Remarks column	Whether allowed or not allowed
1	IN300001	12345678	NSDLIN300.001.12345678	NSDLIN300.001.12345678	Allowed
2	IN300001	12345678	NSDLIN300001/12345678	NSDLIN300001/12345678	Not allowed
3	IN300001	12345678	NSDLIN300.001.12345678	NSDLIN300.001.12345678	Not allowed
4	IN300001	12345678	NSDLIN300001&12345678	NSDLIN300001&12345678	Not allowed
5	IN300001	12345678	NSDLIN300.001.12345678	NSDLIN300.001.12345678	Not allowed
6	IN300001	12345678	NSDLIN300001_12345678	NSDLIN300001_12345678	Not allowed
7	IN300001	12345678	IN300.001.12345678 - stamp duty	IN300.001.12345678 - stamp duty	Not allowed
8	IN300001	12345678	No Beneficiary Name/ Payee Name	No remarks	Not allowed

Annexure C

Type Of Instruction	SOURCE_ DP_ID	SOURCE_ CLIENT_ID	TARGET_ DP_ID	TARGET_ CLIENT_ID	TARGET_ CDSL_ CLIENT_ID	ISIN	QUANTITY	CONSIDERATION
IDT/ Account Transfer								

Annexure D

Examples of Remarks to be entered **by Participants** in the Remarks field of DPM system for pledge invocation

Sr. No.	Consideration amount mentioned in Annexure	Remarks field of DPM system	Whether allowed or not allowed
1.	100000	Internal remarks||100000	Allowed
2.	100000	||100000 Internal remarks	Not allowed
3.	100000	Internal remarks 100000||	Not allowed
4.	100000	100000||Internal remarks	Not allowed
5.	100000	Internal remarks100000	Not allowed

DP NAME and Logo	ANNEXURE OFF - MARKET SALE Consideration payment details	NSDL Technology, Trust & Reach

DP ID	I	N							Client ID									DIS Serial No.	

Sr. No.	ISIN	Consideration Amount (^)	Payment Details **[In case payment details are the same for all ISIN's, kindly state the complete details only at one place and mention "Same as above" at remaining places]**					
			Payment date/Date of Instrument **(DD-MMM-YY)**	Mode of Payment **(Please tick any one)**	Buyer's Name(s)	For Electronic and Instrument Payment		Transaction reference no. / Instrument no.
						Bank Name	Bank Account Number	
1				☐ Intrument ☐ Electronic ☐ Cash				
2				☐ Intrument ☐ Electronic ☐ Cash				
3				☐ Intrument ☐ Electronic ☐ Cash				
4				☐ Instrument ☐ Electronic ☐ Cash				
5				☐ Instrument ☐ Electronic ☐ Cash				

1. _____ 2. _____ 3. _____

Authorised Signatory(ies)

Circular No.:
NSDL/POLICY/
2019/0089
December 18, 2019

Subject: Capturing consideration amount in case of Pledge Invocation.

Attention of Participants is invited to the NSDL circular NSDL/POLICY/2019/0086 dated December 12, 2019 on Government of India notification regarding the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019.

In terms of Rule 5 (7) of the said Rules, in the case of transfer of securities pursuant to invocation of pledge, duty shall be collected from the pledgee on the market value of the securities. Therefore Participants are requested to take note that the consideration is to be obtained in case of **"pledge invocation" from the pledgee in the format enclosed as Annexure 1 along with the Pledge/Hypothecation Form (Form 28).** The system related changes and the effective date of implementation of this requirement will be separately notified.

DP NAME and Logo	ANNEXURE Pledge Invocation - Consideration details	NSDL Technology, Trust & Reach

Client ID									Pledge/Hypothecation Form Serial No.	

Sr. No.	ISIN	Pledge Order No.	Consideration Amount (^)
1			
2			
3			
4			
5			

1. _____ 2. _____ 3. _____

Authorised Signatory(ies)

Circular No.:
NSDL/POLICY/
2019/0086
December 12, 2019

Subject: Government of India notification regarding the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019.

Attention of Participants is invited to the amendments to the Indian Stamp Act, 1899 notified in The Finance Act, 2019 by Ministry of Law and Justice dated February 21, 2019 (copy enclosed). In order to facilitate ease of doing business and to bring in uniformity and affordability of the stamp duty on securities across States and thereby build a pan-India securities market, the Central Government has made the amendments to the Indian Stamp Act, 1899. The amendment propose to create the legal and institutional mechanism to enable states to collect stamp duty on securities market instruments at one place by one agency (through the Stock Exchanges or Clearing Corporations authorised by the stock exchange or by the Depositories) on one Instrument and subsequent disbursement of the duty collected to the respective states.

In this regard, Government of India (GOI) has notified the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019 dated December 10, 2019 (copy enclosed) which shall come into force on January 9, 2020.

रजिस्ट्री सं॰ डी॰ एल॰—(एन)04/0007/2003—19 REGISTERED NO. DL—(N)04/0007/2003—19

भारत का राजपत्र
The Gazette of India

असाधारण
EXTRAORDINARY
भाग II — खण्ड 1
PART II — Section 1
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं॰ 15] नई दिल्ली, बृहस्पतिवार, फरवरी 21, 2019/फाल्गुन 2, 1940 (शक)
No. 15] NEW DELHI, THURSDAY, FEBRUARY 21, 2019/PHALGUNA 2, 1940 (SAKA)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 21*st February,* 2019/*Phalguna* 2, 1940 (*Saka*)

The following Act of Parliament received the assent of the President on the 21st February, 2019, and is hereby published for general information:—

THE FINANCE ACT, 2019

No. 7 of 2019

[21*st February,* 2019.]

An Act to continue the existing rates of income-tax for the financial year 2019-2020 and to provide for certain relief to taxpayers and to make amendments in certain enactments.

Be it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

CHAPTER I

Preliminary

1. (*1*) This Act may be called the Finance Act, 2019. Short title and commencement.

(*2*) Save as otherwise provided in this Act, sections 2 to 10 shall come into force on the 1st day of April, 2019.

CHAPTER II

Rates of Income-tax

13 of 2018. **2.** The provisions of section 2 of, and the First Schedule to, the Finance Act, 2018, shall apply in relation to income-tax for the assessment year or, as the case may be, the financial year commencing on the 1st day of April, 2019, as they apply in relation to Income-tax.

income-tax for the assessment year, or as the case may be, the financial year commencing on the 1st day of April, 2018, with the following modifications, namely:—

(*a*) in section 2,—

(*i*) in sub-section (*1*), for the figures "2018", the figures "2019" shall be substituted;

(*ii*) in sub-section (*3*), for the first proviso, the following proviso shall be substituted, namely:—

"Provided that the amount of income-tax computed in accordance with the provisions of section 111A or section 112 or section 112A of the Income-tax Act shall be increased by a surcharge, for the purposes of the Union, as provided in Paragraph A, B, C, D or E, as the case may be, of Part I of the First Schedule:";

(*iii*) for sub-section (*11*) and sub-section (*12*), the following sub-section shall be substituted, namely:—

'(*11*) The amount of income-tax as specified in sub-sections (*1*) to (*3*) and as increased by the applicable surcharge, for the purposes of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for the purposes of the Union, to be called the "Health and Education Cess on income-tax", calculated at the rate of four per cent. of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance quality health services and universalised quality basic education and secondary and higher education.';

(*iv*) sub-section (*13*) and sub-section (*14*) shall be renumbered as sub-section (*12*) and sub-section (*13*), respectively;

(*v*) in sub-section (*13*) as so renumbered, in clause (*a*), for the figures "2018", the figures "2019" shall be substituted;

(*b*) in the First Schedule,—

(*i*) for Part I, the following Part I shall be substituted, namely:—

"PART I

INCOME-TAX

Paragraph A

(*I*) In the case of every individual other than the individual referred to in items (*ii*) and (*iii*) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (*vii*) of clause (*31*) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

(*1*) where the total income does not exceed Rs. 2,50,000	*Nil;*
(*2*) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000	5 per cent. of the amount by which the total income exceeds Rs. 2,50,000;
(*3*) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs. 12,500 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(*4*) where the total income exceeds Rs. 10,00,000	Rs. 1,12,500 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

(*II*) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

Rates of income-tax

(*1*) where the total income does not exceed Rs. 3,00,000	*Nil;*
(*2*) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000	5 per cent. of the amount by which the total income exceeds Rs. 3,00,000;
(*3*) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs. 10,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(*4*) where the total income exceeds Rs. 10,00,000	Rs. 1,10,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

(*III*) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

Rates of income-tax

(*1*) where the total income does not exceed Rs. 5,00,000	*Nil;*
(*2*) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(*3*) where the total income exceeds Rs. 10,00,000	Rs. 1,00,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall be increased by a surcharge for the purposes of the Union, calculated, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (*vii*) of clause (*31*) of section 2 of the Income-tax Act,—

(*a*) having a total income exceeding fifty lakh rupees but not exceeding one crore rupees, at the rate of ten per cent. of such income-tax; and

(*b*) having a total income exceeding one crore rupees, at the rate of fifteen per cent. of such income-tax:

Provided that in the case of persons mentioned above having total income exceeding,—

(*a*) fifty lakh rupees but not exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of fifty lakh rupees by more than the amount of income that exceeds fifty lakh rupees;

(*b*) one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(*1*) where the total income does not exceed Rs. 10,000	10 per cent. of the total income;
(*2*) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000	Rs. 1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
(*3*) where the total income exceeds Rs. 20,000	Rs. 3,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every co-operative society, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every co-operative society mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such

income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—

(*i*) where its total turnover or the gross receipt in the previous year 2016-2017 does not exceed two hundred and fifty crore rupees	25 per cent. of the total income;
(*ii*) other than that referred to in item (*i*)	30 per cent. of the total income.

II. In the case of a company other than a domestic company,—

(*i*) on so much of the total income as consists of,—

(*a*) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(*b*) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government	50 per cent.;
(*ii*) on the balance, if any, of the total income	40 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall be increased by a surcharge for the purposes of the Union calculated,—

(*i*) in the case of every domestic company,—

(*a*) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of seven per cent. of such income-tax; and

(*b*) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such Income-tax;

(*ii*) in the case of every company other than a domestic company,—

(*a*) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of two per cent. of such income-tax; and

(*b*) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.";

(*ii*) in Part III, in Paragraph E, in sub-paragraph 1, in clause (*i*), for the words and figures "previous year 2016-2017", the words and figures "previous year 2017-2018" shall be substituted;

(*iii*) in Part IV, in Rule 8,—

(*A*) for sub-rules (*1*) and (*2*), the following sub-rules shall be substituted, namely:—

"(*1*) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2019, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018, is a loss, then, for the purposes of sub-section (*2*) of section 2 of this Act,—

(*i*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2011, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018,

(*ii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2012, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018,

(*iii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018,

(*iv*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018,

(*v*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2015, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018,

(*vi*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2016, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2017 or the 1st day of April, 2018,

(*vii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2017, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2018,

(*viii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2018,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2019.

(*2*) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2020, or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019, is a loss, then, for the purposes of sub-section (*10*) of section 2 of this Act,—

(*i*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2012, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019,

(*ii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019,

(*iii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019,

(*iv*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2015, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019,

(*v*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2016, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019,

(*vi*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2017, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2018 or the 1st day of April, 2019,

(*vii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2018, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2019,

(*viii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2019,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2020.";

(*B*) for sub-rule (*4*), the following sub-rule shall be substituted, namely:—

"(*4*) Notwithstanding anything contained in this rule, no loss which has not been determined by the assessing officer under the provisions of these rules or the rules contained in the First Schedule to the Finance Act, 2011 (8 of 2011) or the First Schedule to the Finance Act, 2012 (23 of 2012) or the First Schedule to the Finance Act, 2013 (17 of 2013) or the First Schedule to the Finance (No. 2) Act, 2014 (25 of 2014) or the First Schedule to the Finance Act, 2015 (20 of 2015) or the First Schedule to the Finance Act, 2016 (28 of 2016) or the First Schedule to the Finance Act, 2017 (7 of 2017) or the First Schedule to the Finance Act, 2018 (13 of 2018) shall be set off under sub-rule (*1*) or, as the case may be, sub-rule (*2*).".

CHAPTER III

DIRECT TAXES

Income-tax

Amendment of section 16.

3. In section 16 of the Income-tax Act, 1961 (hereafter in this Chapter referred to as the Income-tax Act), in clause (*ia*) [as inserted by section 7 of the Finance Act, 2018], for the words "forty thousand", the words "fifty thousand" shall be substituted with effect from the 1st day of April, 2020. 43 of 1961. 13 of 2018.

Amendment of section 23.

4. In section 23 of the Income-tax Act, with effect from the 1st day of April, 2020,—

(*a*) in sub-section (*4*),—

(*i*) in the opening portion, for the words "one house", the words "two houses" shall be substituted;

(*ii*) in clause (*a*), for the word "one", the word "two" shall be substituted;

(*iii*) in clause (*b*), for the words "other than the house", the words "other than the house or houses" shall be substituted;

(*b*) in sub-section (*5*), for the words "one year", the words "two years" shall be substituted.

Amendment of section 24.

5. In section 24 of the Income-tax Act, with effect from the 1st day of April, 2020,—

(*a*) in the first proviso, after the words "the amounts of deduction", the words "or, as the case may be, the aggregate of the amount of deduction" shall be inserted;

(*b*) in the second proviso, after the words "the amount of deduction", the words "or, as the case may be, the aggregate of the amounts of deduction" shall be inserted;

(*c*) after the *Explanation* to the third proviso, the following proviso shall be inserted, namely:—

"Provided also that the aggregate of the amounts of deduction under the first and second provisos shall not exceed two lakh rupees.".

6. In section 54 of the Income-tax Act, in sub-section (*1*), after clause (*ii*), the following provisos shall be inserted with effect from the 1st day of April, 2020, namely:— Amendment of section 54.

'Provided that where the amount of the capital gain does not exceed two crore rupees, the assessee may, at his option, purchase or construct two residential houses in India, and where such option has been exercised,—

(*a*) the provisions of this sub-section shall have effect as if for the words "one residential house in India", the words "two residential houses in India" had been substituted;

(*b*) any reference in this sub-section and sub-section (*2*) to "new asset" shall be construed as a reference to the two residential houses in India:

Provided further that where during any assessment year, the assessee has exercised the option referred to in the first proviso, he shall not be subsequently entitled to exercise the option for the same or any other assessment year.'.

7. In section 80-IBA of the Income-tax Act, in sub-section (*2*), in clause (*a*), for the figures "2019", the figures "2020" shall be substituted with effect from the 1st day of April, 2020. Amendment of section 80-IBA.

8. In section 87A of the Income-tax Act, with effect from the 1st day of April, 2020,— Amendment of section 87A.

(*a*) for the words "three hundred fifty thousand", the words "five hundred thousand" shall be substituted;

(*b*) for the words, "two thousand and five hundred", the words "twelve thousand and five hundred" shall be substituted.

9. In section 194A of the Income-tax Act, in sub-section (*3*), in clause (*i*), for the words "ten thousand" wherever they occur, the words "forty thousand" shall be substituted. Amendment of section 194A.

10. In section 194-I of the Income-tax Act, in the first proviso, for the words "one hundred and eighty thousand rupees", the words "two hundred and forty thousand rupees" shall be substituted. Amendment of section 194-I..

CHAPTER IV

MISCELLANEOUS

PART I

AMENDMENTS TO THE INDIAN STAMP ACT, 1899

11. The provisions of this Part shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint. Commencement of this Part.

2 of 1899. **12.** In section 2 of the Indain Stamp Act, 1899 (hereafter in this Part referred to as the principal Act),— Amendment of section 2.

(*a*) for clause (*1*), the following clauses shall be substituted, namely:—

'(*1*) "allotment list" means a list containing details of allotment of the securities intimated by the issuer to the depository under sub-section (*2*) of section 8 of the Depositories, Act, 1996;

22 of 1996.

(*1A*) "banker" includes a bank and any person acting as a banker;';

(*b*) in clause (*5*), the following long line shall be added at the end, namely:—

"but does not include a debenture;";

(*c*) after clause (*7*), the following clauses shall be inserted, namely:—

'(*7A*) "clearance list" means a list of transactions of sale and purchase relating to contracts traded on the stock exchanges submitted to a clearing

corporation in accordance with the law for the time being in force in this behalf;

(*7B*) "clearing corporation" means an entity established to undertake the activity of clearing and settlement of transactions in securities or other instruments and includes a clearing house of a recognised stock exchange;';

(*d*) after clause (*10*), the following clauses shall be inserted, namely:—

'(*10A*) "debenture" includes—

(*i*) debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not;

(*ii*) bonds in the nature of debenture issued by any incorporated company or body corporate;

(*iii*) certificate of deposit, commercial usance bill, commercial paper and such other debt instrument of original or initial maturity upto one year as the Reserve Bank of India may specify from time to time;

(*iv*) securitised debt instruments; and

(*v*) any other debt instuments specified by the Securities and Exchange Board of India from time to time;

(*10B*) "depository" includes—

(*a*) a depository as defined in clause (*e*) of sub-section (*1*) of section 2 of the Depositories Act, 1996; and 22 of 1996.

(*b*) any other entity declared by the Central Government, by notification in the Official Gazette, to be a depository for the purposes of this Act;';

(*e*) in clause (*12*), the words and figures "and includes attribution of electronic record within the meaning of section 11 of the Information Technology Act, 2000" shall be inserted at the end. 21 of 2000.

(*f*) for clause (*14*), the following clause shall be substituted, namely:—

'(*14*) "instrument" includes—

(*a*) every document, by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded;

(*b*) a document, electronic or otherwise, created for a transaction in a stock exchange or depository by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded; and

(*c*) any other document mentioned in Schedule I,

but does not include such instruments as may be specified by the Government, by notification in the Official Gazette;';

(*g*) after clause (*15*), the following clause shall be inserted, namely:—

'(*15A*) "issuer" means any person making an issue of securities;';

(*h*) for clause (*16A*), the following clauses shall be substituted, namely:—

'(*16A*) "marketable security" means a security capable of being traded in any stock exchange in India;

(*16B*) "market value", in relation to an instrument through which—

(*a*) any security is traded in a stock exchange, means the price at which it is so traded;

(*b*) any security which is transferred through a depository but not traded in the stock exchange, means the price or the consideration mentioned in such instrument;

(*c*) any security is dealt otherwise than in the stock exchange or depository, means the price or consideration mentioned in such instrument;';

(*i*) after clause (*23*), the following clause shall be inserted, namely:—

'(*23A*) "securities" includes—

(*i*) securities as defined in clause (*h*) of section 2 of the Securities Contracts (Regulation) Act, 1956; 42 of 1956.

(*ii*) a "derivative" as defined in clause (*a*) of section 45U of the Reserve Bank of India Act, 1934; 2 of 1934.

(*iii*) a certificate of deposit, commercial usance bill, commercial paper, repo on corporate bonds and such other debt instrument of original or initial maturity upto one year as the Reserve Bank of India may specify from time to time; and

(*iv*) any other instrument declared by the Central Government, by notification in the Official Gazette, to be securities for the purposes of this Act;';

(*j*) after clause (*26*), the following clause shall be inserted, namely:—

'(*27*) "stock exchange" includes—

(*i*) a recognised stock exchange as defined in clause (*f*) of section 2 of the Securities Contracts (Regulation) Act, 1956; and 42 of 1956.

(*ii*) such other platform for trading or reporting a deal in securities, as may be specified by the Central Government, by notification in the Official Gazette, for the purposes of this Act.'.

Amendment of section 4.

13. In section 4 of the principal Act, after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*3*) Notwithstanding anything contained in sub-sections (*1*) and (*2*), in the case of any issue, sale or transfer of securities, the instrument on which stamp-duty is chargeable under section 9A shall be the principal instrument for the purpose of this section and no stamp-duty shall be charged on any other instruments relating to any such transaction.".

Substitution of new section for section 8A.

14. For section 8A of the principal Act, the following section shall be substituted, namely:—

Securities dealt in depository not liable to stamp-duty.

'8A. Notwithstanding anything contained in this Act or any other law for the time being in force,—

(*a*) an issuer, by the issue of securities to one or more depositories, shall, in respect of such issue, be chargeable with duty on the total amount of securities issued by it and such securities need not be stamped;

(*b*) the transfer of registered ownership of securities from a person to a depository or from a depository to a beneficial owner shall not be liable to duty.

Explanation.—For the purposes of this section, the expression "beneficial ownership" shall have the same meaning as assigned to it in clause (*a*) of sub-section (*1*) of section 2 of the Depositories Act, 1996.'. 22 of 1996.

Insertion of new Part AA.

15. In Chapter II of the principal Act, after Part A relating to 'Of the liability of instruments to duty', the following Part shall be inserted, namely:—

'AA.—Of the liability of instruments of transaction in stock exchanges and depositories to duty

Instruments chargeable with duty for transactions in stock exchanges and depositories.

9A. (*1*) Notwithstanding anything contained in this Act,—

(*a*) when the sale of any securities, whether delivery based or otherwise, is made through a stock exchange, the stamp-duty on each such sale in the clearance list shall be collected on behalf of the State Government by the stock exchange or a clearing corporation authorised by it, from its buyer on the market value of such securities at the time of settlement of transactions in securities of such buyer, in such manner as the Central Government may, by rules, provide;

(*b*) when any transfer of securities for a consideration, whether delivery based or otherwise, is made by a depository otherwise than on the basis of any transaction referred to in clause (*a*), the stamp-duty on such transfer shall be collected on behalf of the State Government by the depository from the transferor of such securities on the consideration amount specified therein, in such manner as the Central Government may, by rules, provide;

(*c*) when pursuant to issue of securities, any creation or change in the records of a depository is made, the stamp-duty on the allotment list shall be collected on behalf of the State Government by the depository from the issuer of securities on the total market value of the securities as contained in such list, in such manner as the Central Government may, by rules, provide.

(*2*) Notwithstanding anything contained in this Act, the instruments referred to in sub-section (*1*) shall be chargeable with duty as provided therein at the rate specified in Schedule I and such instruments need not be stamped.

(*3*) From the date of commencement of this Part, no stamp-duty shall be charged or collected by the State Government on any note or memorandum or any other document, electronic or otherwise, associated with the transactions mentioned in sub-section (*1*).

(*4*) The stock exchange or a clearing corporation authorised by it or the depository, as the case may be, shall, within three weeks of the end of each month and in accordance with the rules made in this behalf by the Central Government, in consultation with the State Government, transfer the stamp-duty collected under this section to the State Government where the residence of the buyer is located and in case the buyer is located outside India, to the State Government having the registered office of the trading member or broker of such buyer and in case where there is no such trading member of the buyer, to the State Government having the registered office of the participant:

Provided that before such transfer, the stock exchange or the clearing corporation authorised by it or the depository shall be entitled to deduct such percentage of stamp-duty towards facilitation charges as may be specified in such rules.

Explanation.—The term "participant" shall have the same meaning as assigned to it in clause (*g*) of section 2 of the Depositories Act, 1996. 22 of 1996

(*5*) Every stock exchange or the clearing corporation authorised by it and depository shall submit to the Government details of the transactions referred to in sub-section (*1*) in such manner as the Central Government may, by rules, provide.

Instruments chargeable with duty for transactions otherwise than through stock exchanges and depositories.

9B. Notwithstanding anything contained in this Act,—

(*a*) when any issue of securities is made by an issuer otherwise than through a stock exchange or depository, the stamp-duty on each such issue shall be payable by the issuer, at the place where its registered office is located, on the total market value of the securities so issued at the rate specified in Schedule I;

(*b*) when any sale or transfer or reissue of securities for consideration is made otherwise than through a stock exchange or depository, the stamp-duty on each such sale or transfer or reissue shall be payable by the seller or transferor or issuer, as the case may be, on the consideration amount specified in such instrument at the rate specified in Schedule I.'.

Amendment of section 21.

16. In section 21 of the principal Act,—

(*a*) for the words "the value of such stock or security according to the average price or the value thereof on the day of the date of the instrument.", the words "the market value of such stock or security:" shall be substituted;

(*b*) the following proviso shall be inserted, namely:—

"Provided that the market value for calculating the stamp-duty shall be, in the case of—

(*i*) options in any securities, the premium paid by the buyer;

(*ii*) repo on corporate bonds, interest paid by the borrower; and

(*iii*) swap, only the first leg of the cash flow.".

Amendment of section 29.

17. In section 29 of the principal Act,—

(*i*) in clause (*a*),—

(*a*) the words, figures and brackets "No. 27 (Debenture)" shall be omitted;

(*b*) the words, figures, brackets and letter "No. 62 (*a*) (Transfer of shares in an incorporated Company or other body corporate)" shall be omitted;

(*c*) the words, figures, brackets and letter "No. 62 (*b*) (Transfer of debentures, being marketable securities, whether the debenture is liable to duty or not, except debentures provided for by section 8)" shall be omitted;

(*ii*) in clause (*e*), after the word "exchange", the words "including swap" shall be inserted;

(*iii*) in clause (*f*), the word "and" shall be omitted;

(*iv*) after clause (*g*), the following clauses shall be inserted, namely:—

"(*h*) in the case of sale of security through stock exchange, by the buyer of such security;

(*i*) in the case of sale of security otherwise than through a stock exchange, by the seller of such security;

(*j*) in the case of transfer of security through a depository, by the transferor of such security;

(*k*) in the case of transfer of security otherwise than through a stock exchange or depositiory, by the transferor of such security;

(*l*) in the case of issue of security, whether through a stock exchange or a depository or otherwise, by the issuer of such security; and

(*m*) in the case of any other instrument not specified herein, by the person making, drawing or executing such instrument.".

Insertion of new section 62A.

18. After section 62 of the principal Act, the following section shall be inserted, namely:—

Penalty for failure to comply with provisions of section 9A.

"62A. (*1*) Any person who,—

(*a*) being required under sub-section (*1*) of section 9A to collect duty, fails to collect the same; or

(*b*) being required under sub-section (*4*) of section 9A to transfer the duty to the State Government within fifteen days of the expiry of the time specified therein, fails to transfer within such time,

shall be punishable with fine which shall not be less than one lakh rupees, but which may extend upto one per cent. of the collection or transfer so defaulted.

(*2*) Any person who,—

(*a*) being required under sub-section (*5*) of section 9A to submit details of transactions to the Government, fails to submit the same; or

(*b*) submits a document or makes a declaration which is false or which such person knows or believes to be false,

shall be punishable with fine of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.".

Insertion of new section 73A.

19. After section 73 of the principal Act, the following section shall be inserted, namely:—

Power of Central Government to make rules.

"73A. (*1*) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of Part AA of Chapter II.

(*2*) Without prejudice to the generality of the provisions of sub-section (*1*), the Central Government may make rules for all or any of the following matters, namely:—

(*a*) the manner of collection of stamp-duty on behalf of the State Government by the stock exchange or the clearing corporation authorised by it, from its buyer under clause (*a*) of sub-section (*1*) of section 9A;

(*b*) the manner of collection of stamp-duty on behalf of the State Government by the depository from the transferor under clause (*b*) of sub-section (*1*) of section 9A;

(*c*) the manner of collection of stamp-duty on behalf of the State Government by the depository from the issuer under clause (*c*) of sub-section (*1*) of section 9A;

(*d*) the manner of transfer of stamp-duty to the State Government under sub-section (*4*) of section 9A;

(*e*) any other matter which has to be, or may be, provided by rules.".

Amendment of section 76.

20. In section 76 of the principal Act, after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*2A*) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.".

21. In Schedule I of the principal Act,— Amendment of Schedule I.

(*i*) in Article 19, in column (1),—

(*a*) after the words "CERTIFICATE OR OTHER DOCUMENT", the brackets, words, figures and letter "(except the certificate or other document covered under Articles 27 and 56A)" shall be inserted;

(*b*) the words, brackets and figures "See also LETTER OF ALLOTMENT OF SHARES (No. 36)" shall be omitted;

(*ii*) for Article 27 and the entries relating thereto, the following Article and entries shall be subsitituted, namely:—

(1)	(2)
"27. DEBENTURE—[as defined by section 2 (*10*A)] (*see* sections 9A and 9B)	
(*a*) in case of issue of debenture;	0.005%
(*b*) in case of transfer and re-issue of debenture.	0.0001%";

(*iii*) in Article 28, for the entry in column (1), after the words "DELIVERY ORDER IN RESPECT OF GOODS,", the brackets and words "(excluding delivery order in respect of settlement of transactions in securities in stock exchange)" shall be inserted;

(*iv*) in Article 36, for the entry in column (1), the following entry shall be substituted, namely:—

"36. LETTER OF ALLOTMENT in respect of any loan to be raised by any company or proposed company.";

(*v*) after Article 56 and the entry relating thereto, the following Article and entries shall be inserted, namely:—

(1)	(2)
"56A. SECURITY OTHER THAN DEBENTURES (see sections 9A and 9B)—	
(*a*) issue of security other than debenture;	0.005%
(*b*) transfer of security other than debenture on delivery basis;	0.015%
(*c*) transfer of security other than debenture on non-delivery basis;	0.003%
(*d*) derivatives—	
(*i*) futures (equity and commodity)	0.002%
(*ii*) options (equity and commodity)	0.003%
(*iii*) currency and interest rate derivatives	0.0001%
(*iv*) other derivatives	0.002%
(*e*) Government securities	0%
(*f*) repo on corporate bonds	0.00001%";

(*vi*) in Article 62, items (*a*) and (*b*) and the entries relating thereto shall be omitted.

PART II

AMENDMENT TO THE PREVENTION OF MONEY-LAUNDERING ACT, 2002

22. In section 8 of the Prevention of Money-laundering Act, 2002, in sub-section (*3*), with effect from such date as the Central Government may, by notification in the Official Gazette, appoint,— Amendment of section 8 of Act 15 of 2003.

(*i*) in clause (*a*), for the words "ninety days", the words "three hundred and sixty-five days" shall be substituted;

(*ii*) after clause (*b*), the following *Explanation* shall be inserted, namely:—

"*Explanation*.—For the purposes of computing the period of three hundred and sixty-five days under clause (*a*), the period during which the investigation is stayed by any court under any law for the time being in force shall be excluded.".

DR. G. NARAYANA RAJU,
Secretary to the Govt. of India.

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वित्त मंत्रालय

(राजस्व विभाग)

अधिसूचना

नई दिल्ली, 10 दिसम्बर, 2019

सा.का.नि. 901(अ).—केन्द्रीय सरकार, भारतीय स्टाम्प अधिनियम, 1899 (1899 का 2) की धारा 73क द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, स्टॉक एक्सचेंज और निक्षेपागारों में शुल्क के संव्यवहार लिखतों के दायित्वों का विनियमन करने के लिए निम्नलिखित नियम बनाती है, अर्थात्:—

1. **संक्षिप्त नाम और प्रारंभ-** (1) इन नियमों का संक्षिप्त नाम भारतीय स्टाम्प (स्टॉक एक्सचेंज, समाशोधन निगमों और निक्षेपागारों के माध्यम से स्टाम्प शुल्क संग्रहण) नियम, 2019 है।

(2) यह 9 जनवरी, 2020 को प्रवृत्त होंगे।

2. **परिभाषाएं-** (1) इन नियमों में जब तक कि संदर्भ से अन्यथा अपेक्षित न हो,—

(क) "अधिनियम" से भारतीय स्टाम्प अधिनियम, 1899 (1899 का 2) अभिप्रेत है;

(ख) "क्रेता" से :—

(i) प्रतिभूति क्रय करने वाला व्यक्ति; या

(ii) अग्रिम चरण में (किसी मुद्रा युग्म कोटेशन में आने वाली पहली मुद्रा) क्रय करने वाला व्यक्ति; या

(iii) किसी नियत प्लवमान स्वैप लिखत में नियत दर संदाय करने वाला व्यक्ति; या

(iv) किसी प्लवमान – प्लवमान स्वैप लिखत में निविदा करने वाला कोई एक व्यक्ति; या

(v) निगम बंधपत्रों में रैपो उधार लेने वाला व्यक्ति,

अभिप्रेत है

(ग) "संग्रहकर्ता अभिकर्ता" से कोई स्टॉक एक्सचेंज या उसके द्वारा प्राधिकृत समाशोधन निगम या कोई निक्षेपागार अभिप्रेत है, जो अधिनियम और इन नियमों के उपबंधों के अनुसार राज्य सरकार के निमित्त प्रतिभूतियों पर स्टाम्प शुल्क का संग्रह करने के लिए सशक्त है;

(घ) "अधिवास राज्य" से:-

(i) निपटान के दिन भारत में "स्थायी पता" के रूप में उपदर्शित क्रेता का राज्य और उसके उपलब्ध न होने की दशा में स्टॉक एक्सचेंज या समाशोधन निगम या निक्षेपागार के अभिलेखों के अनुसार भारत में उपदर्शित "पत्राचार का पता" अभिप्रेत है;

(ii) यदि भारत में क्रेता का "स्थायी पता" या "पत्राचार का पता" उपलब्ध नहीं है, राज्य, जिसमें सदस्य का रजिस्ट्रीकृत पता है, जिसके माध्यम से व्यापार या अंतरण निष्पादित किया जाता था और उसके उपलब्ध न होने की दशा में राज्य, जिसमें सहभागी या अभिरक्षक, जिसके माध्यम से व्यापार किया जाता था, का जिसमें रजिस्ट्रीकृत कार्यालय है।

(ङ) किसी स्वैप करार के संबंध में "नकद प्रवाह का प्रथम चरण" से क्रेता के लिए संविदा का नोशनल या समग्र मूल्य अभिप्रेत है;

(च) "बाजार अंतरण" से किसी स्टॉक एक्सचेंज में किए गए संव्यवहारों को पूरा करने के लिए प्रतिभूतियों का अंतरण या किसी स्टॉक एक्सचेंज या समाशोधन निगम को रिपोर्ट किया गया अंतरण अभिप्रेत है, जिन पर या तो स्टॉक एक्सचेंज या समाशोधन निगम में अपेक्षित स्टाम्प शुल्क का संग्रह किया है;

(छ) "सदस्य" से किसी स्टॉक एक्सचेंज का व्यापार करने वाला सदस्य या दलाल या किसी समाशोधन निगम समाशोधन सदस्य अभिप्रेत है, जो अपने ग्राहकों के निमित्त के साथ स्वयं के लिए व्यापार करता है और इसके अंतर्गत व्यापारिक-सह-समाशोधक सदस्य या कोई अन्य व्यक्ति सम्मिलित है, जो प्रत्यक्षत: स्टॉक एक्सचेंज में स्टॉक एक्सचेंज की उपविधियों के अनुसार भाग लेता है;

(ज) "बाजार इतर अंतरण" से किसी बाजार अंतरण से भिन्न प्रतिभूतियों का अंतरण अभिप्रेत है;

(झ) "सहभागी" से निक्षेपागार अधिनियम, 1966 (1966 का 22) की धारा 2 की उपधारा (1) के खंड (छ) के अधीन परिभाषित किसी निक्षेपागार का कोई सहभागी अभिप्रेत है;

(ञ) "प्रधान अधिकारी" से संग्रहकर्ता अभिकर्ता द्वारा अधिनियम और इन नियमों के प्रयोजन के लिए या तो नाम या पदनाम द्वारा नियुक्त कोई अधिकारी अभिप्रेत है;

(ट) "विक्रेता" से किसी क्रेता के साथ किसी संव्यवहार में प्रतिपक्ष अभिप्रेत है;

(ठ) "व्यवस्थापन दिवस" से कोई दिवस अभिप्रेत है, जिसको,–

(i) किसी स्टॉक एक्सचेंज या किसी प्राधिकृत समाशोधन निगम द्वारा विक्रेता को निधियों का और इन निधियों की तत्स्थानी अंडरलाईंग प्रतिभूतियों का परिदान पूरा करके किसी संव्यवहार का निपटान किया जाता है; या

(ii) किसी स्टॉक एक्सचेंज या समाशोधन निगम को यह रिपोर्ट की जाती है कि प्रतिभूतियों में संव्यवहार पूरा किया गया है किंतु प्रतिभूति को किसी भी निक्षेपागार में डी-मैट प्ररूप में धृत नहीं किया गया है; या

(iii) डी-मैट प्ररूप में धृत प्रतिभूतियों के संबंध में किसी निक्षेपागार में कोई निर्गम या अंतरण किया गया है, जिसकी पश्चातवर्ती रूप से किसी स्टॉक एक्सचेंज या किसी समाशोधन निगम को रिपोर्ट की जानी है।

2. इन नियमों में उपयोग किए गए और परिभाषित नहीं किए गए शब्द और पद किंतु जो अधिनियम या प्रतिभूति संविदा (विनियमन) अधिनियम, 1956 (1956 का 42), भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 (1992 का 15) या निक्षेपागार अधिनियम, 1996 (1996 का 22) या संदाय और निपटान प्रणाली अधिनियम, 2007 (2007 का 51) और उसके अधीन विरचित नियमों व विनियमों में परिभाषित हैं, के क्रमश: वहीं अर्थ होंगे, जो उनके उन अधिनियमों, नियमों और विनियमों में हैं।

3. स्टॉक एक्सचेंज या समाशोधन निगम द्वारा **स्टाम्प शुल्क का संग्रहण**-(1) किसी स्टॉक एक्सचेंज के माध्यम से किन्हीं प्रतिभूतियों के विक्रय, जिसके अंतर्गत किसी रजिस्ट्रीकृत पूलित ठहराव या स्कीम या त्रिपक्षीय रेपो की सूचीबद्ध इकाईयों के संबंध में विक्रय सम्मिलित है, के संबंध में अधिनियम की धारा 9क की उपधारा (1) के खंड (क) के अधीन उद्ग्रहणीय स्टाम्प शुल्क का संग्रहण, व्यवस्थापन के दिवस को किसी स्टॉक एक्सचेंज या उसके द्वारा प्राधिकृत समाशोधन निगम द्वारा अधिनियम की अनुसूची 1 में विनिर्दिष्ट दरों पर अधिनियम की धारा 29 में विनिर्दिष्ट संबंधित व्यक्तियों से किया जाएगा।

(2) विकल्प लिखतों की दशा में, जिसके अंतर्गत ऐसे विकल्प सम्मिलित हैं, जिनका शून्य या लगभग शून्य प्रीमियम है, विकल्प संविदा के क्रेता को स्पष्ट रूप से प्रत्येक संघटक संव्यवहार पर उसके द्वारा संदेय प्रीमियम की स्पष्ट रूप से पहचान करनी होगी और उसकी संग्रहकर्ता अभिकरण को रिपोर्ट करनी होगी।

(3) स्टॉक एक्सचेंजों के माध्यम से निष्पादित निजी संस्थानों या निविदा प्रस्ताव, खुला प्रस्ताव या विक्रय के लिए प्रस्ताव से उद्भूत संव्यवहारों की दशा में स्टाम्प् शुल्क प्रस्तावक से अर्जित या प्रस्तावित मूल्य पर एक बार प्रस्ताव के सफलतापूर्वक पूर्ण होने पर विक्रीत या प्रतिभूति के बाजार मूल्य पर संग्रहीत की जाएगी।

(4) स्टॉक एक्सचेंज को रिपोर्ट की गई प्रतिभूतियों के संव्यवहारों की दशा में स्टाम्प शुल्क संपूर्ण विक्रय प्रतिफल पर तब संग्रहीत किया जाएगा जब ऐसा अंतरण रिपोर्ट किया जाता है, चाहे प्रतिफल आंशिक या किश्तों के रूप में भविष्य में संदत्त किया जाए।

(5) नियम 5 के उप-नियम (6) के अधीन निक्षेपागारों द्वारा रिपोर्ट किए गए संव्यवहारों की दशा में स्टॉक एक्सचेंज स्टाम्प शुल्क का संग्रहण नहीं करेगा।

(6) स्टॉक एक्सचेंज को रिपोर्ट किया गया विक्रय प्रतिफल वास्तविक विक्रय मूल्य के रूप में माना जाएगा।

(7) डी-मैट रूप में धृत प्रतिभूतियों को अंतवर्लित करने वाले संव्यवहारों की दशा में स्टॉक एक्सचेंज या कोई समाशोधन निगम सुसंगत निक्षेपागार को उसके मंच पर निष्पादित बाजार नियंत्रणों के बारे में उस दिन सूचित करेगा जिस दिन समाशोधन निगम द्वारा व्यवस्थापन देयता अवधारित की जाती है, जिस पर स्टाम्प शुल्क उद्ग्रहणीय है।

(8) ऐसे संव्यवहारों की दशा में जो केवल स्टॉक एक्सचेंज को रिपोर्ट किए जाते हैं, स्टॉक एक्सचेंजों द्वारा स्टाम्प शुल्क का संग्रहण किया जाएगा और रिपोर्ट करने वाले मध्यवर्ती स्टॉक एक्सचेंज को ग्राहकों के निवास के ब्यौरे रिपोर्ट करेगा।

4. संव्यवहारों का परिदान आधार पर या गैर-परिदान आधार पर अंतरीय शुल्क आदि अवधारित करना-

(1) किसी स्टॉक एक्सचेंज या समाशोधन निगम के माध्यम से प्रतिभूतियों के किसी विशिष्ट अंतरण की प्रकृति परिदान आधार पर मानी जाए या गैर-परिदान आधार पर मानी जाए, समाशोधन निगम द्वारा व्यवस्थापन के समय परिदान को शासित करने वाले स्थापित सिद्धांतों के अनुसार अवधारित किया जाएगा।

(2) समाशोधन निगमों की आंतरिक संचालनशीलता की दशा में स्टॉक एक्सचेंजों के बीच किसी ग्राहक के व्यापार को यह अवधारित करने के लिए विचार में लिया जाएगा कि उसका परिणाम परिदान है या नहीं।

5. अंतरणकर्ता से निक्षेपागारों द्वारा स्टाम्प शुल्क का संग्रहण - (1) अधिनियम की धारा 9क की उपधारा (1) के खंड (ख) के अधीन उद्ग्रहणीय स्टाम्प शुल्क का संग्रहण, सभी बाजार अंतरणों, जिसमें निक्षेपागार प्रणाली में प्रतिभूतियों का अंतरण अंतवर्लित है, जिसके अंतर्गत डी-मैट या इलेक्ट्रानिक रूप में काउंटर पर व्यापार भी है, के निष्पादन से पूर्व किया जाएगा।

(2) कोई निक्षेपागार परिदान अनुदेश पर्ची (इलैक्ट्रानिक या अन्यथा) में अंतरणकर्ता द्वारा विनिर्दिष्ट प्रतिफल रकम पर स्टाम्प शुल्क का संग्रहण करेगा और निक्षेपागार को यथा रिपोर्ट किया गया प्रतिफल वास्तविक प्रतिफल रकम में रूप में मानी जाएगी

(3) अंतर निक्षेपागार बाजार - अन्यत्र अंतरणों की दशा में, अंतरिती का निक्षेपागार एक दिन के भीतर अंतरणकर्ता के निक्षेपागार को अंतरिती के निवास राज्य के बारे में सूचित करेगा जिससे अंतरणकर्ता का निक्षेपागार संग्रहीत स्टाम्प शुल्क को क्रेता राज्य को प्रेषित कर सके।

(4) कोई निक्षेपागार निम्नलिखित के लिए एक प्रणाली बनाएगा,-

(क) बाजार अंतरणों और विक्रय प्रतिफल की पहचान करना

(ख) इस प्रणाली में प्रतिभूतियों के अंतरण के कारणों और प्रतिफल रकम, यदि लागू हो पूर्ण या आंशिक रूप में संदत्त की जानी है या किश्तों में भविष्य में संदत्त की जानी है, का आज्ञापक प्रकटीकरण।

(5) यदि प्रतिफल का संदाय भाग में या किश्तों में किया जाता है, स्टांप शुल्क निक्षेपागार द्वारा पूरे विक्रय प्रतिफल पर जब अतंरण प्रभावी हो वसूला जाएगा।

(6) निक्षेपागार, शेयर बाजार या समाशोधन निगम, जैसा भी मामला हो, को उन अप्रत्यक्षीकृत अतंरणों के बारे में सूचित करेगा जिसे बाद में शेयर बाजार अथवा समाशोधन निगम को रिपोर्ट करना होगा जिस पर स्टांप शुल्क पहले ही वसूला गया था।

(7) गिरवी मांगने के अनुसरण में प्रतिभूतियों के अंतरण के मामले में, प्रतिभूतियों के बाजार मूल्य पर गिरवीदारों से शुल्क वसूला जाएगा।

6. जारीकर्ताओं से निक्षेपागारों द्वारा स्टांप शुल्क वसूलना:- (1) नई प्रतिभूति के सजृन पर अधिनियम की धारा 9 क की उपधारा (1) के खंड (ग) के अधीन उदग्रहणीय स्टांप शुल्क तथा प्रतिभूतियों के जारी होने पर निक्षेपागारों में अभिलेखों के परिवर्तन, निक्षेपागारों की प्रणाली में किसी संव्यवहार के कार्यान्वयन से पूर्व जारीकर्ता से वसूला जाएगा।

(2) प्रतिभूतियों के जारीकर्ता निक्षेपागारों को प्रतिभूतियों के आबंटन के समय प्रतिभूतियों को प्रारंभ में अथवा आगे जारी करने या उनके निजी नियोजन और खुले प्रस्ताव या निविदा प्रस्ताव या विक्रय के प्रस्ताव के पश्चात किए गए क्रय के संबंध में आबंटन सूची प्रस्तुत करेगा।

(3) निक्षेपागार निगमित कार्यों जैसे शेयर विखंडन, शेयर समेकन, विलयन और अर्जन अथवा ऐसे समतुल्य कार्यों आदि के कारण प्रतिभूतियों के सृजन अथवा नाश पर स्टांप शुल्क की वसूली नहीं करेगा यदि इसमें हिताधिकारी स्वामित्व का कोई परिवर्तन अंतवर्लित नहीं है।

परंतु निगमित कार्य के भाग के रूप में किसी निवेशक का कोई नया मामला है तो, ऐसे मामले स्टांप शुल्क के अधीन होंगे।

(4) निक्षेपागारों के माध्यम से संचालित निविदा प्रस्ताव या खुला प्रस्ताव या विक्रय का प्रस्ताव या निजी नियोजन बिक्री से उत्पन्न संव्यवहार के मामले में प्रस्तावकर्ता से प्रस्ताव सफलतापूर्वक पूरा करने के पश्चात, प्रस्ताव मूल्य पर अर्जित अथवा विक्रीत प्रतिभूतियों के बाजार मूल्य पर स्टांप शुल्क वसूला जाएगा।

(5) कंपनी अधिनियम, 2013 (2013 का 18) की धारा 236 के अधीन बहुसंख्य शेयरधारकों द्वारा अल्पसंख्य शेयरधारकों के शेयरों के अर्जन के मामले में निगमित कार्य के माध्यम से कार्यान्वित ऐसे अंतरणों पर निक्षेपागारों द्वारा स्टांप शुल्क अंतरक के बजाये जारीकर्ता से वसूला जाएगा।

7. राज्यों को स्टांप शुल्क का अंतरण:- (1) अधिनियम की धारा 9 की उप-धारा (4) के उपबंधों के अनुसार वसूली अभिकर्ता राज्य सरकार को स्टांप शुल्क अंतरित कर देगा।

(2) संबंधित राज्य सरकार के खाते में संग्रहीत स्टांप शुल्क को वसूली अभिकर्ता भारतीय रिजर्व बैंक या किसी अनुसूचित वाणिज्यिक बैंक में अंतरित करेगा जैसा भारतीय रिजर्व बैंक या संबंधित राज्य सरकार द्वारा वसूली अभिकर्ता को सूचित किया गया है।

(3) वसूली अभिकर्ता द्वारा संग्रहीत स्टांप शुल्क के मूल्य को निकटतम रूपए में पूर्णांककर दिया जाएगा और इस प्रयोजन के लिए जहां ऐसी रकम में रूपए के भाग में पैसे है, तब यदि वह भाग 50 पैसे हो अथवा अधिक हो उसे एक रुपए में बढ़ा दिया जाएगा तथा यदि वह भाग 50 पैसे से कम हैं उसे अनदेखा कर दिया जाएगा।

(4) वसूली अभिकर्ता सरलीकरण प्रभार के लिए राज्य सरकार की ओर से संग्रहीत स्टांप शुल्क राज्य सरकार को अंतरित करने से पहले 0.2 प्रतिशत घटा सकते हैं।

(5) राज्य सरकार इन नियमों के अनुसार स्टांप शुल्क की वसूली के उद्देश्य से प्रधान अधिकारी से सभी शासकीय पत्र व्यवहार के लिए नोडल अधिकारी नियुक्त कर सकते हैं।

(6) वसूली अभिकर्ता इन नियमों के प्रकाशन की तारीख से पंद्रह दिवस के भीतर अथवा अधिनियम की धारा 2 के खंड (27) के उप खंड (ii) के अधीन जारी अधिसूचना के पंद्रह दिवस के भीतर एक प्रधान अधिकारी नियुक्त करेंगे।

(7) वसूली अभिकर्ता इस अधिनियम तथा इन नियमों के उपबंधों को कार्यान्वित करने तथा इन्हें उनकी वेबसाइटों पर प्रसारित करने के लिए आवश्यक कदम उठाएंगे।

(8) राज्य सरकार की ओर से वसूले गए स्टांप शुल्क का उपयोग किसी अन्य वसूली अभिकर्ता द्वारा किसी अन्य प्रयोजन के लिए नहीं किया जाएगा और उसे राज्य सरकार को ऐसी रकम पर उपार्जित ब्याज के साथ अंतरित कर दिया जाएगा।

8. **स्टांप शुल्क की विवरणी:-** (1) वसूली अभिकर्ता, राज्य सरकार को विभिन्न संव्यवहारों पर संग्रहीत स्टांप शुल्क की विवरणी व्यतिक्रमियों की सूची सहित प्रति माह के आधार पर इन नियमों से संलग्न प्रारूप में प्रस्तुत करेगा जिसे उत्तरवर्ती मास के सात दिवस के भीतर मैन्यूअल रूप (हाथ) से अथवा इलेक्ट्रॉनिक रूप से प्रस्तुत किया जाएगा।

(2) वसूली अभिकर्ता संबंधित राज्य सरकार तथा प्रत्येक राज्य के महालेखाकार को उस वित्तीय वर्ष के तुरन्त बाद 30 जून को अथवा उससे पहले उस वित्तीय वर्ष के दौरान संग्रहीत स्टांप शुल्क की समेकित विवरणी मैन्यूअल (हाथ से) रूप से अथवा इलेक्ट्रॉनिक तरीके से प्रस्तुत करेगा।

(3) राज्य सरकार एक ऑनलाइन सुविधा प्रस्तुत कर सकती है जिसके माध्यम से वसूली अभिकर्ता राज्य-वार मासिक और वार्षिक विवरणी अपलोड कर पाएंगे।

(4) वसूली अभिकर्ता के निम्नानुसार मामले में, विवरणी को निम्नलिखित द्वारा हस्ताक्षरित तथा सत्यापित किया जाएगा,

(i) जब एक कंपनी है, प्रबंधन निदेशक अथवा उनकी अनुपस्थिति पर पदाश्रित निदेशक द्वारा; और

(ii) किसी अन्य मामले में, उसके प्रधान अधिकारी द्वारा

9. गलत प्रविष्टियां:- (1) यदि किसी अंतरण में गलती से यह उपदर्शित किया गया है कि इसमें विक्रय प्रतिफल अंतवर्लित नहीं है और व्यक्ति उसका परिशोधन चाहता हो, वह मास के समाप्त होने के तीन हफ्तों के भीतर वूसली अभिकर्ता को सूचित करते हुए तथा अपेक्षित स्टांप शुल्क का संदान करते हुए ऐसा करेगा।

(2) यदि कोई व्यक्ति अपना अधिवास राज्य परिवर्तित करता है तो वूसली अभिकर्ता परिवर्तित पते के अनुसार राज्य सरकार को स्टांप शुल्क उस तारीख से जब वसूली अभिकर्ताओं की अभिलेखे अद्यतन की गई हो, अंतरित कर देगा।

(3) यदि राज्य सरकार को कोई अंतरण गलती से कर दिया गया हो अथवा किसी संव्यवहार को उलटने का कानूनी आदेश अथवा न्यायालय का आदेश है जिस पर पहले ही स्टांप शुल्क संग्रहीत करके राज्य सरकार को अंतरित कर दिया गया था, वसूली अभिकर्ता गलती का पता चलने के पश्चात अव्यवहितपूर्ण विप्रेषित किए जाने वाली रकम में समायोजन करके समतुल्य रकम वापिस लेकर परिशोधित करेगा, जब तक कि ऐसे गलत संदायों की क्षतिपूर्ति न हो जाए, परंतु इस संबंध में संबंधित राज्य सरकार को गलती अथवा कानूनी आदेशों अथवा न्यायालय के निदेशों के बारे में लिखित में सूचित किया गया हो और यदि राज्य सरकार वसूली अभिकर्ता द्वारा प्रस्तुत कारणों से संतुष्ट नहीं हैं, तो वह अधिनियम के उपबंधों के अनुसार वसूली अभिकर्ता के विरुद्ध कार्रवाई कर सकते हैं।

(4) किसी विवाद अथवा न्यायनिर्णयन कार्रवाई के अनुसरण में देय स्टांप शुल्क की नई अथवा संशोधित मांग, राज्य सरकार द्वारा अधिनियम के उपबंधों के अनुसार वसूल कर ली जाएगी।

[फा. सं. एस. 33013/3/2019 एसटी-I-डीओआर]

ऋत्विक पाण्डेय, संयुक्त सचिव

प्ररूप

(नियम 8 देखें)

[वसूले गए स्टांप शुल्क की विवरणी (मासिक/वार्षिक)]

शेयर बाजार / निक्षेपागार का नाम:

शेयर बाजार / निक्षेपागार का पता:

स्टांप शुल्क संग्रहण के लिए प्राधिकृत समाशोधन निगम का नाम:

प्राधिकृत समाशोधन निगम का पता:

अवधि जिसके लिए स्टांप शुल्क संग्रहण की रिपोर्ट की गई है:

संग्रहीत स्टांप शुल्क के ब्यौरे:-

क्र. सं.	प्रतिभूति कोड	प्रतिभूति का नाम (डिबेंचर/शेयर आदि)	संव्यवहारों का मूल्य जिस पर स्टांप शुल्क उद्ग्रहणीय है	लागू स्टांप शुल्क की दर	स्टांप शुल्क के कुल बिल की रकम	कुल संग्रहीत स्टांप शुल्क	कुल स्टांप शुल्क जिनकी वसूली नहीं की गई	टिप्पणी, यदि कोई हों

स्टांप शुल्क के अंतरण के ब्यौरे:

क्र. सं.	**कुल संग्रहीत स्टांप शुल्क (क)**	**कटौती की गई प्रसुविधा प्रभार का रकम (ख)**	**राज्य सरकार को अंतरित कुल रकम (क-ख)**

चूककर्ताओं के ब्यौरे:

क्र. सं.	**जमाकर्ताओं के ब्यौरे**			**टिप्पणी, यदि कोई हों**
	नाम	**पता**	**पैन**	

सत्यापन

मैं _____ (पूरा नाम), सुपुत्र/सुपुत्री_____अपने ज्ञान और विश्वास से घोषणा करता/करती हूँ कि इस प्ररूप में दी गई सूचना सत्य तथा पूर्ण है तथा उसमें उपदर्शित संव्यवहारों और अन्य विशिष्टियों पर संग्रहीत स्टांप शुल्क के कुल मूल्य का सही उल्लेख किया गया है तथा यह भारतीय स्टांप अधिनियम, 1899 (1899 का 2) के अध्याय-II के भाग कक तथा भारतीय स्टांप (स्टॉक एक्सचेंज, समाशोधन निगम और निक्षेपागारों के माध्यम से स्टांप शुल्क का संग्रहण) नियम, 2019 के उपबंधों के अनुसार है।

मैं यह और घोषणा करता हूँ कि मैं यह विवरणी, _____ के रूप में प्रस्तुत कर रहा हूँ और इस विवरणी को बनाने और इसका सत्यापन करने के लिए सक्षम हूँ।

(संग्रहणकर्ता अभिकर्ता के प्राधिकृत

अधिकारी का नाम और हस्ताक्षर)

तारीख:

स्थान:

MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

New Delhi, the 10th December, 2019

G.S.R. 901(E).—In exercise of the powers conferred by section 73A of the Indian Stamp Act, 1899 (2 of 1899), the Central Government hereby makes the following rules to regulate the liability of instruments of transaction in stock exchanges and depositories to duty, namely:—

1. **Short title and commencement-** (1) These rules may be called the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019.

   (2) They shall come into force on the 9 day of January, 2020.

2. **Definitions-** (1) In these rules, unless the context otherwise requires, -

   (a) "Act" means the Indian Stamp Act, 1899 (2 of 1899);

   (b) "buyer" means,-

   (i) the person purchasing securities; or

   (ii) the person buying the base currency (the first currency appearing in a currency pair quotation) in the forward leg; or

   (iii) the person paying the fixed rate in a fixed-floating swap instrument; or

   (iv) any one of the contracting persons in a floating-floating swap instrument; or

   (v) borrower of repo on corporate bonds;

   (c) "collecting agent" means a stock exchange or clearing corporation authorised by it or a depository which is empowered to collect stamp-duty on securities on behalf of the State Government in accordance with the provisions of the Act and these rules;

   (d) "domicile State" means: -

   (i) the State of the buyer as it appears in the "permanent address" in India on the settlement day, and in case the same is not available, as it appears in the "correspondence address" in India, as per the records of stock exchange or clearing corporation or depository ;

   or

   (ii) in case the State of buyer is not available in the "permanent address" or "correspondence address" in India, the State having the registered office of the member, through whom the trade or transfer was executed, and in case the same is not available, the State having the registered office of the participant or custodian through whom the trade was effected.

   (e) "first leg of the cash flow" in respect of a swap agreement means the notional or gross value of the contract for the buyer;

   (f) "market transfer" means transfer of securities effected towards the completion of a transaction carried out on the stock exchange or as reported to the stock exchange or clearing corporation on which either the stock exchange or clearing corporation collects the required stamp-duty;

   (g) "Member" means a trading member or broker of a stock exchange or a clearing member of a clearing corporation, who trades on behalf of his clients as well as for himself and shall include a trading- cum -clearing member or any person directly participating on the stock exchange as per the bye-laws of the stock exchange;

   (h) "off-market transfer" means transfer of securities other than a market transfer;

   (i) "participant" means a participant of a depository defined under clause (g) of sub-section (1) of section 2 of the Depositories Act, 1966 (22 of 1996);

   (j) "principal officer" means any officer appointed either by name or by designation, by a collecting agent for the purposes of the Act and these rules;

(k) "seller" means the counter-party in a transaction with the buyer;

(l) "settlement day" means the day on which, -

(i) a transaction is settled by a stock exchange or an authorised clearing corporation, by completing the delivery of funds to the seller and delivery of underlying securities corresponding to those funds to the buyer; or

(ii) it is reported to a stock exchange or a clearing corporation specifying that the transaction in securities has been carried out provided the security is not held in dematerialised form with any of the depositories; or

(iii) an issue or transfer has been effected in a depository in respect of securities held in dematerialised form which may have to be later reported to the stock exchange or a clearing corporation.

2. Words and expressions used and not defined in these rules but defined in the Act, or the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Securities and Exchange Board of India Act, 1992(15 of 1992), or the Depositories Act, 1996 (22 of 1996) or the Payments and Settlement Systems Act, 2007 (51 of 2007) and the rules and regulations framed there under, shall have the meanings respectively assigned to them in those Acts, rules and regulations.

3. Collection of stamp-duty by stock exchange or clearing corporation.—(1) The stamp-duty leviable under clause (a) of sub-section (1) of 9A of the Act in respect of sale of any securities made through the stock exchange including sale in respect of any listed units of any registered pooled arrangements or scheme, or tripartite repo, shall be collected on the settlement day, by a stock exchange or clearing corporation authorised by it, at the rates specified in Schedule I of the Act, from the concerned persons specified in section 29 of the Act.

(2) In case of option instruments including instruments with zero or near zero premium, the buyer of the option contract has to clearly identify premium payable by him on each constituent transaction and report it to the collecting agent.

(3) In case of the transactions arising from tender offer, open offer or offer for sale or private placements executed through stock exchange, the stamp-duty shall be collected from the offeror, on the market value of the security being acquired or sold out, at the offer price, once the offer is successfully completed.

(4) In case of transactions in securities reported to a stock exchange, the stamp-duty shall be collected on the entire sale consideration when transfer is reported, even if the consideration is paid in part or in instalments to be paid in future.

(5) In case of transactions reported by the depositories under sub-rule (6) of rule 5, the stock exchange shall not collect the stamp-duty.

(6) The sale consideration reported to a stock exchange shall be considered as the actual sale value.

(7) A stock exchange or a clearing corporation shall intimate the relevant depository about the market transfers executed on its platform on the day on which settlement obligation is determined by the clearing corporation, on which stamp-duty is leviable, in case of transactions involving securities held in dematerialised form.

(8) In the case of transactions which are merely reported to the stock exchange, the stamp-duty shall be collected by the stock exchange and the reporting intermediaries shall report domicile details of the clients to the stock exchange.

4. Determining transactions as on delivery basis or non-delivery basis, differential duty, etc.-

(1) The nature of a particular transfer of securities through a stock exchange or clearing corporations whether to be treated as on delivery basis or on non-delivery basis shall be determined by the clearing corporation at the time of settlement, as per established principles governing delivery.

(2) In case of inter-operability of clearing corporations, the trades of a client across the stock exchanges shall be considered for determining whether the same would result in a delivery or not.

5. Collection of stamp-duty by depositories from transferor.—(1) The stamp-duty leviable under clause (b) of sub-section (1) of section 9A of the Act shall be collected before execution of all off-market transfers involving transfer of securities in the depository system including over the counter trades occurring in dematerialised or electronic form.

(2) A depository shall collect stamp-duty on the consideration amount specified by the transferor in the delivery instruction slip (electronic or otherwise) and the consideration as reported to the depository shall be considered as the actual consideration amount.

(3) In case of inter-depository off-market transfers, the transferee's depository shall intimate the transferor's depository, within one day, about the transferee's domicile State so as to enable the transferor's depository to remit the stamp-duty so collected to the buyer's State.

(4) A depository shall put in place a system for,-

(a) identifying market transfers and sale consideration;

(b) mandatory disclosure of the reasons for transfer of securities in its system and the consideration amount, if applicable, whether to be paid in full or in part, or in instalments to be paid in future.

(5) If the consideration is paid in part or in instalments, stamp-duty shall be collected by the depository on the entire sale consideration when a transfer is effected.

(6) A depository shall intimate the stock exchange or clearing corporation as the case may be, about those dematerialised transfers, which may have to be later reported to the stock exchange or clearing corporation, on which stamp-duty has already been collected by it.

(7) In the case of transfer of securities pursuant to invocation of pledge, duty shall be collected from the pledgee on the market value of the securities.

6. Collection of stamp-duty by depositories from issuer.- (1) The stamp-duty leviable under clause (c) of sub-section (1) of section 9A of the Act on creation of new security and change in records in the depository upon issue of securities shall be collected from issuer before executing any transaction in the depository system.

(2) Issuer of securities shall submit to the depository, the allotment list in respect of initial or further issue of securities or its private placement and purchases made after an open offer or tender offer or offer for sale, at the time of allotment of securities.

(3) A depository shall not collect stamp-duty on creation or destruction of securities on account of corporate actions such as stock split, stock consolidation, mergers and acquisitions, or such similar actions, etc., if it does not involve a change in beneficial ownership:

Provided that if there is a fresh issue to an investor as part of a corporate action, such issue shall be subject to stamp-duty.

(4) In case of transactions arising from tender offer or open offer or offer for sale or private placement conducted through a depository, stamp-duty shall be collected from the offeror, on the market value of the security being acquired or sold out, at the offer price, once the offer is successfully completed.

(5) In case of acquisition of shares of minority shareholders by majority shareholders under section 236 of Companies Act, 2013 (18 of 2013), implemented by way of a corporate action, the stamp-duty on such transfers shall be collected by the depository from the issuer, instead of from the transferor.

7. Transfer of stamp-duty to States.- (1) The collecting agent shall transfer the stamp-duty to the State Government in accordance with the provisions of sub-section (4) of section 9 of the Act.

(2) The collecting agent shall transfer the stamp-duty collected in the account of concerned State Government with the Reserve Bank of India or any scheduled commercial bank, as informed to the collecting agent by the Reserve Bank of India or the concerned State Government.

(3) The value of stamp-duty collected by collecting agent shall be rounded off to the nearest rupee, and for this purpose, where such amount contains a part of a rupee consisting of paise, then, if such part is fifty paise or more, it shall be increased to one rupee and if such part is less than fifty paise, it shall be ignored.

(4) The collecting agent may deduct 0.2 per cent of the stamp-duty collected on behalf of the State Government towards facilitation charges before transferring the same to such State Government.

(5) The State Government may appoint a nodal officer for all official communications with the principal officers for the purposes of collection of stamp-duty in accordance with these rules.

(6) The collecting agent shall appoint a principal officer within fifteen days from the date of publication of these rules or within fifteen days of a notification issued under sub-clause (ii) of clause (27) of section 2 of the Act.

(7) The collecting agent shall take all necessary steps to implement the provisions of the Act and these rules and also disseminate the same on their websites.

(8) The stamp-duty collected on behalf of State Government shall not be utilised by any collecting agent for any other purpose and shall be transferred to the State Government along with interest earned on such amount, if any.

8. Return of stamp-duty.—(1) The collecting agent shall submit a return of stamp-duty collected on various transactions to the State Government including details of defaulters in the Form appended to these rules on a monthly basis to be furnished manually or electronically within seven days of the succeeding month.

(2) The collecting agent shall furnish a consolidated return of stamp-duty collected during a financial year manually or electronically on or before the 30th June immediately following that financial year to the concerned State Government and the Accountant General of each State.

(3) The State Government may provide an online facility by which a collecting agent shall upload State wise monthly and yearly returns.

(4) The return shall be signed and verified in the case of a collecting agent, —

(i) being a company, by the Managing Director or a designated Director thereof in his absence; and

(ii) in any other case, by the principal officer thereof.

9. Erroneous entries:- (1) If a transfer was erroneously indicated as not involving sale consideration and the person wishes to rectify it, he shall do so, by informing the collecting agent within three weeks from the end of the month and pay the required stamp-duty.

(2) If a person changes his domicile State, the collecting agent shall transfer the stamp-duty to that State Government as per the changed address, from the day the records of collecting agents are updated.

(3) If a transfer was erroneously made to a State Government or there is a statutory order or orders of the court for reversal of a transaction on which stamp-duty was already collected and transferred to the State Government, the collecting agent shall rectify the same by withdrawing an equivalent amount by making adjustments in the next immediate remittance occurring after the detection of the error, till such erroneous payments are compensated for, provided the concerned State Government has been informed in writing about the error or statutory orders or directions of the court in this regard and in case, the State Government is not satisfied with the reasons submitted by the collecting agent, it shall proceed against the collecting agent as per the provisions of the Act.

(4) Any fresh or revised demand of stamp-duty payable pursuant to any dispute or adjudication proceedings may be recovered by the State Government in accordance with the provisions of the Act.

[F. No. S.33013/3/2019 ST-1-DoR]

RITVIK PANDEY, Jt. Secy.

FORM

(*See* rule 8)

[RETURN OF STAMP-DUTY COLLECTED (Monthly/Yearly)]

Name of the stock exchange / depository:

Address of the stock exchange / depository:

Name of clearing corporation authorised to collect the Stamp duty:

Address of the authorised clearing corporation:

Period for which stamp-duty collection is being reported:

Details of stamp-duty collected:

Sl. No	Security Code	Nature of the security (debenture, share, etc.)	Value of transactions on which stamp-duty is leviable	Rate of Stamp-duty applied	Total billed amount of stamp-duty	Total stamp-duty collected	Total stamp-duty not recovered	Remarks, if any

Details of transfer of stamp-duty:

Sl.No.	Total Stamp-duty collected (A)	Amount of facilitation charges deducted (B)	Total Amount transferred to the State Government (A-B)

Details of defaulters:

Sl. No.	Details of the defaulters			Remarks, if any
	Name	Address	PAN	

VERIFICATION

I, _____ (full name in block letters), son/ daughter of _____ solemnly declare to the best of my knowledge and belief that the information given in this Form is correct and complete and that the total value of stamp-duty collected on the transactions and other particulars shown therein are truly stated and the same are in accordance with provisions of Part AA of Chapter II of the Indian Stamp Act, 1899 (2 of 1899) and the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019.

I further declare that I am making this return in my capacity as _____ and also competent to make this return and verify it.

(Name and signature of authorised officer of collecting agent)

Date:

Place:

Uploaded by Dte. of Printing at Government of India Press, Ring Road, Mayapuri, New Delhi-110064
and Published by the Controller of Publications, Delhi-110054.

MANOJ KUMAR VERMA Digitally signed by MANOJ KUMAR VERMA Date: 2019.12.10 20:01:47 +05'30'

Circular No : NSDL/PI/2004/0721 Date: April 22, 2004	Attention of Participants is invited to SEBI Circular No. SEBI/MRD/Policy/AT/Cir-19/2004 dated April 21, 2004, which states as follows: "SEBI vide circular no. SMDRP/Policy/Cir-05/2001 dated February 01, 2001, had stipulated a time limit of 4 calendar days or 2 working days, whichever is later, for transferring the securities from the member's pool account to the beneficiary accounts of clients. Also, SEBI vide circular No. SMD/Policy/Cir-6/2003 dated February 6, 2003 has stipulated the brokers to distribute the pay-out of securities and funds within 24 hours to their clients. Hence, with a view to harmonize the time limit for the pay-out from the pool account of the member to the client account, it is now clarified that, in partial modification of SEBI circular no. SMDRP/Policy/Cir-05/2001 dated February 01, 2001, the stock brokers/clearing members shall be required to transfer the securities from their respective CM Pool account to the respective beneficiary account of their clients **within 1 working day after the pay-out day.** The securities lying in the pool account beyond the stipulated 1 day shall attract a penalty at the rate of 6 basis point per week on the value of securities."
Mapping of Unique Client Code (UCC) with demat account of the client	
Circular No.: NSDL/POLICY/ 2020/0070 May 15, 2020	***Subject: Mapping of Unique Client Code (UCC) with demat accounts of the clients.*** Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2019/136 dated November 15, 2019 regarding Mapping of Unique Client Code (UCC) with demat account of the clients. In this regard, NSDL has mapped the UCC details provided by Stock Exchanges viz. NSE, BSE and MSEI to NSDL with demat accounts based on PAN captured in the demat accounts. If there are multiple UCCs in respect of single PAN, then all such UCCs are mapped in the demat account(s) on the basis of PAN. In case of a joint holding demat account(s), UCCs are mapped each holder-wise on the basis of PAN in demat account(s). In this context, the following facilities are made available: 1. Participants can download UCC details mapped in demat accounts maintained with them from the link viz.,DOWNLOAD UCC LINKED DATA made available on NSDL i-Assist portal. 2. The clients will have an option to delink the UCC which is linked to their demat account. In addition, for cases where UCC details are not provided by the stock exchanges, the clients will have an option to link the UCC to their demat account, if the client so desires. 3. On the basis of the client request to delink or to link the UCC in demat accounts maintained with them, a facility has been provided to Participants to upload the data on link viz., UPLOAD UCC DELINKING/LINKING DATA on NSDL i-Assist portal. For delinking/ linking of UCC in demat accounts, Participants are required to obtain request from client in the prescribed format as enclosed at Annexure 1. The format in respect of downloading of UCC mapping details in demat accounts and UCC delinking /linking in demat accounts alongwith error file details, are enclosed at Annexure 2.

4. In addition to above, NSDL will also send SMS and Email to clients regarding UCC mapped in their demat accounts. In the SMS and email, an option will be provided to client to link / delink UCC in their demat accounts directly through NSDL portal using OTP based authentication.
5. In case of linking of UCC in demat accounts, such linking request(s) will get processed after receipt of confirmation from the respective stock exchange(s). The delinking of UCC in demat accounts will get processed at the EOD of the request received date at NSDL.

DP Logo	**APPLICATION FOR LINKING /DELINKING UNIQUE CLIENT CODE (UCC)**	NSDL Technology, Trust & Reach

A. Client Account Details

DP ID	I	N							Client ID								

Name of the Applicant	
Holder Indicator	☐ First Holder ☐ Second Holder ☐ Third Holder

B. UCC details (*Please fill the below details. In case of more UCC provide the annexure in below format*)

Sr. No.	UCC	Stock Exchange	Segment	Trading Member ID	Link/Delink Account	Reason for delinking
					☐ Link ☐ Delink	
					☐ Link ☐ Delink	
					☐ Link ☐ Delink	
					☐ Link ☐ Delink	
					☐ Link ☐ Delink	

C. Declaration

I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.

Signature of the applicant		Date	D	D	M	M	Y	Y	Y	Y

C. Verification by Participant

Employee Name:		Employee Code, if any	
Designation		Date	
Signature & DP Stamp			

DP UCC Download Data File

File Naming Convention: UCCDWNL_<DPID>_<DDMMYYYY>.csv

FIELD	Input Type	Data Type	Value
Record Type	M	Varchar(2)	01= header
DP ID	M	VARCHAR2(8)	NSDL DP ID
TOTAL NO.OF RECORDS	M	NUMBER(9)	
Business Date	M	Date (8)	**DDMMYYYY** - Current System Date

Description	Input Type	Datatype	Length	Value
Detail record	M	Varchar	2	02= Detail Record
Line Number	M	Integer	9	Incremental sequence number for detail records
Client ID	M	Varchar	8	Client ID of the demat account
PAN	M	Varchar	10	In case of PAN exemption cases, mention 'PAN_EXEMPT' or 'SIKKIMCATG'
Holder Indicator	M	Varchar	1	1st Holder = '1' or 2nd Holder = '2' or 3rd Holder = '3'
Exchange Code	M	Varchar	2	01-NSE, 02-BSE, 03-MSE
Segment Code	M	Varchar	2	Existing segment codes (1-6)
Trading Member Code	M	Varchar	8	TM Code of Stock Exchange
CM ID	M	Varchar	10	CC-CM ID of the TM
Unique Client Code	M	Varchar	11	Alpha-numeric code

Field separator for the file shall be “#”

Note:

• The download file to each DP shall be Full/Incremental Data file on a daily basis

UCC Link / Delink Request file from DP

The file naming convention shall be: UCCMSTR_<DPID>_<Business Date >_<3 Digit Sequence No>.REQ, where 3-digit sequence number shall be running number starting from 001.

The request file from DP shall always be FULL Data file on a daily basis.

FIELD	Input Type	Data Type	Value
Record type	M	Varchar(2)	01=HEADER
Batch ID	M	NUMBER	1
DP ID	M	VARCHAR2 (8)	NSDLDP ID
Total No. of Records	M	NUMBER	**1**
Business Date	M	DATE (8)	DDMMYYYY -Business date

Description	Input Type	Data Type	Length	Value
Detail record	M	Varchar	2	02= Detail Record
Line Number	M	Integer	9	Incremental sequence number for detail records
Client ID	M	Varchar	8	Client ID of the demat account
Holder Indicator	M	Varchar	1	1st Holder = '1' or 2nd Holder = '2' or 3rd Holder = '3'
PAN	O	Varchar	10	In case of PAN exemption cases, mention 'PAN_EXEMPT' or 'SIKKIMCATG'
Unique Client Code	M	Varchar	11	Alpha-numeric code
Segment Code	M	Varchar	2	01- Capital Market Segment 02- Futures & options Segment 03- Currency Derivatives Segment 04- SLB 05- Commodity Derivatives Segment 06- Debt Segment
Clearing Member ID	O	Varchar	16	CM Code of Stock Exchange
Trading Member Code	M	Varchar	8	TM Code of Stock Exchange
Exchange Code	M	Varchar	2	01-NSE, 02-BSE, 03-MSE
Transaction type	M	Varchar	2	01- Addition 02- Deletion
Field separator for the file shall be "#"				

UCC Link / Delink Error file from DP

The file naming convention shall be : UCCMSTR_<DPID>_<Business Date >_<3 Digit Sequence No>.ERR, where 3-digit sequence number is same as that of REQ file.

The request file from DP shall always be FULL Data file on a daily basis.

FIELD	INPUT TYPE	DATA TYPE	VALUE
Record type	M	Varchar(2)	01=HEADER
Total No. of Records	M	NUMBER	
Business Date	M	DATE (8)	Same as Request File

Description/Trim	Input Type	Data Type	Length	Value
Detail record	M	Varchar	2	02= Detail Record
Line Number	M	Integer	9	Sequence number for detail record (from request file) that is being rejected
Client ID	M	Varchar	8	Client ID of the demat account
Holder Indicator	M	Varchar	1	1st Holder = '1' or 2nd Holder = '2' or 3rd Holder = '3'
PAN	O	Varchar	10	In case of PAN exemption cases, mention 'PAN_EXEMPT' or 'SIKKIMCATG'
Unique Client Code	M	Varchar	11	Alpha-numeric code
Segment Code	M	Varchar	2	01- Capital Market Segment 02- Futures & options Segment 03- Currency Derivatives Segment 04- SLB 05- Commodity Derivatives Segment 06- Debt Segment
Clearing Member ID	O	Varchar	16	CM Code of Stock Exchange
Trading Member Code	M	Varchar	8	TM Code of Stock Exchange
Exchange Code	M	Varchar	2	01-NSE, 02-BSE, 03-MSE
Transaction type	M	Varchar	2	01- Addition 02- Deletion
Error Code	M	Varchar	2	01 = Mandatory Field missing or invalid format 02 = Invalid PAN
Field separator for the file shall be "#"				

Margin Pledge	
Circular No.: NSDL/POLICY/ 2020/0123 September 02, 2020	***Subject: SEBI email on implementation of SEBI Circulars - Margin Pledge / Re-pledge.*** Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020, read with SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/143 dated July 29, 2020 regarding Margin obligations to be given by way of pledge / re-pledge in the Depository system. Accordingly, NSDL has vide its Circular No. NSDL/POLICY/2020/0107 dated July 31, 2020 implemented and made available the features related to Margin Pledge and Re-pledge (MPR) functionality effective from August 1, 2020. Participants are hereby informed that SEBI vide its email dated August 31, 2020, in this regard, has advised to create awareness among investors with regard to procedure of pledge / re-pledge of securities and placing them as collateral with their Trading Member (TM) / Clearing Member (CM) and TM / CM shall, inter alia, accept collateral from clients in the form of securities, only by way of 'margin pledge', created in the Depository system.
Circular No.: NSDL/POLICY/ 2020/0115 August 22, 2020	**Subject: Addition of 'Margin Pledge instruction ID' & Static codes in COD and changes in CSV downloads in respect of Margin Pledge / Re-pledge functionality.** Attention of Participants is invited to Circular Nos. NSDL/POLICY/2020/0107 dated July 31, 2020 regarding implementation of Margin Pledge / Re-pledge functionality and NSDL/POLICY/2020/0113 dated August 17, 2020 regarding implementation of partial margin re-pledge / release / invocation functionality. In this regard, NSDL had made following changes in the COD file formats (in track changes mode) of the back office interface based on feedback received from back-office vendors which are enclosed at **Annexure 1**. 1. 'Margin Pledge Instruction ID' is introduced in COD file for Margin Pledge / Re-pledge instructions which is 14 digit number starting from '50000000000000'. 2. The response file in respect of file uploaded for Margin Pledge / Re-pledge instructions will contains the 'Margin Pledge Instruction ID'. 3. The correlation of Margin Pledge Instruction ID and BP Instruction ID in COD file is mentioned below: a. For Margin Pledge Transactions (i.e. **Client to TM** - Initiation, Confirmation & Release) and Invocation of Margin Pledge / Re-pledge Transactions the Margin Pledge Instruction ID will be different from BP ID Instruction ID. b. For Margin Re-Pledge (**TM to CM & CM to CC** - Initiation, Confirmation & Release) Transactions, the BP ID Instruction ID will be same as Margin Pledge Instruction ID in COD file. 4. The changes in respect of Margin Pledge/Re-pledge download (.csv format) for Investor, TM, CM, TM/CM & DP users are enclosed at **Annexure 2**.

DPM File Formats Version 2.9

NATIONAL SECURITIES DEPOSITORY LIMITED

LOCAL DPM DOWNLOADS

FILE FORMATS

This document specifies file format of Change Order of the Day download from LOCAL DPM System.

Version History

Sr. No.	Version No.	Description	Download Type	Place of Field
1	2.2	Digital Instruction Number (DIN)	908,909,910,911	871-880
2	2.3	Hold/ Hold Release	949,950,951,952	
3	2.4	Off Market Payment Details	904,925	
4	2.5	Multiple Nomination in Account Transmission/Account Closure(IDT)	940,941	
5	2.6	Stamp Duty in Account Transfer, IDT, Pledge Invocation and Hypothecation invocation confirmation	904, 925,910, 918	
6	2.7	Margin Pledge /Re-Pledge	908, 916	
7	2.8	Early Pay-in Flag	904,934	
8	2.9	Margin Pledge Instruction ID	908, 910, 911, 916,919	1062-1075

1.1 CHANGE ORDER OF THE DAY DOWNLOAD

1.1.1 OVERVIEW

This download helps the DP to view the order that has been changed from one status to another during the day.INPUT CRITERIA

Field/Range	Valid Values
Full or Incremental option or online	Need to choose from given options
Statement Date	The current business date
From Date And time	Enabled and set in case of incremental download
To Date and time	Enabled and set in case of incremental download

1.1.2 INPUT CRITERIA

Field/Range	Valid Values
Full or Incremental option or online	Need to choose from given options
Statement Date	The current business date
From Date And time	Enabled and set in case of incremental download
To Date and time	Enabled and set in case of incremental download

1.1.3 SORTING

Field	Ascending
Line number	Yes

1.1.4 PROCESSING LOGIC

1. The download will provide two options full and incremental.
2. In case of “Full” download, all the orders whose status have been changed are downloaded corresponding to a particular business date.
3. In case of “Incremental” download, all the orders whose status have been changed are downloaded corresponding to a particular business date. Only those records are including whose status have been changed from the last download date.
4. The downloaded file will be a ZIP file which can be extracted to obtain the .TEXT file inside it. . This is applicable for all types of download (full and incremental).

1.1.5 FILE FORMATS

Record Type	Record Identifier	Record length	Remarks
Header	01	129	One (First) record per file
Detail	02	1080	Second record onwards, multiple per file.

1.1.6 HEADER RECORD

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Header Record (01)
DP ID	Character	8	10	M	
Download Type	Char	1	11	M	I - Incremental F - Full
Statement Business Date	Date	8	19	M	Business date
Last Download Date From	Date	8	27	O	Mandatory if Download Type is "I" (DATE FORMAT ::YYYYMMDD)
Last Download Time From	Time	6	33	O	Mandatory if Download Type is T'fTIME FORMAT ::HHMMSS)
Last Download Date To	Date	8	41	O	Mandatory if Download Type is "I" (DATE FORMAT ::YYYYMMDD)
Last Download Time To	Time	6	47	O	Mandatory if Download Type is T'fTIME FORMAT: :HHMMSS)
Statement Preparation Date	Date	8	55	M	System Date (YYYYMMDD)

Description	Data Type	Size	End	Status	Remarks
Statement Preparation Time	Time	6	61	M	System Time(HHMMSS)
Total number of Detail Records	Integer	9	70	M	
Filler	Character	59	129	O	

1.1.7 DETAIL RECORD

Each detail record will be further identified with a transaction type:	
Transaction Type	**Transaction Description**
801	Pool - Pool Account transfer (valid only from CC's CM Pool)
900	Repurchase Instruction
901	Demat Instruction
902	Remat Instruction
904	Delivery Free of Payment (Inter DP) Instruction
905	Receipt Free of Payment (Inter DP) Instruction
906	Delivery Out Instruction
907	Inter Settlement Transfer Instruction
908	Pledge initiation
909	Hypothecation initiation
910	Pledge invocation
911	Pledge closure instruction
912	Irreversible Delivery Out Instruction 916 Pledging confirmation (Pledgee end - Confirmation of Pledge)
917	Hypothecation confirmation (Pledgee end - Confirmation of Hypothecation)
918	Invocation confirmation (Pledger end - Confirmation of invocation) 919 Closure confirmation (Pledgee end)
920	Receipt-In Intimation
921	Corporate Action (Debit)
922	Corporate Action (Credit)
923	Lock-in Release
925	Inter Depository Transfer Instruction (DELIVERY)
926	Inter Depository Transfer Instruction (RECEIPT)
927	Auto Do Transfer Instruction
934	CM Pool Delivery Instruction

Each detail record will be further identified with a transaction type:	
Transaction Type	**Transaction Description**
935	CM Pool Receipt Instruction
936	Account Freezing Instruction
937	Account Unfreezing Instruction
938	ACA Debit
939	ACA Credit
940	Account Transmission
941	Account Closure
942	Freeze For Delivery
949	Hold initiation
950	Hold Release instruction
951	Hold confirmation (Target DPs end - Confirmation of Hold instruction)
952	Hold Release confirmation (Target DPs end)

Detail Record (900 to 907; 913; 914; 915; 920 to 924; 927,930,931,938,939,942)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	For CA (921/922) and ACA (938/939) , it will be DM Request ID
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login id of user
Cancellation Status from	Integer	2	48	M	Not Applicable for 920, 921, 922,923,938,939
Cancellation Status to	Integer	2	50	M	Not Applicable for 920, 921, 922,923,938,939
Status change date time	Date time	14	64	M	System date time(YYYYMMDDHHMMSS)
Original BP Instruction ID	Integer	14	78	O	
Client Id	Integer	8	86	M	
ISIN	Character	12	98	M	

Description	Data Type	Size	End	Status	Remarks
Requested Quantity / Redemption Amount	Decimal	18	116	M	15+3 without decimal point (for manual and automatic Delivery Out, quantity executed, i.e. sent to DM) 1) In case the instruction type is 901(Conversion of Units) with 'ALL Units' option, this field will have 'Zero' quantity and "All Units/Amount Indicator" field (sr. no. 41) will have 'A'. 2)In case the instruction type is 901(Demat / Conversion of Units) with specific Quantity, this field will have the 'Requested Quantity' and "All Units/Amount Indicator" field (sr. no. 41) will have 'Space'. 3) In case the instruction type is 900 (MF Redemption) with option 'All Units', this field will have the available quantity (in Client Account) and "All Units/Amount Indicator" field (sr. no. 41) will have 'A'. 4) In case the instruction type is 902 (Remat / Reconversion of Units) / 900 (Repurchase) with specific Quantity, this field will have 'Requested Quantity' and "All Units/Amount Indicator" field (sr. no. 41) will have 'Space'.
Lock-in Reason Code / Block Code	Integer	2	118	O	
Lock-in Release Date	Date	8	126	O	Not Applicable for 920(YYYYMMDD)
Market Type	Integer	2	128	O	
Settlement Number	Character	7	135	O	
Execution Date	Date	8	143	O	Execution date for account transfer/DO /Corporate Action/ Auto Corporate Action , Intersettlement. (YYYYMMDD)
Other Branch Code	Character	6	149	O	Not in Use
Other DP Id/Related DP Id	Character	8	157	O	Applicable in case of DFP/RFP
Other Client Id/No. of certificates	Integer	8	165	O	Applicable in case of DFP/RFP . No. of Certificates in case of Remat.

Description	Data Type	Size	End	Status	Remarks
Beneficiary Account Category	Integer	2	167	O	Mandatory for 921,922.938,939
Other CM BP Id	Character	8	175	O	Only for DFP/RFP subject to other a/c is of CM
Other Market Type	Integer	2	177	O	Applicable in case of Inter Settlement transfer
Other Settlement Number	Character	7	184	O	Applicable in case of Inter Settlement transfer
Internal Reference Number/Remarks	Character	35	219	O	User Remarks/ACA Description
Filler	Character	8	227	O	
Without Consideration Flag	Character	1	228	M/O	Only for record type 904 Possible Values: N or Space - Consideration Applicable Y - Without Consideration Cannot be 'Y' for reason code 01-- Off-Market Sale 22-Commerical Paper Issuance
Stamp Duty Payment Indicator	Integer	1	229	M/O	Only for Record Type 904 Payment Indicator for Stamp duty collection 0- Stamp duty paid through Depository Participant 1- Stamp duty paid by Client
Mode of Payment	**Integer**	**2**	**231**	**O**	**Only for Record Type 904 Applicable & Mandatory only for Off market instructions where reason code = '01' (Off Market Sale) Mode of payment can be 01- Cash 02- Cheque 03- Electronic Payment**
					Only for Record Type 904
Payment Date / Instrument Date	**Date**	**8**	**239**	**O**	**Applicable & Mandatory only for Off market instructions where reason code = '01'(Off Market Sale) Date Format should be 'YYYYMMDD'**

Description	Data Type	Size	End	Status	Remarks
Settled Quantity/Delivered Quantity	**Integer**	**18**	**257**	**O**	**Applicable for manual and automatic delivery out and for account transfer instruction for which quantities are partially settled.**
Rejection Reason Code 1	**Character**	**6**	**263**	**O**	**Applicable Only for DEMAT / Conversion of Units / REMAT instructions**
Rejection Reason Code 2	**Character**	**6**	**269**	**O**	**Applicable Only for DEMAT / Conversion of Units / REMAT instructions**
Rejection Reason Code 3	Character	6	275	O	Applicable Only for DEMAT / Conversion of Units / REMAT instructions
Rejection Reason Code 4	Character	6	281	O	Applicable Only for DEMAT / Conversion of Units / REMAT instructions
					Only applicable for transaction Type 904. The possible Values are:
Early Pay-in Flag	Character	1	282	O	Y: Initiate Early Pay In N or Space : Do not Initiate Early Pay In
Document Received Date	Date	8	290	M	(YYYYMMDD)
Transferee's Bank Account Number	Character	30	320	O	Only for Record Type 904 Applicable & Mandatory only for Off market instructions where reason code = '01' (Off Market Sale) Not applicable if Mode of payment is "01-CASH"
Transferee's Bank Name	Character	35	355	O	Only for Record Type 904 Applicable & Mandatory only for Off market instructions where reason code = '01' (Off Market Sale) Not applicable if Mode of payment is "01-CASH"

Description	Data Type	Size	End	Status	Remarks
Payment Transaction Reference Number / Instrument Number (Cheque / Demand Draft / Pay Order)	Character	25	380	O	Only for Record Type 904 Applicable & Mandatory only for Off market instructions where reason code = '01' (Off Market Sale) Not applicable if Mode of payment is "01-CASH" Transaction Reference Number for Electronic Payments or Instrument Number (Cheque / Demand Draft / Pay Order)
Filler	Character	25	405	O	
Mutual Fund Indicator	Character	1	406	O	'M' or space.
Folio Number	Character	20	426	O	Mandatory only when MF indicator is M and Instrcution Type is Conversion of Units(901).
Number of SOA	Character	3	429	O	Mandatory only when MF indicator is M and Instruction Type is Conversion of Units(901). Otherwise Space.
					(I) If Mutual Fund Indicator is 'M' (Sr.No.38)
					i) 'A' - in case Conversion of Units / MF Redemption request is initiated with option 'All Units'.
All Units/Amount Indicator	Character	1	430	O	ii) 'N' - in case MF Redemption request is initiated with option 'Amount'. iii) 'Space' - in case Conversion of Units / MF Redemption request is initiated with specific Quantilty. (II) If Mutual Fund Indicator has 'Space' (in case of non-MF ISINs), then this field will have space.
Filler	Character	10	440	O	
					Only for Record Type 904
Transferee Name	Character	135	575	O	Applicable & Mandatory only for Off market instructions where reason code = '01' (Off Market Sale)
Filler	Character	36	611	O	For Future use

Description	Data Type	Size	End	Status	Remarks
NOW FLAG	Character	1	612	O	NOW FLAG (BFD FLAG)Mandatory only 942
NOW Reference no	Integer	16	628	O	NOW Reference no Mandatory only 942 and NOW SPICE INST DFP (904)/RFP (905)
					Channel Indicator Values : 01 BP Web
Channel Indicator	Integer	2	630	M	06 DM 07 SMS 11 SPEEDE 12 SPEEDE INDIRECT
Target Client Name	Character	135	765	O	This will be provided only for first transition of Account Transfer Instruction.
Filler	Character	46	811	O	For Future use
DIS Serial No.	Character	12	823	O	DIS Serial No.; Only for record type 904,906,907 This will be present only in case of physical and Fax based DIS.
DIS Format Flag	Character	1	824	O	'Y' for DIS issued in New format, 'N' or filler for DIS issued in Old format; Only for record type 904,906,907 This will be present only in case of physical and Fax based DIS
DIS Type Indicator	Character	1	825	O	'1' For Physical, '2' for FAX, '3' For Electronic-SPEEDe, '4' for Electronic-SPICE, '5' for Electronic- DSC, '6' for Electronic-Others; Only for record type 904,906,907
DIS Issued to Client or POA Holder	Character	1	826	O	'1' For DIS issued to Client, '2' For DIS issued POA Holder: Only for record type 904 This will be present only in case of physical and Fax based DIS
POA ID	Character	8	834	O	Mandatory if DIS issued to POA Holder and in new format ; Only for record type 904, This will be present only in case of physical and Fax based DIS

Description	Data Type	Size	End	Status	Remarks
Flag of loose slip	Character	1	835	O	Mandatory for Loose Slips issued in New format, '1' for Loose Slip; Only for record type 904,906,907 This will be present only in case of physical and Fax based DIS
No of instructions	Character	6	841	O	No of Instruction in DIS; Only for record type 904,906,907 This will be present only in case of physical and Fax based DIS
Transfer Reason Code	Character	2	843	O	Only for record type 904- Off market instruction
Reason/ Purpose	Character	22	865	O	Mandatory for Transfer Reason Code = 'Others'
Consideration	Integer	15	880	M/O	Only for record type 904 , Mandatory for Transfer reason code = 01,22 or Without Consideration Flag is 'N' or Space, without decimal digits
Priority Flag	Character	1	881	O	
Back Office reference details	Character	32	913	O	
Sender Reference No 1	Character	50	963	O	
Sender Reference No 2	Character	50	1013	O	
File Reference Id	Character	20	1033	O	
DM Order Number	Integer	10	1043	O	
Original DM Order Number	Integer	10	1053	O	
Filler	Integer	8	1061	O	
Direct Pay In flag	Character	1	1062	O	Only for the Direct Pay In Instruction (DFP -904, DO -906) Y - Direct Pay In Instructions
Filler	Character	1	1063	O	
CC ID	Character	8	1071	O	For RGESS Margin Transfer
Market Type	Integer	2	1073	O	For RGESS Margin Transfer
Settlement Number	Character	7	1080	O	For RGESS Margin Transfer

Detail Record (908, 909, 910, 911)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	Transaction number of DPM. For ACA generated Pledge Instruction 10 digit BP Instruction ID will be generated in case of 908 / 909. Closure Cancellation BP instruction ID in case of 911(Closure Cancellation) Applicable for 908, 910 and 911 For Margin Re-Pledge/ Release instructions, this will Margin Pledge instruction ID
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login id of user
Cancellation Status from	Integer	2	48	M	
Cancellation Status to	Integer	2	50	M	
Status change date time	Date time	14	64	M	System date time(YYYYMMDDHHMMSS)
Original BP Instruction ID	Integer	14	78	O	Used for pledge closure, pledge invocation, closure confirmation, and invocation confirmation, Closure Cancellation(BP Instruction ID of Pledge Normal Closure in case of Pledge Closure Cancellation)
Client ID	Integer	8	86	M	
ISIN	Character	12	98	M	
Requested Quantity	Decimal	18	116	M	15+3 without decimal point
Lock-in Reason Code / Block Code	Integer	2	118	O	
Lock-in Release Date	Date	8	126	O	
Market Type	Integer	2	128	O	NA
Settlement Number	Character	7	135	O	NA

Description	Data Type	Size	End	Status	Remarks
Execution Date	Date	8	143	O	Execution date (YYYYMMDD)
Other Branch Code	Character	6	149	O	Not in Use
Other DP ID/ Related DP ID	Character	8	157	M	
Other Client ID	Integer	8	165	M	
Beneficiary Account Category	Integer	2	167	O	
Other CM BP ID	Character	8	175	O	Not applicable
Other Market Type	Integer	2	177	O	Not applicable
Other Settlement Number	Character	7	184	O	Not applicable
Internal Reference Number/Remarks	Character	35	219	O	User Remarks
Agreement No.	Character	20	239	M	
Settled Quantity/ Delivered Quantity	Integer	18	257	O	Not Applicable
Rejection Reason Code 1	Character	6	263	O	
Rejection Reason Code 2	Character	6	269	O	
Rejection Reason Code 3	Character	6	275	O	
Rejection Reason Code 4	Character	6	281	O	
Closure Type	Character	1	282	O	Mandatory for 911
Closure Date	Date	8	290	M	(YYYYMMDD)
Filler	Character	115	405	O	For Future use
ACA Remarks	Character	35	440	O	This field only be populated for ACA generated Pledge Instructions (908/909) Format will be "Base ISIN " + + "DM Order No. of ACA" e.g.INE456L01UB9$#$#900002 6490

Description	Data Type	Size	End	Status	Remarks
Pledge Indicator	Character	2	442	M	00 - Normal Pledge 01 - Margin Pledge (Client-TM/ CM) 02 - Margin Re-Pledge (TM - CM) 03 - Margin Re-Pledge (CM - CC)
Filler	Character	186	628	O	For Future use
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web 06 DM 07 SMS 11SPEEDE 12 SPEEDE_INDIRECT 23 Investor Margin Pledge
Target Client Name	Character	135	765	O	Not applicable
Filler	Character	99	864	O	For Future use
Consideration	Integer	15	879	M/O	Mandatory for Pledge Invocation (910); Without Decimal
Stamp Duty Payment Indicator	Integer	1	880	M/O	Mandatory for Record Type 910 Payment Indicator for Stamp duty collection 0- Stamp duty paid through Depository Participant 1- Stamp duty paid by Client
Priority Flag	Character	1	881	O	
Back Office reference details	Character	32	913	O	
Sender Reference No 1	Character	50	963	O	
Sender Reference No 2	Character	50	1013	O	
File Reference ID	Character	20	1033	O	
DM Order Number	Integer	10	1043	O	
Original DM Order Number	Integer	10	1053	O	
Filler	Integer	8	1061	O	
Margin Pledge Instruction ID	Integer	14	1075	O	Applicable for 908, 910 and 911 & Channel Indicator = '23'
Filler	Character	5	1080	O	

Detail Record (925,926)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Record Type
Line Number	Integer	9	11	M	Line Number
Branch Code	Character	6	17	M	Branch Code
Transaction Type	Integer	3	20	M	Transaction Type
BP Instruction ID	Integer	14	34	M	BP Instruction ID
Order Status from	Integer	2	36	M	Order Status from
Order Status to	Integer	2	38	M	Order Status to
Status change user	Character	8	46	M	Status change user
Cancellation Status from	Integer	2	48	M	Cancellation Status from
Cancellation Status to	Integer	2	50	M	Cancellation Status to
Status change date	Date time	14	64	M	Status change date time(YYYYMMDDHHMMSS)
Filler	Integer	14	78	O	
Client ID	Integer	8	86	M	Client ID
ISIN	Character	12	98	M	ISIN
Quantity	Decimal	18	116	M	Quantity
Filler	Character	2	118	O	
Filler	Character	8	126	O	
Market Type	Integer	2	128	O	Market Type
Settlement Number	Character	7	135	O	Settlement Number
Execution Date	Date	8	143	O	Execution Date(YYYYMMDD)
Filler	Character	6	149	O	
Other Depository ID	Character	8	157	O	Other Depository ID
Filler	Character	8	165	O	
Beneficiary Account Category	Integer	2	167	O	Beneficiary Account Category
Filler	Character	8	175	O	
Filler	Character	2	177	O	
Filler	Character	7	184	O	
Internal Reference Number/Remarks	Character	35	219	O	Internal Reference Number/Remarks

Description	Data Type	Size	End	Status	Remarks
Other DP Code	Character	8	227	M	Other DP Code
Other Client Code	Character	8	235	M	Other Client Code
Filler	Character	4	239	O	
Other settlement Details	Integer	13	252	O	
Filler	Character	5	257	O	
Rejection Reason Code 1	Character	6	263	O	
Rejection Reason Code 2	Character	6	269	O	
Rejection Reason Code 3	Character	6	275	O	
Rejection Reason Code 4	Character	6	281	O	
Mode of Payment	Integer	2	283	O	Only for Record Type 925 Applicable & Mandatory only for Off market instructions where reason code = '01' (Off Market Sale) Mode of payment can be 01-Cash 02-Cheque 03-Electronic Payment
Payment Date / Instrument Date	Date	8	291	O	Only for Record Type 925 Applicable & Mandatory only for Off market instructions where reason code = '01'(Off Market Sale) Date Format should be 'YYYYMMDD'
Transferee Name	Character	135	426	O	Only for Record Type 925 Applicable & Mandatory only for Off market instructions where reason code = '01' (Off Market Sale)
Transferee's Bank Account Number	Character	30	456	O	Only for Record Type 925 Applicable & Mandatory only for Off market instructions where reason code = '01' (Off Market Sale) Not applicable if Mode of payment is "01-CASH"

Description	Data Type	Size	End	Status	Remarks
Transferee's Bank Name	Character	35	491	O	Only for Record Type 925 Applicable & Mandatory only for Off market instructions where reason code = '01' (Off Market Sale) Not applicable if Mode of payment is "01-CASH"
Payment Transaction Reference Number / Instrument Number (Cheque / Demand Draft / Pay Order)	Character	25	516	O	Only for Record Type 925 Applicable & Mandatory only for Off market instructions where reason code = '01' (Off Market Sale) Not applicable if Mode of payment is "01-CASH" Transaction Reference Number for Electronic Payments or Instrument Number (Cheque / Demand Draft / Pay Order)
Filler	Character	110	626	O	For Future Use
Without Consideration Flag	Character	1	627	M/O	Only for record type 925 Possible Values: N or Space -Consideration Applicable Y -Without Consideration Cannot be 'Y' for Transfer reason code -01- Off-Market Sale 22-Commercial Paper Issuance
Stamp Duty Payment Indicator	Integer	1	628	M/O	Only for Record Type 925 Payment Indicator for Stamp duty collection 0-Stamp duty paid through Depository Participant 1-Stamp duty paid by Client
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
Filler	Character	181	811	O	For Future use
DIS Serial No.	Character	12	823	O	DIS Serial No.; This will be present only in case of physical and Fax based DIS

Description	Data Type	Size	End	Status	Remarks
DIS Format Flag	Character	1	824	O	'Y' for DIS issued in New format, 'N' or filler for DIS issued in Old format; only for record type 925 This will be present only in case of physical and Fax based DIS
DIS Type Indicator	Character	1	825	O	1 For Physical, 2 for FAX, 3 For Electronic-SPEED-e, 4 for Electronic-SPICE, 5 for Electronic-DSC, 6 for Electronic- Others; only for record type 925
DIS Issued to Client or POA Holder	Character	1	826	O	1 For DIS issued to Client, 2 For DIS issued POA Holder: only for record type 925 This will be present only in case of physical and Fax based DIS.
POA ID	Character	8	834	O	Mandatory if DIS issued to POA holder and in New format; only for record type 925 This will be present only in case of physical and Fax based DIS.
Flag of loose slip	Character	1	835	O	Mandatory for Loose Slips issued in New format, 1 for Loose Slip; only for record type 925 This will be present only in case of physical and Fax based DIS.
No of instructions	Character	6	841	O	No of Instruction in DIS; only for record type 925 This will be present only in case of physical and Fax based DIS.
Transfer Reason Code	Character	2	843	O	Only for record type 925- Off market instruction (Margin Tagging)
Reason/ Purpose	Character	22	865	O	
Consideration	Integer	15	880	M/O	Mandatory for Transfer reason code = 01,22 or Without Consideration Flag is 'N' or Space, without decimal digits
Priority Flag	Character	1	881	O	Priority Flag

Description	Data Type	Size	End	Status	Remarks
Back Office reference details	Character	32	913	O	Back Office reference details
Sender Reference No 1	Character	50	963	O	Sender Reference No 1
Sender Reference No 2	Character	50	1013	O	Sender Reference No 2
File Reference ID	Character	20	1033	O	File Reference ID
DM Order Number	Integer	10	1043	O	DM Order Number
Filler	Integer	10	1053	O	
Filler	Integer	8	1061	O	
Filler	Character	19	1080	O	

Detail Record (934,935)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	Transaction number of DPM
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login ID of user
Cancellation Status from	Integer	2	48	M	
Cancellation Status to	Integer	2	50	M	
Status change date time	Date time	14	64	M	System date time (YYYYMMDDHHMMSS)
Filler	Integer	14	78	O	
Client ID	Integer	8	86	M	
ISIN	Character	12	98	M	
Quantity	Decimal	18	116	M	
Filler	Integer	10	126	O	
From Market Type	Integer	2	128	M	
From Settlement Number	Character	7	135	M	
Execution Date	Date	8	143	O	(YYYYMMDD)
Filler	Character	6	149	O	
Filler	Character	8	157	O	
Filler	Character	8	165	O	
Beneficiary Account Category	Integer	2	167	O	

Description	Data Type	Size	End	Status	Remarks
Other CM BP ID	Character	8	175	M	
To Market Type	Integer	2	177	M	
To Settlement Number	Character	7	184		
Internal Reference Number/Remarks	Character	35	219	O	User Remarks
Other DP ID	Character	8	227	O	
Other Client Code	Character	8	235	M	
Filler	Character	22	257	O	
Filler	Character	19	1080	O	
Rejection Reason Code 1	Character	6	263	O	
Rejection Reason Code 2	Character	6	269	O	
Rejection Reason Code 3	Character	6	275	O	
Rejection Reason Code 4	Character	6	281	O	
Early Pay-in Flag	Character	1	282	O	Only applicable for transaction Type 934. The possible Values are: Y: Initiate Early Pay In N or Space : Do not Initiate Early Pay In
Filler	Character	8	290	O	
Filler	Character	115	405	O	
Filler	Character	223	628	O	
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
Filler	Character	181	811	O	For Future use
DIS Serial No.	Character	12	823	O	DIS Serial No. ;only for record type 934 This will be present only in case of physical and Fax based DIS
DIS Format Flag	Character	1	824	O	'Y' for DIS issued in New format, 'N' or filler for DIS issued in old format ; only for record type 934 This will be present only in case of physical and Fax based DIS

Description	Data Type	Size	End	Status	Remarks
DIS Type Indicator	Character	1	825	O	1 For Physical, 2 for FAX, 3 For Electronic-SPEED-e, 4 for Electronic-SPICE, 5 for Electronic- DSC, 6 for Electronic- Others; only for record type 934
Filler	Character	9	834	O	
Flag of loose slip	Character	1	835	O	Mandatory for Loose Slips issued in New format, 1 for Loose Slip; only for record type 934 This will be present only in case of physical and Fax based DIS
No of instructions	Character	6	841	O	No of Instruction in DIS; only for record type 934 This will be present only in case of physical and Fax based DIS
Filler	Character	39	880	O	
Priority Flag	Character	1	881	O	
Back Office reference details	Character	32	913	O	
Sender Reference No 1	Character	50	963	O	
Sender Reference No 2	Character	50	1013	O	
File Reference ID	Character	20	1033	O	
DM Order Number	Integer	10	1043	O	
Filler	Integer	10	1053	O	
Filler	Integer	8	1061	O	
Filler	Character	19	1080	O	

Detail Record (912 - Irreversible Delivery Out)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login ID of user
Cancellation Status from	Integer	2	48	M	
Cancellation Status to	Integer	2	50	M	

Description	Data Type	Size	End	Status	Remarks
Status change date time	Date time	14	64	M	System date time(YYYYMMDDHHMMSS)
Filler	Integer	14	78	O	
Client ID	Integer	8	86	M	
ISIN	Character	12	98	M	
Quantity Executed	Decimal	18	116	M	15+3 without decimal point, only if DO is executed
Filler	Character	10	126	O	
Market Type	Integer	2	128	O	
Settlement Number	Character	7	135	O	
Execution Date	Date	8	143	O	Execution date for DO(YYYYMMDD)
Other Branch Code	Character	6	149	O	
Irreversible Reason Code 1	Integer	4	153	O	
Irreversible Reason Code 2	Integer	4	157	O	
Irreversible Reason Code 3	Integer	4	161	O	
Irreversible Reason Code 4	Integer	4	165	O	
Beneficiary Account Category	Integer	2	167	O	
Filler	Character	17	184	O	
Internal Ref Number/ Remarks	Character	35	219	O	User Remarks
Filler	Character	20	239	O	
Settled Quantity/ Delivered Quantity	Integer	18	257	O	
Filler	Character	25	282	O	
Filler	Character	115	397	O	
Filler	Character	231	628	O	
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
Filler	Character	181	811	O	For Future use
DIS Serial No.	Character	12	823	O	DIS Serial No.; This will be present only in case of physical and Fax based DIS

Description	Data Type	Size	End	Status	Remarks
DIS Format Flag	Character	1	824	O	'Y' for DIS issued in New format, 'N' or filler for DIS issued in Old format; only for This will be present only in case of physical and Fax based DIS
DIS Type Indicator	Character	1	825	O	1 For Physical, 2 for FAX, 3 For Electronic-SPEED-e, 4 for Electronic-SPICE, 5 for Electronic- DSC, 6 for Electronic- Others;
Filler	Character	9	834	O	
Flag of loose slip	Character	1	835	O	Mandatory for Loose Slips issued in New format, 1 for Loose Slip; This will be present
					only in case of physical and Fax based DIS
No of instructions	Character	6	841	O	No of Instruction in DIS; This will be present only in case of physical and Fax based DIS
Filler	Character	39	880	O	
Priority Flag	Character	1	881	O	
Back Office reference details	Character	32	913	O	
Sender Reference No 1	Character	50	963	O	
Sender Reference No 2	Character	50	1013	O	
File Reference ID	Character	20	1033	O	
DM Order Number	Integer	10	1043	O	
Filler	Integer	10	1053	O	
Filler	Integer	8	1061	O	
Filler	Character	19	1080	O	

Detail Record (801 - Pool-Pool Transfers)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	801 - Pool-Pool Transfers
BP Instruction ID	Integer	14	34	M	
Order Status from	integer	2	36	M	
Order Status to	integer	2	38	M	
Status change user	Character	8	46	M	Login ID of user

Description	Data Type	Size	End	Status	Remarks
Cancellation Status from	integer	2	48	M	
Cancellation Status to	integer	2	50	M	
Status change date time	Date time	14	64	M	System date time(YYYYMMDDHHMMSS)
Filler	Integer	14	78	O	
Client ID	Integer	8	86	M	
ISIN	Character	12	98	M	
Quantity	Decimal	18	116	M	15+3 without decimal point
Filler	Character	10	126	O	
Market Type	Integer	2	128	M	
Settlement Number	Character	7	135	M	
Execution Date	Date	8	143	O	Execution date for Pool to Pool Transfer(YYYYMMDD)
Other Branch Code	Character	6	149	O	
Target CC-CM Id	Character	16	165	O	
Beneficiary Account Category	Integer	2	167	O	
Filler	Character	17	184	O	
Internal Ref Number/ Remarks	Character	35	219	O	User Remarks
Filler	Character	63	282	O	
Filler	Character	115	397	O	
Filler	Character	231	628	O	
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
Filler	Character	250	880	O	
Priority Flag	Character	1	881	O	
Back Office reference details	Character	32	913	O	
Sender Reference No 1	Character	50	963	O	
Sender Reference No 2	Character	50	1013	O	
File Reference ID	Character	20	1033	O	
DM Order Number	Integer	10	1043	O	
Filler	Integer	10	1053	O	
Filler	Integer	8	1061	O	
Filler	Character	19	1080	O	

Detail Record (936 - Account Freezing Instruction/937 - Account Unfreezing Instruction)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	List given below

Description	Data Type	Size	End	Status	Remarks
BP Instruction ID	Integer	14	34	M	For Freeze: BP Instruction ID of the Freeze Instruction. For ACA generated freeze instructions New BP Instruction ID of 10 Digits will be generated. For Unfreeze: BP instruction ID of Unfreeze instruction will be generated.
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	List given below
Status change user	Character	8	46	M	Login id of user
Cancellation Status from	Integer	2	48	M	
Cancellation Status to	Integer	2	50	M	
Status change date time	Date time	14	64	M	System date time(YYYYMMDDHHMMSS)
Original Order Reference Number	Integer	14	78	O	Freeze Order Number in case of Transaction Type 937/ if Source Indicator is 'S' or 'N' then other instruction number
Client ID	Integer	8	86	M	
ISIN	Character	12	98	M	
Quantity	Decimal	18	116	M	15+3 without decimal point
Freeze Level	Integer	2	118	O	
Freeze Reason Code	Integer	2	120	O	
Aca indicator	Char	1	121	O	
Source Indicator	Char	1	122	M	
Filler	Char	1	123	O	
Execution Date/Closure Date	Date	8	131	O	(YYYYMMDD)
Filler	Character	6	137	O	
Freeze Description Reason	Character	35	172	O	
Beneficiary Account Category	Integer	2	174	O	
Filler	Character	13	187	O	
Internal Reference Number/Remarks	Character	35	222	O	User Remarks.
Agreement No.	Character	20	242	O	
Filler	Integer	18	260	O	
Rejection Reason Code 1	Character	6	266	O	
Rejection Reason Code 2	Character	6	272	O	
Rejection Reason Code 3	Character	6	278	O	
Rejection Reason Code 4	Character	6	284	O	
Filler	Character	4	288	O	

Description	Data Type	Size	End	Status	Remarks
Filler	Character	9	297	O	
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	BP Instruction ID of Pledge Confirmation / Closure Confirmation / Invocation Confirmation. BP Instruction ID of Pledge Normal Closure Initiation to pledgee if pledgor executes Normal Closure. BP Instruction ID of Hypothecation Invocation Initiation to pledgor if pledgee executes Invocation. BP Instruction ID of Pledge Closure Cancellation to pledgee if pledgor executes
Filler	Character	115	412	O	
Filler	Character	216	628	O	
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
Filler	Character	250	880	O	
Priority Flag	Character	1	881	O	
Back Office reference details	Character	32	913	O	
Sender Reference No 1	Character	50	963	O	
Sender Reference No 2	Character	50	1013	O	
File Reference ID	Character	20	1033	O	
DM Order Number	Integer	10	1043	O	
Original DM Order Number	Integer	10	1053	O	
Filler	Integer	8	1061	O	
Filler	Character	19	1080	O	

Pledge Confirmation /Repledge (916), Hypothecation Confirmation (917), Invocation confirmation (918), Pledge Closure Confirmation (919)

Description	Data Type	Size	End	Status	Remarks
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login id of user

Description	Data Type	Size	End	Status	Remarks
Cancellation Status from	Integer	2	48	M	
Cancellation Status to	Integer	2	50	M	
Status change date time	Date time	14	64	M	System date time (YYYYMMDDHHMMSS)
Original Order Reference Number	Integer	14	78	O	BP Instruction ID of Pledge Initiation. BP Instruction ID of Pledge Normal Closure in case of Pledge Closure Cancellation Closure Cancellation Applicable for 916 & 919 For Margin Re-Pledge/ Release instructions, this wil Margin Pledge instruction ID
Client ID	Integer	8	86	M	
ISIN	Character	12	98	M	
Original Pledged Quantity	Decimal	18	116	M	Original Pledged Quantity -916, 917 Transfer Quantity - 918, 919
Closure Quantity	Decimal	18	134	O	Closure Quantity—916,917 Pending Pledged Quantity-919
Invoked Quantity	Decimal	18	152	O	Invocation qty For 916, 917
Execution Date	Date	8	160	M	916, 917,918,919 (YYYYMMDD)
Pledge Closure Date	Date	8	168	M	916,917,918,919 (YYYYMMDD)
Target DP ID	Character	8	176	M	
Target Client ID	Integer	8	184	M	
Closure Type		1	185	O	Mandatory for closure confirmation - 919 N- Normal U- Unilateral
Agreement Number	Character	20	205	O	
Rejection Reason 1	Character	6	211	O	
Rejection Reason 2	Character	6	217	O	
Rejection Reason 3	Character	6	223	O	
Rejection Reason 4	Character	6	229	O	
Remarks	Character	35	264	O	
Pledgor Client Name	Character	135	399	O	Applicable for Pledge
					Confirmation orders/Repledge Orders (916)
Filler	Character	115	514	O	
Second Holder Pledgor Client Name	Character	45	559	O	Applicable for Pledge Confirmation orders/Repledge Orders (916)

Description	Data Type	Size	End	Status	Remarks
Third Holder Pledgor Client Name	Character	45	604	O	Applicable for Pledge Confirmation orders/Repledge Orders (916)
Locking reason Code	Integer	2	606	O	
Lockin release date	Date	8	614	O	(YYYYMMDD)
Filler	Character	14	628	O	
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT 23 Investor Margin Pledge
Filler	Character	234	864	O	For Future use
Consideration	Integer	15	879	M/O	Mandatory for Hypothecation Invocation Confirmation (918); Without Decimal
Stamp Duty Payment Indicator	Integer	1	880	M/O	Mandatory for Record Type 918 Payment Indicator for Stamp duty collection 0- Stamp duty paid through Depository Participant 1- Stamp duty paid by Client
Priority Flag	**Character**	**1**	**881**	**O**	
Filler	**Character**	**32**	**913**	**O**	
Filler	**Character**	**50**	**963**	**O**	
Filler	**Character**	**50**	**1013**	**O**	
Filler	**Character**	**20**	**1033**	**O**	
DM Order Number	**Integer**	**10**	**1043**	**O**	
Original DM Order Number	**Integer**	**10**	**1053**	**O**	
Beneficiary Account Category	Integer	2	1055	O	
Filler	Integer	4	1059	O	
Pledge Indicator	Character	2	1061	M	Applicable for 916
					00 - Normal Pledge 01 - Margin Pledge (Client-TM/ CM) 02 - Margin Re-Pledge (TM - CM) 03 - Margin Re-Pledge (CM - CC)
Margin Pledge Instruction ID	Integer	14	1075	O	Only applicable for 916,919 & Channel Indicator = '23'

Description	Data Type	Size	End	Status	Remarks
Filler	Character	5	1080	O	

Account Transmission (940)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	Transaction number of DPM.
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login ID of user
Cancellation Status from	Integer	2	48	M	Not Applicable
Cancellation Status to	Integer	2	50	M	Not Applicable
Status change date time	Date time	14	64	M	System date time (YYYYMMDDHHMMSS)
Original BP Instruction ID	Integer	14	78	O	Not applicable
Source Client ID	Integer	8	86	M	Source client id for account transmission
ISIN	Character	12	98	O	Not applicable
Requested Quantity	Decimal	18	116	O	Not applicable for account transmission
Lock-in Reason Code / Block Code	Integer	2	118	O	
Lock-in Release Date	Date	8	126	O	
Market Type	Integer	2	128	O	Not applicable for account transmission
Settlement Number	Character	7	135	O	Not applicable for account transmission
Execution Date	Date	8	143	O	Execution date for account transmission (YYYYMMDD)
Other Branch Code	Character	6	149	O	Not in Use
Other DP ID/Related DP ID	Character	8	157	M	Target DP ID Only for Transmission reason code 01:- Transmission - To Survivor(s) Target DP ID of first Nominee in case of multiple nominees Only for Transmission reason code 02 : Transmission - To Nominee 03 : Transmission - Court Order / Legal Heirs

Description	Data Type	Size	End	Status	Remarks
Other Client ID	Integer	8	165	M	Target Client ID Only for Transmission reason code 01:- Transmission - To Survivor(s) Target Client ID of first Nominee in case of multiple nominees Only for Transmission reason code 02 : Transmission - To Nominee 03 : Transmission - Court Order / Legal Heirs
Beneficiary Account Category	Integer	2	167	O	Not applicable For account Transmission
Other CM BP ID	Character	8	175	O	Not applicable
Transmission Reasons	Integer	2	177	M	01-Transmission - Survivor(s) 02 - Transmission - Nominee 03-Transmission - Court Order/Legal heirs
Other Settlement Number	Character	7	184	O	Not applicable
Internal Reference Number/Remarks	Character	35	219	O	User Remarks.
Agreement No.	Character	20	239	O	Not applicable
Settled Quantity/Delivered Quantity	Integer	18	257	O	Not applicable
Rejection Reason Code 1	Character	6	263	O	
Rejection Reason Code 2	Character	6	269	O	
Rejection Reason Code 3	Character	6	275	O	
Rejection Reason Code 4	Character	6	281	O	
Closure Type	Character	1	282	O	Not applicable
Closure Date	Date	8	290	M	Not applicable
Share of first Nominee	Integer	3	293	M/O	Only for Transmission reason code 02 - Transmission - Nominee 03-Transmission - Court Order/Legal heirs
Other depository flag of First Nominee	Character	1	294	M/O	Only for Transmission reason code - 02 : Transmission - To Nominee 03 : Transmission - Court Order / Legal Heirs Y- In case, first Nominee account exists in other depository. N - In case, first Nominee account exists in the same depository.

Description	Data Type	Size	End	Status	Remarks
Other depository Client code of First Nominee	Integer	16	310	M/O	Only for Transmission reason code - 02 : Transmission - To Nominee 03 : Transmission - Court Order / Legal Heirs Mandatory if Other depository flag of first Nominee is 'Y'.
Share of Second Nominee	Integer	2	312	M/O	Only for Transmission reason code 02 - Transmission - Nominee 03- Transmission - Court Order/Legal heirs
Other depository flag of Second Nominee	Character	1	313	M/O	Only for Transmission reason code 02 : Transmission - To Nominee 03 : Transmission - Court Order / Legal Heirs Y- In case second nominee account exists in other depository N - In case second nominee account exists in the same depository.
Other DP ID of Second Nominee	Character	8	321	M/O	Only for Transmission reason code 02 : Transmission - To Nominee 03 : Transmission - Court Order / Legal Heirs Mandatory if 'Other depository flag of second Nominee' is 'N' DP ID of second Nominee in case of multiple nominees
Other Client ID of Second Nominee	Integer	8	329	M/O	Only for Transmission reason code 02 : Transmission - To Nominee 03 : Transmission - Court Order / Legal
					Heirs Mandatory if ' Other depository flag of second Nominee' is 'N'. Client ID of second Nominee in case of multiple nominees
Other depository Client code of Second Nominee	Integer	16	345	M/O	Only for Transmission reason code 02 : Transmission - To Nominee 03 : Transmission - Court Order / Legal Heirs Mandatory if Other depository flag of second Nominee is 'Y'.

Description	Data Type	Size	End	Status	Remarks
Share of Third Nominee	Integer	2	347	M/O	Only for Transmission reason code 02 - Transmission - Nominee 03- Transmission - Court Order/Legal heirs
Other depository flag of Third Nominee	Character	1	348	M/O	Only for Transmission reason code 02 : Transmission - To Nominee 03 : Transmission - Court Order / Legal Heirs Y- In case third nominee account exists in other depository N - In case third nominee account exists in same depository.
Other DP ID of third Nominee	Character	8	356	M/O	Only for Transmission reason code 02 : Transmission - To Nominee 03 : Transmission - Court Order / Legal Heirs Mandatory if 'Other depository flag of third Nominee' is 'N'. DP ID of third Nominee in case of multiple nominees
Other Client ID of third Nominee	Integer	8	364	M/O	Only for Transmission reason code 02 : Transmission - To Nominee 03 : Transmission - Court Order / Legal Heirs Mandatory if ' Other depository flag of third Nominee' is 'N' . Client ID of third Nominee in case of multiple nominees
Other depository Client code of third Nominee	Integer	16	380	M/O	Only for Transmission reason code 02 : Transmission - To Nominee 03 : Transmission - Court Order / Legal Heirs Mandatory if Other depository flag of third Nominee is 'Y' in case of multiple nominees
Filler	Character	25	405	O	
Filler	Character	223	628	O	
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web
Target Client Name	Character	135	765	O	This will be provided only for first transition of Account Transfer Instruction.
Filler	Character	115	880	O	

Description	Data Type	Size	End	Status	Remarks
Priority Flag	Character	1	881	O	Not applicable
Back Office reference details	Character	32	913	O	
Sender Reference No 1	Character	50	963	O	
Sender Reference No 2	Character	50	1013	O	
File Reference ID	Character	20	1033	O	
Filler	Integer	10	1043	O	
Filler	Integer	10	1053	O	
Document Received Date	Integer	8	1061	O	(YYYYMMDD)
Demise Indicator Filler	Character Character	3 16	1064 1080	O O	Mandatory for Transaction Type 940 [Reason: 01 - Transmission - To Survivor(s)] Mention 'Y' against the demised account holder and 'N' against non-demised account holder. Provide space in case there are no holders. Example; In case of a beneficiary account having two account holders, provide space against the third account holder.

Account Closure (941)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	Transaction number of DPM.
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login id of user
Cancellation Status from	Integer	2	48	M	Not Applicable
Cancellation Status to	Integer	2	50	M	Not Applicable
Status change date time	Date time	14	64	M	System date time (YYYYMMDDHHMMSS)
Original BP Instruction ID	Integer	14	78	O	Not applicable
Source Client ID	Integer	8	86	M	Source client id for account
					transmission
ISIN	Character	12	98	O	Not applicable

Description	Data Type	Size	End	Status	Remarks
Requested Quantity	Decimal	18	116	O	Not applicable for account transmission
Lock-in Reason Code / Block Code	Integer	2	118	O	
Lock-in Release Date	Date	8	126	O	
Market Type	Integer	2	128	O	Not applicable for account transmission
Settlement Number	Character	7	135	O	Not applicable for account transmission
Execution Date	Date	8	143	O	Execution date for account transmission(YYYYMMDD)
Other Branch Code	Character	6	149	O	Not in Use
Other DP ID/Related DP ID	Character	8	157	M/O	Target DP ID Mandatory if Other depository flag is 'N' or Space
Other Client ID	Integer	8	165	M/O	Target Client ID Mandatory if Other depository flag is 'N' or Space
Beneficiary Account Category	Integer	2	167	O	Not applicable For account Transmission
Other CM BP ID	Character	8	175	O	Not applicable
Transmission Reasons	Integer	2	177	M	05- Account Closure
Other Settlement Number	Character	7	184	O	Not applicable
Internal Reference Number/Remarks	Character	35	219	O	User Remarks.
Agreement No.	Character	20	239	O	Not applicable
Settled Quantity/ Delivered Quantity	Integer	18	257	O	Not applicable
Rejection Reason Code 1	Character	6	263	O	
Rejection Reason Code 2	Character	6	269	O	
Rejection Reason Code 3	Character	6	275	O	
Rejection Reason Code 4	Character	6	281	O	
Closure Type	Character	1	282	O	Not applicable
Closure Date	Date	8	290	M	Not applicable
Other depository flag	Character	1	291	M	Y- In case,Target account exists in other depository N or Space - In case, Target account exists in same depository.

Description	Data Type	Size	End	Status	Remarks
Other Depository ID	Character	8	299	M/O	Y- In case, Target account exists in other depository N or Space - In case, Target account exists in same depository.
Other depository Client Code	Integer	16	315	M/O	Mandatory if Other depository flag is 'Y'
The PAN & holding pattern of source & target account holder(s) is matching	Character	1	316	M/O	Mandatory if Other depository flag is 'Y' Y : For PAN matches
Filler	Character	89	405	O	
Filler	Character	223	628	O	
Channel Indicator	Integer	2	630	M	Channel Indicator Values :
					01 BP Web
Target Client Name	Character	135	765	O	This will be provided only for first transition of Account Transfer Instruction.
Filler	Character	46	811	O	For Future use
DIS Serial No.	Character	12	823	O	DIS Serial No.; This will be present only in case of physical and Fax based DIS
DIS Format Flag	Character	1	824	O	'Y' for DIS issued in New format, 'N' or filler for DIS issued in Old format; only for This will be present only in case of physical and Fax based DIS
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
					Transaction number of DPM.
BP Instruction ID	Integer	14	34	M	For ACA generated Hold Instruction 10 digit BP Instruction ID will be generated in case of 949. In case of cancellation of Hold Release Initiation (950) instruction, it will be the BP instruction ID of cancellation instruction.
Order Status from	Integer	2	36	M	

Description	Data Type	Size	End	Status	Remarks
DIS Type Indicator	Character	1	825	O	1 For Physical, 2 for FAX, 3 For Electronic-SPEED-e, 4 for Electronic-SPICE, 5 for Electronic- DSC, 6 for Electronic- Others;
Filler	Character	9	834	O	
Flag of loose slip	Character	1	835	O	Mandatory for Loose Slips issued in New format, 1 for Loose Slip; This will be present only in case of physical and Fax based DIS
Filler	Character	45	880	O	
Priority Flag	Character	1	881	O	Not applicable
Back Office reference details	Character	32	913	O	
Sender Reference No 1	Character	50	963	O	
Sender Reference No 2	Character	50	1013	O	
File Reference ID	Character	20	1033	O	
Filler	Integer	10	1043	O	
Filler	Integer	10	1053	O	
Document Received Date	Integer	8	1061	O	(YYYYMMDD)
Filler	Character	19	1080	O	

Hold Initiation (949), Hold Release initiation (950)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	Transaction number of DPM.For ACA generated Hold Instruction 10 digit BP Instruction ID will be generated in case of 949. In case of cancellation of Hold Release Initiation (950) instruction, it will be the BP instruction ID of cancellation instruction.

Description	Data Type	Size	End	Status	Remarks
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login Id of user
Cancellation Status from	Integer	2	48	M	
Cancellation Status to	Integer	2	50	M	
Status change date time	Date time	14	64	M	System date time(YYYYMMDDHHMMSS)
Original BP Instruction ID	Integer	14	78	O	Used for Hold Release initiation, Hold Release initiation confirmation, and Hold Release Initiation Cancellation (BP Instruction ID of Hold Release Initiation in case of Hold Release Cancellation)
Client ID	Integer	8	86	M	
ISIN	Character	12	98	M	
Requested Quantity	Decimal	18	116	M	15+3 without decimal point
Lock-in Reason Code / Block Code	Integer	2	118	O	
Lock-in Release Date	Date	8	126	O	
Filler	Character	9	135	O	
Execution Date	Date	8	143	O	Execution date (YYYYMMDD)
Other Branch Code	Character	6	149	O	Not in Use
Target DP ID	Character	8	157	M	
Target Client ID	Integer	8	165	M	
Beneficiary Account Category	Integer	2	167	O	
Filler	Character	17	184	O	
Internal Reference Number/Remarks	Character	35	219	O	User Remarks
Hold Reference Number	Character	20	239	M	
Filler	Character	18	257	O	
Rejection Reason Code 1	Character	6	263	O	
Rejection Reason Code 2	Character	6	269	O	

Description	Data Type	Size	End	Status	Remarks
Rejection Reason Code 3	Character	6	275	O	
Rejection Reason Code 4	Character	6	281	O	
Filler	Character	9	290	O	
Cooling Period	Integer	2	292	M	
Filler	Character	113	405	O	For Future use
ACA Remarks	Character	35	440	O	This field will only be populated for ACA generated Hold Initiation (949) Format will be "Base ISIN " + "$#$#" + "DM Order No. of ACA" e.g. INE456L01UB9$#$#9000026490
Filler	Character	188	628	O	For Future use
Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web 06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
Filler	Character	250	880	O	For Future use
Priority Flag	Character	1	881	O	
Back Office reference details	Character	32	913	O	
Sender Reference No 1	Character	50	963	O	
Sender Reference No 2	Character	50	1013	O	
File Reference ID	Character	20	1033	O	
DM Order Number	Integer	10	1043	O	
Original DM Order Number	Integer	10	1053	O	
Filler	Integer	8	1061	O	
Filler	Character	19	1080	O	

Hold Initiation Confirmation (951), Hold Release Initiation Confirmation (952)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	

Description	Data Type	Size	End	Status	Remarks
BP Instruction ID	Integer	14	34	M	BP Instruction ID of Hold Initiation Confirmation / Hold Release Initiation Confirmation. This will be the BP Instruction ID of Hold Release Initiation to Target party BP Instruction ID of Hold Release Initiation Cancellation to Target if Source party executes Hold Release Initiation Cancellation
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login id of user
Cancellation Status from	Integer	2	48	M	
Cancellation Status to	Integer	2	50	M	
Status change date time	Date time	14	64	M	System date time (YYYYMMDDHHMMSS)
Original Order Reference Number	Integer	14	78	O	BP Instruction ID of Hold Initiation. BP Instruction ID of Hold Release Initiation in case of Hold Release Cancellation
Client ID	Integer	8	86	M	
ISIN	Character	12	98	M	
Original Hold Quantity	Decimal	18	116	M	Original Hold Quantity - 951 Transfer Quantity - 952
Release Quantity	Decimal	18	134	O	Release Quantity—951 Pending Hold Quantity- 952
Cooling Period	Integer	2	136	M	
Filler	Character	16	152	O	
Execution Date	Date	8	160	M	951,952 (YYYYMMDD)
Hold Release Date	Character	8	168	M	Actual date of release of the held securities. i.e. Execution Date + Cooling period (YYYYMMDD)
Target DP ID	Character	8	176	M	

Description	Data Type	Size	End	Status	Remarks
Target Client ID	Integer	8	184	M	
Filler		1	185	O	
Hold Reference Number	Character	20	205	M	
Rejection Reason 1	Character	6	211	O	
Rejection Reason 2	Character	6	217	O	
Rejection Reason 3	Character	6	223	O	
Rejection Reason 4	Character	6	229	O	
Remarks	Character	35	264	O	
Source Client Name	Character	135	399	O	Applicable for Hold Initiation Confirmation orders
Filler	Character	115	514	O	
Second Holder Source Client Name	Character	45	559	O	Applicable for Hold Initiation Confirmation orders
Third Holder Source Client Name	Character	45	604	O	Applicable for Hold Initiation Confirmation orders
Lockin reason Code	Integer	2	606	O	
Lockin release date	Date	8	614	O	(YYYYMMDD)
Filler	Character	14	628	O	
					Channel Indicator Values : 01 BP Web
Channel Indicator	Integer	2	630	M	06 DM 07 SMS 11 SPEEDE 12 SPEEDE_INDIRECT
Filler	Character	250	880	O	
Priority Flag	Character	1	881	O	
Filler	Character	32	913	O	
Filler	Character	50	963	O	
Filler	Character	50	1013	O	
Filler	Character	20	1033	O	
DM Order Number	Integer	10	1043	O	
Original DM Order Number	Integer	10	1053	O	
Beneficiary Account Category	Integer	2	1055	O	
Filler	Integer	6	1061	O	
Filler	Character	19	1080	O	

Circular No.: NSDL/POLICY/ 2020/0113 August 17, 2020	***Subject: Implementation of Partial Margin Re-pledge / Release / Invocation functionality.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2020/0107 dated July 31, 2020 regarding implementation of Margin Pledge / Re-pledge functionality. All Participants are hereby informed that as communicated vide NSDL circular ref. no. NSDL/POLICY/2020/0112 August 17, 2020 the partial re-pledge / release / invocation of margin pledged securities will be made available in Margin Pledge / Re-pledge (MPR) module of NSDL system today. There will be no changes in respect of screen based / file upload/download based mechanism for partial margin re-pledge / release / invocation functionality. The user can capture the full or partial quantity in field viz., 'Quantity' in respect of Margin re-pledge / release / invocation instructions. In addition, the user can view the break-up of quantity details under instruction details of Margin Pledge / Re-pledge screens under MPR module, as mentioned below: 1) Pledged Quantity 2) Open Quantity 3) Closed Quantity 4) Invoked Quantity 5) Re-pledged Quantity 6) Re-pledged Invoked Quantity
Circular No.: NSDL/POLICY/ 2020/0112 August 17, 2020	*Subject: Amendments to Business Rules of NSDL - Partial Re-pledge/Release/ Invocation* Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2020/0095 dated July 17, 2020 (copy enclosed) regarding amendments to Bye Laws and Business Rules of NSDL with respect to margin obligations to be given by way of Pledge/ Re-pledge in the Depository System. In this context, Participants are requested to note that the functionality of partial repledge/release/invocation will be made operational today and accordingly, the Rule 12.16.10 regarding partial re-pledge/release/invocation of margin pledged securities is made effective. Circular No.: NSDL/POLICY/2020/0095 July 17, 2020 **Subject: Amendments to Bye Laws and Business Rules of NSDL.** Participants are hereby informed that following amendments have been made in the Bye Laws and Business Rules of NSDL with respect to margin obligations to be given by way of Pledge/ Re-pledge in the Depository System: 1. Insertion of new Bye-law 9.16 and amendment to Bye-law 10.2.7 (iv) [attached as **Annexure A**] 2. Insertion of Rule 12.16, 16.1.1 (xv) and amendment to Rules 4.5.3, 16.1.1 (xii) & 22.1 [attached as **Annexure B**] 3. Insertion of new Form 43 in Rules [attached as **Annexure C**] Participants are requested to note that the Bye Law 9.16, amendment to Bye-law 10.2.7 (iv), Rule 12.16.1 to 12.16.9, 16.1.1 (xv) & amendment to Rules 4.5.3, 16.1.1 (xii) & 22.1, and Form 43 will be effective from August 1, 2020 and the effective date of Rule 12.16.10 will be notified separately.

	9.16. MARGIN PLEDGE 9.16.1 If a client intends to create a margin pledge on securities owned by him for margin or settlement obligations of the client or such other purpose as specified by SEBI in favour of a Trading Member which may be re-pledged to the Clearing Member or by the client in favour of a Clearing Member and further re-pledged to the Clearing Corporation, he shall make an application for creation of margin pledge in the form and manner specified in the Business Rules to the Depository through the Participant, who has his account in respect of such securities. 9.16.2 The Trading Member or the Clearing Member through an account designated for this purpose with a Participant, may re-pledge the securities of the Client to the Clearing Member and Clearing Corporation respectively, in the form and manner specified in the Business Rules. 9.16.3 If the securities are pledged or re-pledged with a Trading Member or Clearing Member or Clearing Corporation, any release or invocation of margin pledge will be effected, in the form and manner specified in the Business Rules. 9.16.4 The rights to release or invoke a margin pledge shall be either with the Clearing Corporation, Clearing Member or Trading Member in a hierarchical order at a particular point in time. Explanation: (i) If securities are re-pledged to Clearing Corporation, the rights to release or invoke the margin pledge will be with the Clearing Corporation to the exclusion of other parties. (ii) If securities are re-pledged to the Clearing Member or if the Clearing Corporation has exercised its rights to release the pledge, the rights to release or invoke the margin pledge will be with the Clearing Member to the exclusion of other parties. (iii) If securities are pledged to the Trading Member or if the Clearing Member has exercised its rights to release the pledge, the rights to release or invoke the margin pledge will be with the Trading Member to the exclusion of other parties. **12.16 Margin Pledge** 12.16.1 For the purpose of this Rule for margin pledge, the Client, Trading Member or the Clearing Member shall be the pledger acting in such capacity and the Trading Member, Clearing Member or the Clearing Corporation shall be the pledgee acting in such capacity. 12.16.2 The Participant of the pledger shall request initiation of margin pledge or re-pledge on receipt of the margin pledge form as laid out in Form 43 from the pledgor. Provided that in case margin pledge is initiated by the Client for a specified segment, the re-pledge by the Trading Member or the Clearing Member for such securities shall be done for the same segment.

	Provided further that in case the margin pledge is initiated by the Client for all segments, the re-pledge by the Trading Member or the Clearing Member for such securities shall be done for any segment. 12.16.3 The Participant of the pledgee shall request confirmation of initiation of margin pledge or re-pledge on receipt of the margin pledge form as laid out in Form 43 from the pledgee. Alternatively, pledgee may give standing instructions to its Participant to confirm the margin pledge. 12.16.4 On receipt of the request and confirmation for initiation of margin pledge or re-pledge from the pledgor and pledgee respectively through their Participants and acceptance of margin pledge by the client by way of One Time Password confirmation on registered mobile number or registered email ID of the client or other verifiable mechanism, the Depository may create the margin pledge. Provided that in case the client has a joint account, any one holder may accept the margin pledge on behalf of the client. 12.16.5 The Participant of the client shall request release of margin pledge on receipt of margin pledge form as laid out in Form 43 from the client. On receipt of request from the Participant for release of margin pledge, the Depository may intimate the Participant of the pledgee about the request for release. 12.16.6 The Participant of the pledgee shall release the margin pledge on receipt of margin pledge form as laid out in Form 43 from the pledgee. On receipt of request from the Participant of pledgee for release of margin pledge, the Depository may release the pledge vis-à-vis the concerned pledgee. 12.16.7 The Participant of the pledgee shall request invocation of margin pledge or re-pledge on receipt of the margin pledge form for invocation as laid out in Form 43 from the pledgee. 12.16.8 The Depository, on receipt of a request under Rule 12.16.10, shall invoke the pledge or re-pledge and amend its record accordingly to register the pledgee as a beneficial owner of the securities and shall thereafter, send intimation of the same to the Participants of the pledgor and the pledgee. 12.16.9 The aforementioned forms submitted by the pledgor and pledgee shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the pledgor or pledgee before the requests on these forms are executed. 12.16.10 The Trading Member or the Clearing Member may re-pledge the securities either for the full quantity for which the margin pledge was initiated or for partial quantity and the margin pledge may be released or invoked either for full quantity or for partial quantity.

	4.5. MODE OF OPERATING ACCOUNTS AND EFFECTING TRANSACTIONS BY BOOK ENTRY 4.5.3. The Participant shall not accept any instruction for debit or pledge or margin pledge or hold of securities from a Client unless the Participant has fully satisfied itself that the instruction has been given by the Client itself. In respect of instructions received in paper form, the Participant shall ensure that the Client submits the instructions only on an instruction form issued by the Participant to the Client by verifying the instruction forms with its records pertaining to serial numbers of instruction forms issued to the Clients. **16.1. RECORDS TO BE MAINTAINED BY THE PARTICIPANTS** 16.1.1. Every Participant of the Depository shall maintain the following records relating to its business for a period of five years:- i) Delivery/Receipt Instructions given by its Clients. ii) Forms submitted by the Clients to the Participant for: - a) Opening of accounts with the Participant; b) Closing of accounts with the Participant; c) Freezing of accounts with the Participant; d) Unfreezing of accounts with the Participant. iii) Copies of correspondence from the Clients on the basis of which Clients details were updated in the DPM; iv) Record of all actions taken on the exception reports, generated by the system; v) A register showing details of grievances received from the Clients and their present status. The following details may be specified in this regard:- a) name of the Client; b) reference number of the Client; c) date; d) particulars of complaints; e) actions taken by the Participant; vi) if the matter is referred to arbitration, then the particulars including the present status thereof. vii) instructions received from the Clearing Member to transfer balances from the Pool account to the Delivery account of the Clearing Member in order to enable it to meet its obligations to the Clearing Corporation; viii) instructions from the clearing member authorising the transfer of securities from the pool account of the clearing member to the accounts of its clients ix) The forms received in respect of pledge of securities;

	x) The forms received in respect of transmission of securities xi) The forms received in respect of securities lending. xii) Record of serial numbers of the instruction forms for debit or pledge or margin pledge or hold of securities in a Client account, issued to its Clients. (xiii) The Participant shall ensure that records of nomination are maintained properly and preserved for record purposes. These records shall form part of the records of the Participant. (xiv) The forms received in respect of hold of securities; (xv) The forms received in respect of margin pledge of securities. **22. TERMINATION/ SURRENDER OF PARTICIPANTSHIP** 22.1. No participant shall accept any fresh application from any person for opening a new Client account, or any Dematerialisation Request Form or Form for creation of pledge or hypothecation or margin pledge or hold, with effect from the date of receipt of notice of the termination of participantship, issued by the Depository to Participant, or from the date incorporated in the notice of termination of Participantship issued by Participant to the Depository; or from the effective date of the order of Participant's Expulsion passed by the Depository; or from the date of the receipt of the order of Participant's expulsion passed by the Depository; whichever is later; or from the date of the receipt of the order of cancellation of Participant's registration certificate passed by SEBI. 9.16.5 The pledger and pledgee must have an account in the Depository to create a margin pledge. However, the pledger and pledgee may hold an account with different Participants. 9.16.6 Upon creation of margin pledge on securities, no transfer, hold, pledge, hypothecation, lending, rematerialisation, or alienation of securities in any manner shall be permitted, unless the margin pledge on securities is released or invoked. **10. RECONCILIATION, ACCOUNTS AND AUDIT** **10.2. ACCOUNTING, INTERNAL CONTROL, REPORTS AND RETURNS** 10.2.7. Every Participant shall maintain the following records and documents, namely: i) records of all the transactions entered into with a Depository and with a Client; ii) details of securities dematerialised, rematerialised on behalf of Clients iii) records of instructions received from Clients and statements of account provided to Clients; and, iv) records of approval, notice, entry and cancellation of pledg

DP Logo	**FORM 43 – MARGIN PLEDGE FORM**	NSDL Technology, Trust & Reach

Participant Name Participant Address		Serial Number	
		Date	D D M M Y Y Y Y
DP ID	I N	Client ID	**Prestamped**

I/We request you to execute margin pledge instructions as per following details. Further, I/we hereby give my/our express consent for re-pledge of the securities by the Trading Member to Clearing Member and further by the Clearing Member to the Clearing Corporation.

☐ Initiate Margin Pledge/Re-pledge ☐ Request Release of Margin Pledge/Re-Pledge	☐ Confirm Margin Pledge/Re-Pledge Initiation ☐ Release Margin Pledge/Re-Pledge ☐ Invoke Margin Pledge/Re-Pledge

Counterparty DP ID	I N	Agreement No.	
Counterparty Client ID		Indicative Closure Date	D D M M Y Y Y Y
Counterparty Client Name		Execution Date	D D M M Y Y Y Y

Unique Client Code		Segment	
Trading Member Code		Trading Member Name	
		Stock Exchange Name	
Clearing Member ID		Clearing Corporation Name	

Sr. No.	ISIN	Security Name	Lock-In Reason and Release Date (If Any)	Quantity (In Figures)	Quantity (In words)	Margin Pledge Order Number	Consideration Amount (₹) (*To be filled in case of Invocation*)

1._____ 2._____ 3._____

Authorised Signatory(ies)

Instructions:

1. To be submitted in duplicate for acknowledgement.
2. Margin Pledge Order No. to be filled in by the client (except for margin pledge initiation - to be filled in by the Participant).
3. Locked-in securities cannot be invoked before the lock-in release date.
4. Strike out whichever is not applicable.

Circular No.:
NSDL/POLICY/
2020/0110
August 15, 2020

Subject: Implementation of Margin obligations to be given by way of Pledge / Re-pledge in the NSDL System.

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2020/0103 dated July 31, 2020 regarding SEBI circular on implementation of Margin obligations to be given by way of Pledge / Re-pledge in the NSDL Depository System. In the aforesaid circular, it has been mentioned that the mechanism of pledge / re-pledge issued vide SEBI Circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 shall be implemented with effect from August 1, 2020. However, the system of parallel acceptance of the client securities by way of title transfer shall be available only upto August 31, 2020.

In this context, NSDL has issued Circular No. NSDL/POLICY/2020/0107 dated July 31, 2020 informing Participants that the features related to Margin Pledge and Re-pledge (MPR) functionality is made available effective from August 1, 2020. Many Investors / TMs / CMs / DPs have successfully executed necessary transactions in respect of MPR in NSDL Depository system since August 1, 2020.

	In view of the above, Participants are requested to advise their Clients/TMs/ CMs to start processing Margin Pledge / Re-pledge related transactions in advance so as to eliminate last minute rush considering the deadline of August 31, 2020 specified by SEBI.
Circular No.: NSDL/POLICY/ 2020/0107 July 31, 2020	***Subject: Implementation of Margin Pledge / Re-pledge module in the depository system.***

Attention of Participants is invited to following NSDL circulars issued in respect of margin obligations to be given by way of pledge/ re-pledge in the Depository System.

Sr No	Circular Nos	Date	Subject
1	NSDL/POLICY/2020/0023	February 26,2020	SEBI circular on Margin obligations to be given by way of Pledge/Re-pledge in the Depository System
2	NSDL/POLICY/2020/0073	May 27, 2020	SEBI circular on Implementation of Circular on 'Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System'- Extension.
3	NSDL/POLICY/2020/0075	May 30, 2020	SEBI circular on Implementation of provision regarding Power of Attorney in circular dated February 25, 2020 – Extension.
4	NSDL/POLICY/2020/0076	May 31, 2020	New Client Type and sub type for opening of accounts by stock broker/PCM for margin obligations.
5	NSDL/POLICY/2020/0077	June 01, 2020	Operational Guidelines on margin obligations to be given by way of Pledge / Re-Pledge in the Depository System
6	NSDL/POLICY/2020/0094	July 14, 2020	Changes in file format in respect of Margin Pledge / Re-Pledge
7	NSDL/POLICY/2020/0096	July 23, 2020	Changes in respect of static codes in DPM system pertaining to Margin Pledge / Re-pledge
8	NSDL/POLICY/2020/0103	July 31, 2020	SEBI circular on implementation of Margin obligations to be given by way of Pledge Re-pledge in the Depository System
9	NSDL/POLICY/2020/0104	July 31, 2020	Registration process for Investors, Trading Members and Clearing Members on NSDL e-Services (i.e. SPEED-e & IDeAS) in respect of Margin Pledge/ Re-Pledge.

In this regard, Participants are requested to note that the features related to Margin Pledge and Re-pledge functionality will be made available at EOD of **July 31, 2020.** The salient features and process of aforesaid Margin Pledge and Re-pledge functionality are enclosed at **Annexure.**

Annexure

The salient features and process in respect of Margin Pledge / Re-pledge functionality

NSDL has introduced new feature viz., Margin Pledge / Re-pledge (MPR) for facilitating process in respect of Margin obligations to be given by way of Pledge /Re-pledge in the Depository System. The access of aforesaid MPR feature is available through NSDL eDPM system for Participants under Pledge / Hypothecation option and through NSDL e-Services (SPEED-e and IDeAS) system for Investors, Trading Members (TMs) and Clearing Members (CMs). The process for registration of Investors, TMs and CMs on NSDL e-Services (SPEED-e & IDeAS) in respect of Margin Pledge / Re-Pledge is informed to Participants vide NSDL Circular No. NSDL/POLICY/2020/0104 dated July 31, 2020

As per SEBI guidelines, Margin Pledge instructions will be initiated on the basis of UCC mapped in client demat account (on the basis of PAN), segment and linkages of respective TM details. Further, Margin Re-pledge will be initiated on the basis of TM-CM linkages provided by the Clearing Corporations to NSDL. NSDL has mapped active UCC provided by Stock Exchanges in demat account on the basis of PAN details available in client maintenance module in NSDL depository system.

The detailed process of Margin Pledge / Re-pledge functionality is given below.

(I) Initiation of Margin Pledge / Re-pledge:

Client can initiate a margin pledge instruction in favour of 'TM – Client Securities Margin Pledge Account' or 'TM/CM – Client Securities Margin Pledge Account' by submitting a physical Margin Pledge Form to its Participant or electronic instructions through NSDL e-Services.

Margin Pledge instructions can be initiated through below mentioned modes :

1. Client submitting physical DIS to their Depository Participant (DP).
2. Client initiating Margin Pledge instruction through NSDL e-Services
3. TM initiating Margin Pledge on behalf of client on the basis of Power of Attorney (POA) given by client in favour of TM.

1. Client providing physical DIS to DP:

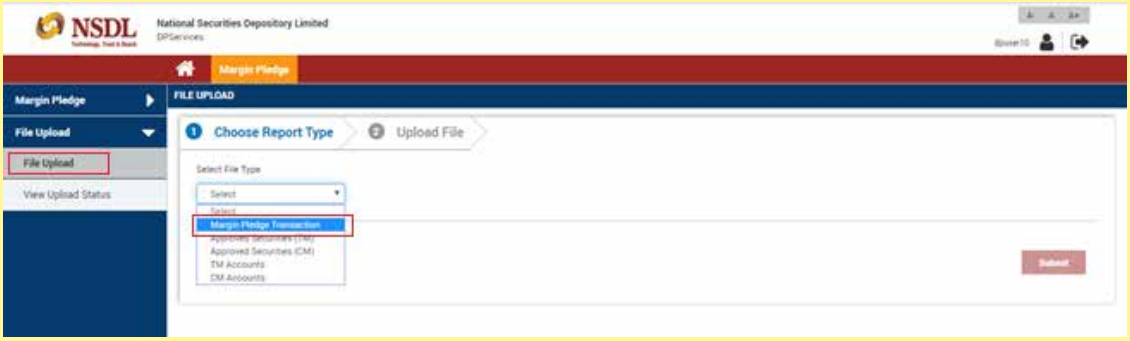
a) DP user will initiate margin pledge instruction in favour of 'TM – Client Securities Margin Pledge Account' or 'TM/CM – Client Securities Margin Pledge Account' through e-DPM system based on physical Margin Pledge Form submitted by Client.

b) Participant shall login to NSDL eDPM system and click on **"Margin Pledge / Re-Pledge"** option provided under **"Pledge/ Hypothecation"** module as exhibited below:

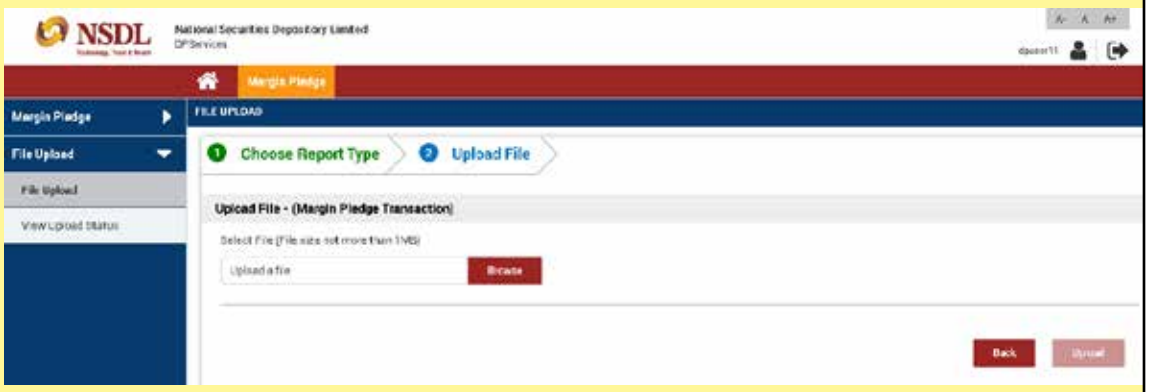
c) After clicking on **"Margin Pledge / Re-Pledge"** (MPR) link, DP user shall be redirected to the new module of MPR for initiating margin pledge instruction through file upload mechanism.

File upload mechanism:

Step 1: DP user shall click on 'File Upload' option and select 'Margin Pledge Transaction' from the drop down list and click on the submit button as exhibited below:



Step 2: After clicking on submit button, user shall browse the file and click on upload as exhibited below:



Step 3: User can view the file upload status by clicking on "View Upload Status" as exhibited below:

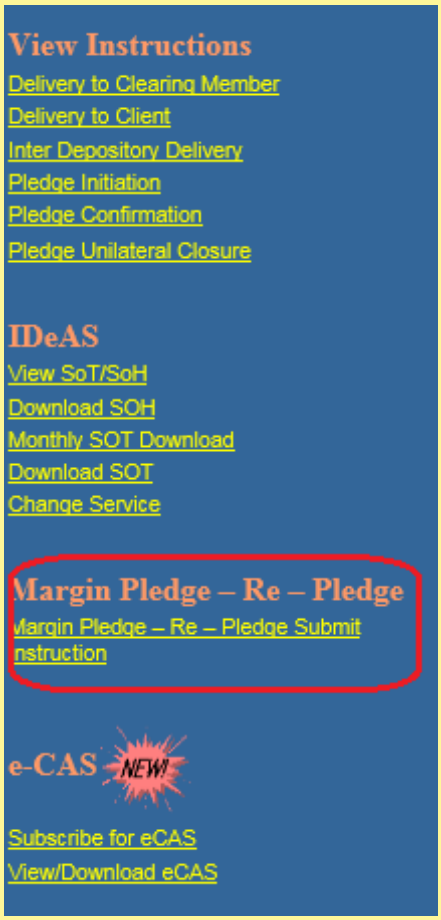
d) On successful upload of Margin Pledge initiation instruction(s) by DP user in MPR system, a link to **'Confirm Margin Pledge'** instruction (i.e. Bitly link) will be generated and sent to registered mobile number and Email ID mentioned in the demat account of a client. On clicking the aforesaid confirmation link, client will be redirected to a web page wherein client will be required to carry out authentication with "PAN" details (DP ID & Client ID in case of PAN exempt clients). Upon providing the correct PAN details, the details in respect of margin pledge instruction(s) which are pending for authorization will be shown to the client. The client has to select instruction(s) to be processed and request for OTP. Once correct OTP (received on mobile or email) is entered by client, Margin Pledge initiation instruction will be processed and sent to the pledgee for confirmation. Client will also have option to reject the Margin pledge instructions.

e) If the **"Standing Instruction Indicator for Auto Pledge Confirmation"** flag is enabled in the pledgee's demat account, then there is no need for separate confirmation required from pledgee in respect of margin pledge instruction and the status of instruction will be updated as 'Pledged'. If the "Auto Pledge Confirmation" flag is disabled in the pledgee's demat account, then there is separate confirmation required by pledgee in respect of margin pledge instruction. Upon successful confirmation by Pledgee, the status of instruction will be updated as 'Pledged'.

f) For successful initiation of margin pledge initiation, the details in respect of valid mobile number and Email ID are required to be available in the demat account of client which shall be used for OTP confirmation.

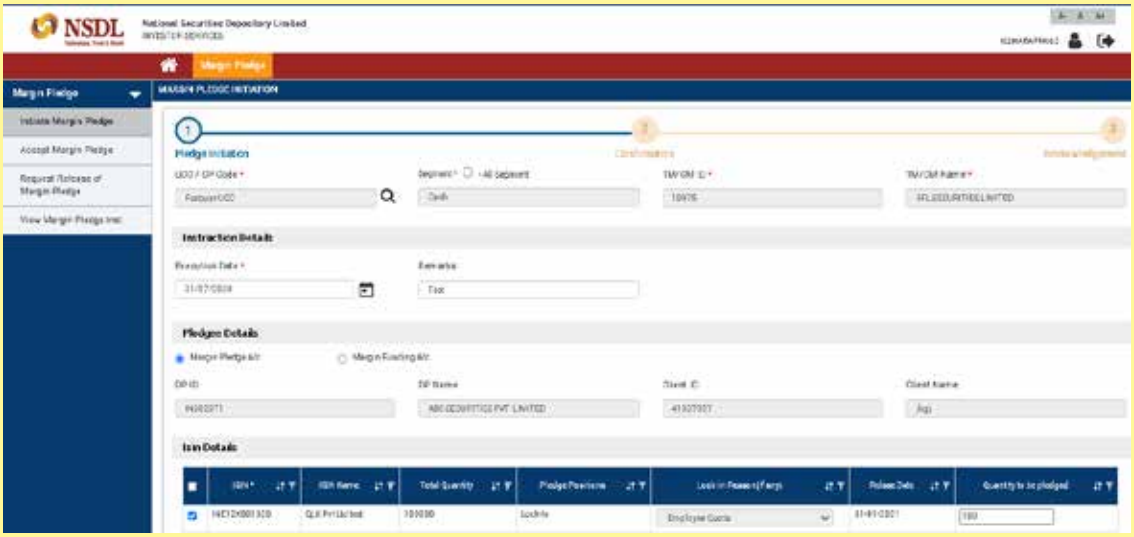
2. Client initiating Margin Pledge instruction through NSDL e-Services:

a) Clients registered on NSDL e-services portal (https://eservices.nsdl.com/) shall login to SPEED-e / IDeAS login and click on link viz., **'Margin Pledge / Re-Pledge Submit Instruction'** as exhibited below :

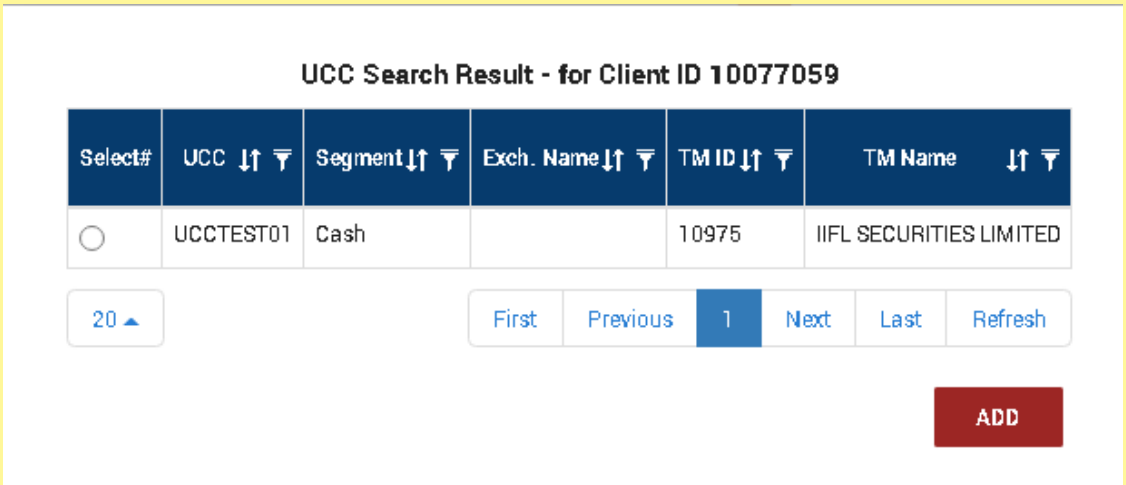


b) After clicking on **"Margin Pledge / Re-Pledge"** link, user shall be redirected to MPR Screen to initiate margin pledge instruction.

c) Once the Client is redirected from e-Services portal to MPR module, the client shall click on 'Initiate Margin Pledge' option and capture the requisite details as exhibited below:



d) The user shall click on 'UCC/CP code' search icon and then a window will be opened (as exhibited below) for selecting combination of UCC, Segment, TM details mapped in client's demat account based on the details provided by Stock Exchanges. There may be multiple UCCs mapped in the demat account based on the combination of different segment, TM and Stock Exchanges.



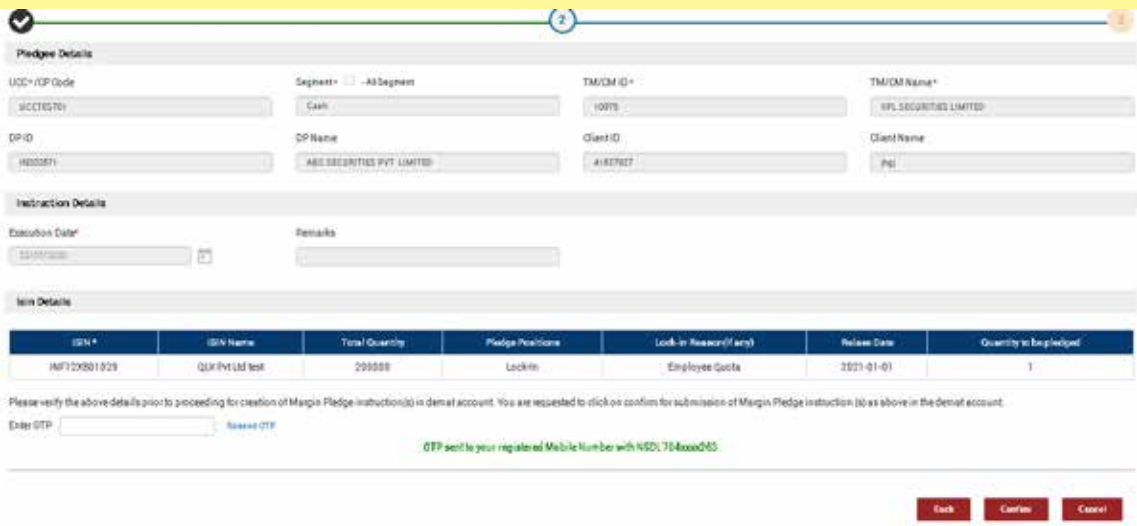
e) After selecting a particular UCC, Segment and TM for combination from the available list, the details viz., Segment, TM ID and TM Name will be auto populated on the screen. In case client wants to initiate Margin Pledge Instruction for **'All Segment'**, then user shall enable checkbox given for selection of **'All Segment'**.

f) Under Pledgee Details section, client can select pledgee details viz., "Margin Pledge Account" or "Margin Funding Account". Based on the selection of account, Pledgee's DP ID, DP Name, Client ID and Client Name shall be auto populated on the screen.

g) Under Instruction details section, the user shall capture valid “Execution date”. Client can capture Execution date as greater than current business date to initiate future dated margin pledge instruction.

h) Under ISIN details, client’s current holding details will be displayed on the screen for creation of margin pledges. The client can select ISIN from ISIN details table and enter the ‘Quantity to be pledged’. Client can pledge “Free” as well as “Locked-in” holdings available in its demat account.

i) After submitting details, client will receive an OTP on his registered mobile number and Email ID for confirming the margin pledge initiation instruction. After entering the OTP, client shall click on ‘Confirm’ button and the Margin pledge instruction will be submitted in MPR system as exhibited below:



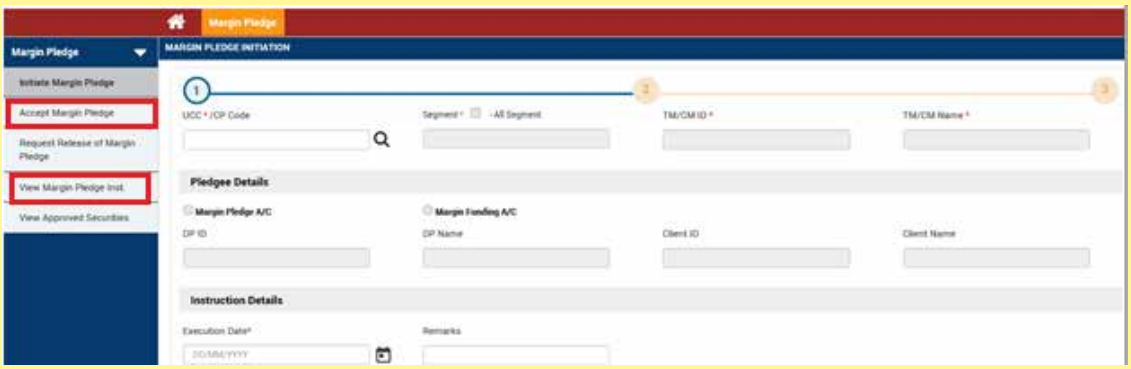
3. TM initiating Margin Pledge on behalf of client on the basis of POA given by client in favour of TM:

a) TM can initiate Margin Pledge instruction on behalf of client on the basis of POA given by client in favour of TM. The POA details (in favour of TM) mapped in demat account of client will be validated while processing the POA based Margin Pledge initiation instructions. The upload facility for POA based Margin Pledge transactions is available for TMs and CMs in MPR module through NSDL e-Services facility.

b) After clicking on link viz., **"Margin Pledge / Re-Pledge"** (MPR), user will be redirected to the MPR module for initiating margin pledge instruction (POA based) through file upload mechanism.

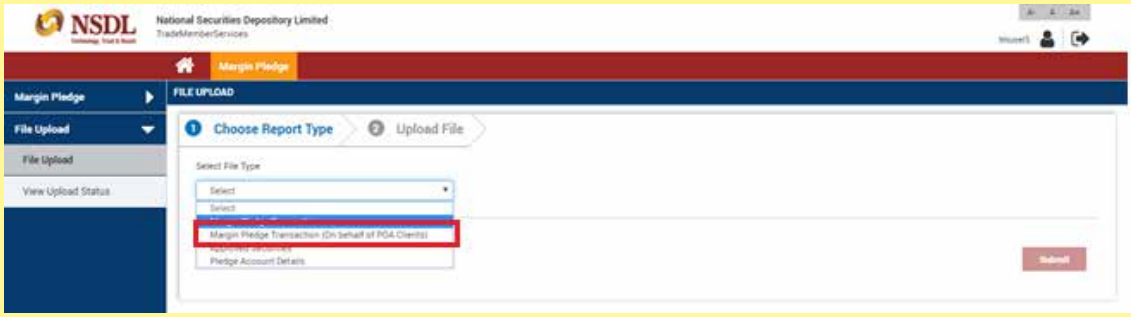
c) Client can also view all pending margin pledge instructions under 'Accept Margin Pledge' option which are executed by TM based on POA or submitted by client to its DP in physical form and provide their confirmation for margin pledge initiation.

d) Client can view status of all margin pledge instructions by clicking on the link viz., 'View Margin Pledge Instruction' available under Margin Pledge menu as exhibited below:

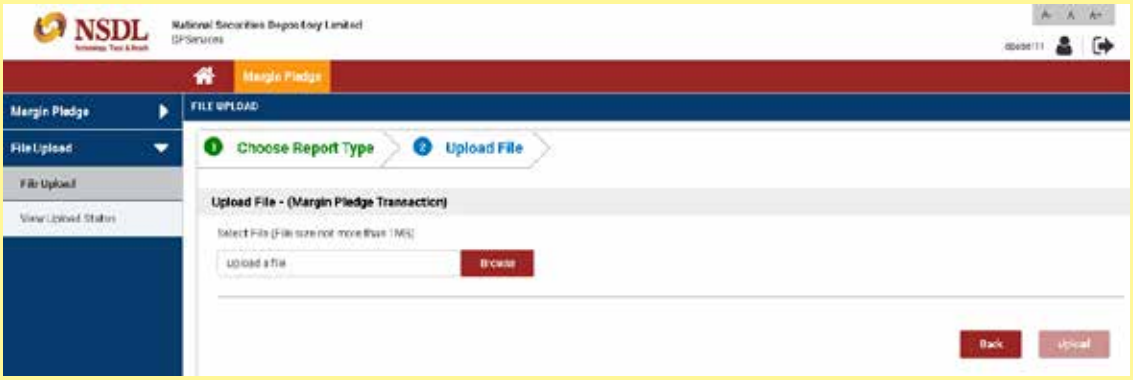


File upload mechanism:

Step 1: User shall click on 'File Upload' option and select Margin Pledge Initiation (On behalf of POA Client) Transaction from the available drop down list and click on the submit button as exhibited below:



Step 2: After clicking on submit button, user can browse and upload the requisite file as exhibited below:



Step 3: User can view the file upload status by clicking on "View Upload Status" as exhibited below:

e) On successful upload of pledge initiation instruction(s) by TM user in MPR system, a link to 'Confirm Margin Pledge Transactions' (i.e. Bitly link) will be generated and sent to the client on registered mobile number and Email ID mentioned in the demat account of a client. On clicking the said link, the client will be redirected to a web page where client will be required to follow authentication process by providing PAN details (DP ID & Client ID in case of PAN exempt clients). Upon providing the correct PAN details, the details in respect of margin pledges which are pending for authorization will be shown to the client. The client has to select instruction(s) to be processed and request for OTP. Once correct OTP (received on mobile or email) is entered by client, Margin Pledge initiation instruction will be processed and sent to the pledgee DP for confirmation. Client will also have option to reject the Margin pledge instructions.

4. Margin Pledge initiation in respect of TM/CM Proprietary & Institutional Clients (CP Codes):

a) TM Proprietary (Prop) to TM Client Margin Pledge Account (CMPA):

Based on the details provided by CCs (TM-CM link) and respective TMs, NSDL will be marking the TM Prop accounts in NSDL depository system. The TM Prop user can initiate margin pledge instruction through MPR module made available on e-Services. The Margin Pledge instruction will be initiated from TM Prop Account in favour of TM-CMPA. The OTP authentication will not be required in respect of aforesaid margin pledge instruction.

b) **CM Proprietary (Prop) to CM Client Margin Pledge Account (CMPA):**

Based on the details provided by CCs (TM-CM link) and respective CMs, NSDL will be marking the CM Prop accounts in NSDL depository system. The CM Prop user can initiate margin pledge instruction through MPR module made available on e-Services. The Margin Pledge instruction will be initiated from CM Prop Account in favour of CM-CMPA. The OTP authentication will not be required in respect of aforesaid margin pledge instruction.

c) **Institutional Client (CP Code) to CM Client Margin Pledge Account (CMPA):**

Based on the details provided by CCs (CP-CM link) and respective Custodians, NSDL will be marking the Institutional Client accounts in NSDL system. The TM Prop user can initiate margin pledge instruction through MPR module made available on e-Services or through their Participants. The Margin Pledge instruction will be initiated from Institutional Client (CP Code) account in favour of CM-CMPA. The OTP authentication will not be performed in respect of aforesaid margin pledge instruction.

d) **Sharing of details to CCs in respect of Margin Re-pledges pertaining to TM/CM Prop & CP Accounts:**

In respect of securities that are re-pledges in favour of CC pertaining to TM Prop and CM Prop, the details of 'TM ID' & 'CM ID' will be shared in UCC column with CCs in proposed pledge master export. In respect of securities that are re-pledges in favour of CC pertaining to CP Code accounts, the details of UCC column will be provided as blank and additional details of 'CP Code' will be shared with CCs in pledge master export.

(II) Margin Pledge / Re-pledge Confirmation by TM & CM (Pledgee) :

a) TM and CM can opt for 'Auto Pledge Confirmation' facility by enabling the flag viz., "Standing Instruction Indicator for Auto Pledge Confirmation" in TMs/CMs (Pledgee) Margin Pledge Account. In such scenarios, TMs/CMs (Pledgee) are not required to confirm the Margin Pledge Initiation instruction separately.

b) If the "Standing Instruction Indicator for Auto Pledge Confirmation" flag is disabled in TM/CM (Pledgee) Margin Pledge Account then TM/CM (Pledgee) shall confirm the Margin Pledge initiation instruction by providing physical DIS to their DP or TM/CM can process the same through NSDL e-Services facility.

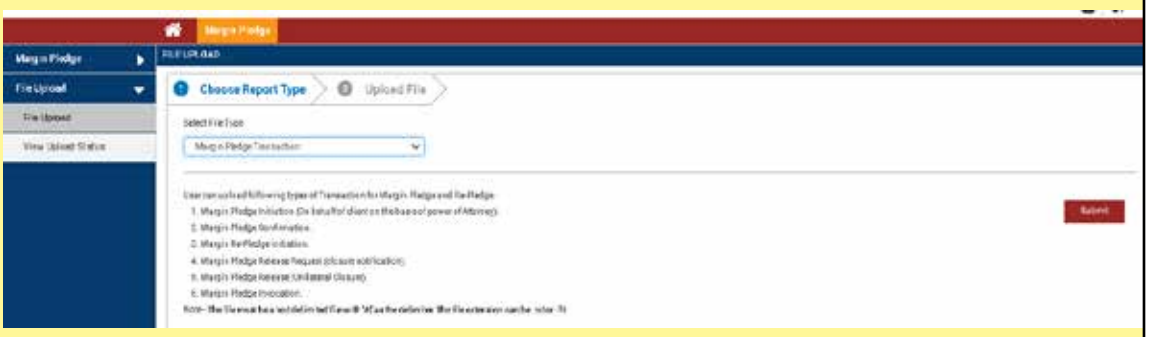
c) The users of DP/TM/CM can upload file on MPR in respect of confirmation of Margin Pledge or Re-Pledge initiation instruction.

File upload mechanism :

Step 1: User shall click on 'File Upload' option and select Margin Pledge Confirmation Transaction from the available drop down list and click on the submit button.

Step 2: After clicking on submit button, user can browse and click on Upload the requisite file.

Step 3: User can view the file upload status by clicking on link viz., "View Upload Status".



d) Once the Margin Pledge instruction is confirmed by Pledgee, the status of instruction will be updated from "Pending for Pledgee Confirmation" to "Pledged" and Instruction ID will be generated.

(III) Re-pledge by TM to CM and by CM to CC:

a) TM can initiate a Margin Re-pledge instruction in favour of CM - Margin Pledge account and CM can initiate a Margin Re-pledge instruction in favour of Clearing Corporation (CC) in respect of approved securities as uploaded by CCs. The Margin Re-Pledge instruction can be processed by TM/CM by providing physical DIS to DP or TM/CM can process the same through NSDL e-Services facility.

b) The users of DP/TM/CM can upload file on MPR in respect of Margin Re-Pledge initiation instruction.

File upload mechanism :

Step 1: User shall click on File Upload option and select 'Margin Re-Pledge Transaction' from the available drop down list and click on the Submit button as exhibited below: **Annexure**

Step 2: After clicking on Submit button, user can browse and upload the requisite file.

Step 3: User can view the file upload status by clicking on "View Upload Status".

c) Once file is uploaded successfully, Margin Re-Pledge initiation instructions will be sent to the pledgee DP for confirmation. The procedure for Margin Re-pledge confirmation by pledgee is mentioned at **point no. (II)** above.

(IV) **Invocation of Margin pledge/ re-pledge instructions :**

Invocation can be processed by TM, CM and CC in case shares are pledged or re-pledged in favour of TM, CM and CC respectively.

a) Invocation Process by CCs:

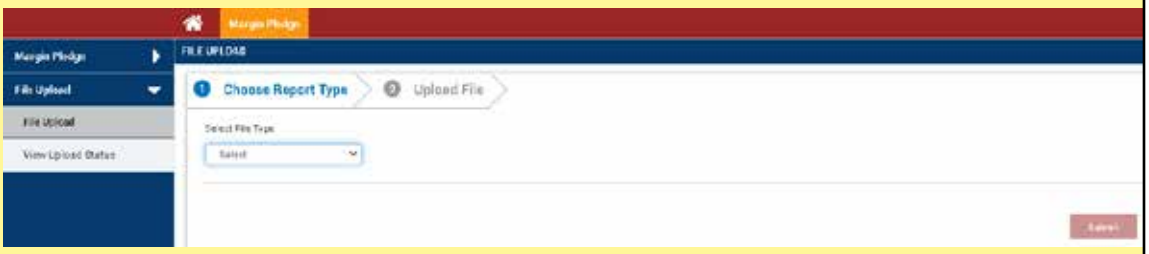
The CC user can initiate an invocation request of re-pledged client securities by giving an instruction to NSDL through eDPM system. The invocation instructions will include the pledge instruction number and other details as specified in file formats. In case of default by CM, the CC user can login to the eDPM system and select MPR module to upload the file for Invocation of Margin Re-pledged shares. The CC user can initiate the Invocation request for Margin Re-pledge using the file upload mechanism as exhibited below:

File upload mechanism:

Step 1: User needs to click on file Upload button and select Margin Pledge Invocation Transaction from the drop down list and click on the submit button.

Step 2: After clicking on submit button, user can browse and upload the requisite file.

Step 3: User can view the file upload status by clicking on "View Upload Status".

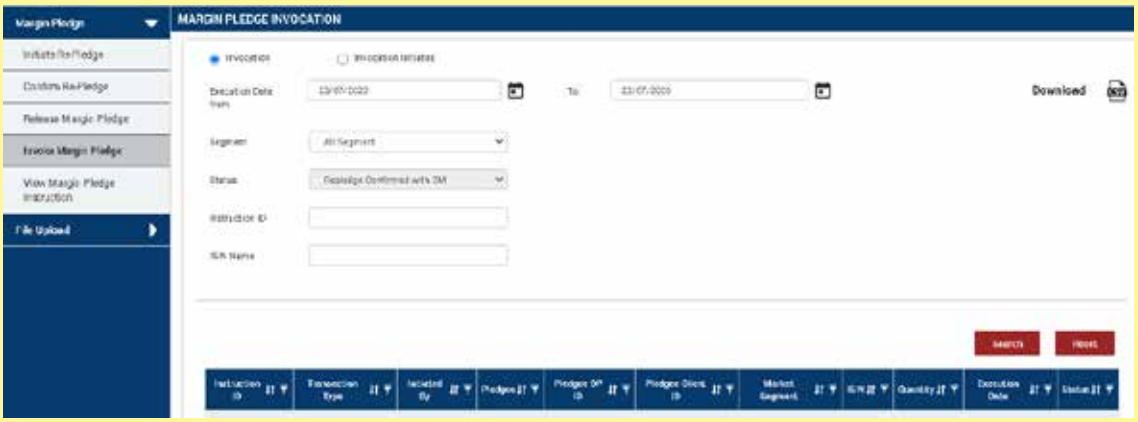


b) Invocation Process by TMs/CMs:

The TM/CM user can initiate an invocation request in respect of Margin re-pledged instruction by giving an instruction in MPR module through NSDL e-Services facility. The invocation instructions will include the pledge instruction number and other details as specified in file formats. In case of default by Investor/TM, the TM/CM user respectively can login to the e-Services facility and select MPR module to upload the file for Invocation of Margin Re-pledged shares. The TM/CM user can initiate the Invocation request for Margin Re-pledge using the file upload mechanism as explained above at point (IV) a.

The TM, CM and DP users can search the Margin Pledge instruction under "Invoke Margin Pledge" menu for invocation by providing following details as exhibited below:

- Execution Date
- Segment
- Status
- Instruction ID
- ISIN Name



After selecting the particular instruction, the user shall submit the invocation request. Once the CM/TM user submits the Invocation instruction, an intimation email and SMS shall be sent to the Client, TM and CM on their registered Email ID & mobile numbers mentioned in respective NSDL Demat account.

(V) Release (Closure) of Margin pledge/ re-pledge instructions :

Release of shares can be processed by TM, CM & CC if the shares are pledged or re-pledged in favour of TM, CM & CC respectively.

a) Release by TM - on the basis of Request submitted by Client:

Client can initiate a Release (Closure) of margin pledge request for the securities pledged/re-pledged with TM/CM/CC for margin/collateral purpose by submitting a physical Margin Pledge Form to its Participant or electronic instructions through SPEED-e facility. To initiate a Release (Closure) of margin pledge request, client needs to login on e-Services portal and click on link of "Margin Pledge – Re-Pledge Submit Instruction". The user shall click on "Request Release of Margin Pledge". The user can search the Margin Pledge instruction for Release (Closure) by entering the following details as exhibited below:

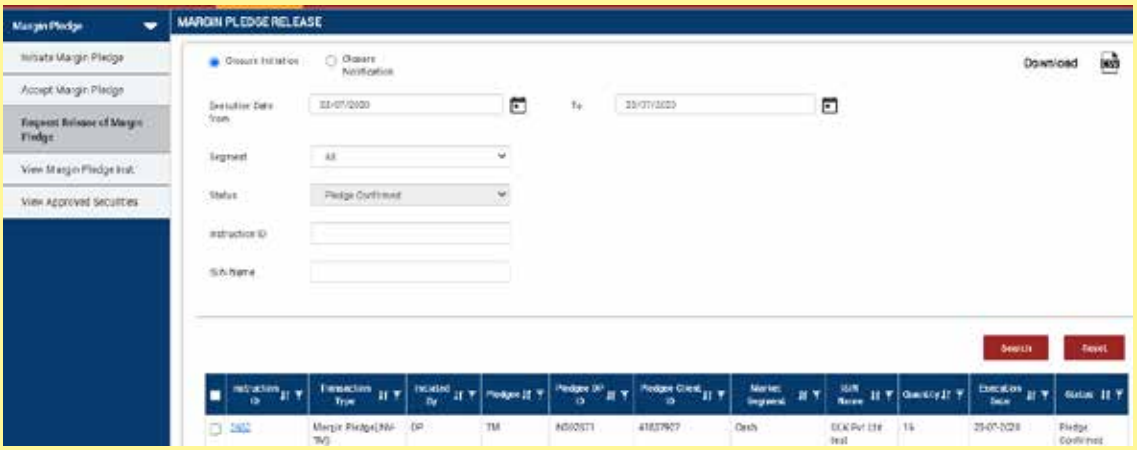
o Execution Date.

o Segment

o Status

o Instruction ID

o ISIN Name



On the basis of search results, a list of Confirmed Margin Pledge instructions will be displayed to user which can be released. The client can select single / multiple / All instruction(s) to initiate Release (Closure) of Margin pledge instructions. After selecting the requisite instruction(s), client shall submit the Release request. The aforesaid release request will be sent to the TM for executing the release (Closure) of Margin Pledge instruction. Upon successful release by TM, the margin pledge instruction will be closed and securities will be released in clients account.

b) Release by CM - on the basis of Request submitted by TM:

For release of client securities which are re-pledged in favour of a CM, the TM user can request for release (Closure) of pledge by submitting the Margin Pledge Form to its Participant or electronic instructions through SPEED-e. To initiate a request for release of margin pledge request, TM user shall login on e-Services portal and click on link of "Margin Pledge – Re-Pledge Submit Instruction". The TM user shall click on "Release of Margin Pledge" menu. The TM user can search the Margin Pledge instruction and submit Release (Closure) instruction by following the process mentioned at point V(a) above. The aforesaid release request will be sent to the CM for executing the release (Closure) of Margin Pledge instruction. Upon successful release by CM, the margin re-pledge instruction in favour of CM will be released and margin pledge instruction in favour of TMs will be created.

c) **Release by CC - on the basis of Request submitted by CM:**

For release of client securities pledged in favour of a CC, the CM user can initiate request for release (Closure) of pledge by submitting the Margin Pledge Form to its Participant or electronic instructions through SPEED-e. To request for release of margin pledge request, CM user shall login on e-Services portal and click on link of "Margin Pledge – Re-Pledge Submit Instruction". **Annexure**

The CM user shall click on "Release of Margin Pledge" menu. The CM user can search the Margin Pledge instruction and submit Release (Closure) instruction by following the process mentioned at point **V(a)** above. The aforesaid release request will be sent to the CC for executing the release (Closure) of Margin Pledge instruction. Upon successful release by CC, the margin re-pledge instruction in favour of CC will be released and margin re-pledge instruction in favour of CM will be created.

The TM/CM/CC User can process Margin Pledge Release through File upload mechanism:

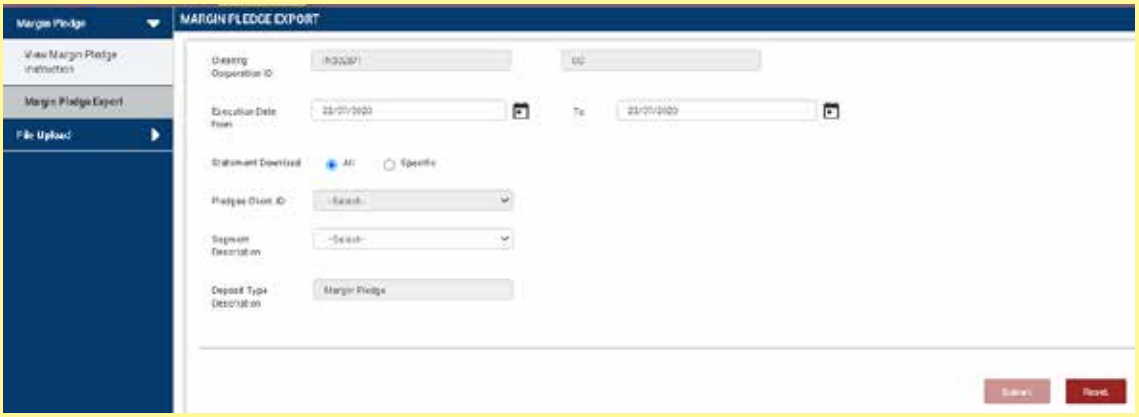
Step 1: User shall click on 'File Upload' button and select 'Margin Pledge Unilateral Closure Transaction' from the available drop down list and click on the submit button.

Step 2: After clicking on submit button, user can browse requisite file and upload the same.

Step 3: User can view the file upload status by clicking on "View Upload Status".

(VI) Pledge Master Export to CCs:

The facility has been provided to CC users to download the Pledge Master export from MPR module through e-DPM system. The CC user can download the export by providing requisite search criteria and by clicking on Submit button as exhibited below. The additional facility has been provided to CC users wherein Pledge Master export will be automatically downloaded in predefined folder at decided frequency.



(VII) Validations in respect of Client Margin Pledge and Margin Funding account :

The additional validations in respect of Pledge / Margin Pledge / Re-pledge and other transactions pertaining to Client Margin Pledge and Margin Funding account are enclosed at **Annexure I**.

(VIII) Changes in Reports / Downloads in respect of Margin Pledge / Re-pledge:

The necessary changes have been implemented in respect of following Reports / Downloads pertaining to Margin Pledge / Re-pledge functionality as per the changes communicated to Participants in static codes of file formats.

a) Statement of Transaction (SOT) Report / Export

b) Pledge Master Report (PMR)

c) Change Order of Day (COD) Export

(IX) The additional important points in respect of Margin Pledge / Re-pledge functionality are enclosed at **Annexure II**.

Validations in respect of Client Securities Margin Pledge Account (CSMPA) and Client Securities under Margin Funding Account (CSMFA) are mentioned below:

1) Validation in respect of Margin Pledge / Re-pledge Transactions:

Sr. No	Margin Pledge / Re-pledge Transaction	Client Securities Margin Pledge Account (CSMPA)	Client Securities under Margin Funding Account (CSMFA)
1	Margin Pledge Initiation (in favour of CSMPA & CSMFA)	Allowed	Allowed
2	Margin Pledge Initiation from CSMPA & CSMFA	Not allowed	Not allowed
3	Margin Pledge Confirmation	Allowed	Allowed
4	Margin Pledge Release Request	Allowed	Allowed
5	Margin Pledge Release (Closure)	Allowed	Allowed
6	Margin Pledge Invocation	Allowed	Allowed
7	Re-pledge Initiation / Confirmation	Allowed	Not allowed
8	Re-pledge Release (Closure)	Allowed	Not allowed

2) Validation in respect of Pledge Transactions:

Sr. No	Pledge Transaction	Client Securities Margin Pledge Account (CSMPA)	Client Securities under Margin Funding Account (CSMFA)
1	Pledge Initiation (in favour of CSMPA & CSMFA)	Not allowed	Not allowed
2	Pledge Initiation from CSMPA & CSMFA	Not allowed	Not allowed
3	Pledge confirmation	Not allowed	Not allowed
4	Pledge unilateral closure	Not allowed	Not allowed
5	Pledge closure confirmation	Not allowed	Not allowed
6	Pledge Invocation	Not allowed	Not allowed

3) Validation in respect of Other Transactions in respect of CSMPA & CSMFA:

Sr. No.	Transaction Type	Debit	Credit
1	Dematerialisation of Securities	Not Applicable	Not allowed
2	Remat / Repurchase of Securities	Not allowed	Not allowed
3	Redemption of MF units	Allowed	Not Applicable
4	Corporate Action	Allowed	Allowed
5	Auto Corporate Action	Allowed	Allowed
6	Account Transfer		
	(i) Client to CM Pool Account Transfer	Allowed	Not Applicable
	(ii) Client to Client Account Transfer	Allowed	Not allowed
	(iii) CM Pool to Client	Not applicable	Not allowed
7	Inter Depository Transfer		
	(i) Client to CM Pool Account Transfer	Allowed	Not Applicable
	(ii) Client to Client Account Transfer	Allowed	Not allowed
	(iii) CM Pool to Client	Not applicable	Not allowed
8	Transfer of Holding (Account Closure/Transmission)	Allowed	Not allowed
9	Freeze / Unfreeze	Allowed	Allowed
10	Hold on Securities(NDU)	Not allowed	Not allowed

Annexure II

Participants are advised to note following important Points:

1. NSDL has facilitated Participants to open various type/Subtype of account in DPM for Trading Member (TM) and Clearing Member (CM) for processing Margin Pledge / Re-Pledge. *(The detailed procedure and document required for account opening is informed to Participants vide NSDL Circular No.: NSDL/POLICY/2020/0077 dated June 1, 2020).*

2. Margin Pledge and Re-pledge will be processed on the basis of UCC and its linked TM and CM. NSDL has mapped the UCC provided by Exchanges in NSDL Depository system. In case of institutional client, CP Code and for Proprietary account of TM and CM, TM ID and CM ID will be used for validations instead of UCC.

3. For availing Margin Pledge and Re-pledge functionality, Trading Member, Clearing Member are required to register their Margin Pledge account including Proprietary account in DPM system *(as informed to Participants vide NSDL Circular No. NSDL/POLICY/2020/0103- dated July 31, 2020)*.

4. The process for executing Margin Pledge instruction in respect of Proprietary account TM/CM will be same as per the process available for Investors. However, the TM ID or CM ID will be required to be provided instead of UCC for processing Margin Pledge instruction. The Margin Pledge in respect of Proprietary Accounts of TM and CM will be initiated in favour of TM/CMs own Margin Pledge account.

5. The option for selection of Segment i.e. "ALL" is allowed only in respect of Margin Pledge initiation (Client to TM) and Margin Re-pledge (TM to CM). The same shall not be available in case of Margin Re-pledge by CM in favour of CC and such re-pledge shall be created with specific segment.

6. NSDL has provided facility to TM and CM to upload list of eligible securities. *(The file format for upload of eligible securities is shared vide Circular No.: NSDL/POLICY/2020/0094 dated July 14, 2020)*. If TM or CM uploads aforesaid own list of eligible list of securities, then pledger will be allowed to create pledge or re-pledge only for such eligible securities and in case of securities other than uploaded list by TM/CMs, the pledger will not be allowed to create Margin Pledge / Re-pledge. If TM/CM has not uploaded their own list of eligible list of securities, then Pledger will create Margin Pledge / Re-pledge in respect of all securities (with valid status) available in NSDL depository system.

7. The Margin Re-pledge instruction by CM in favour of CC will be allowed only in respect of eligible list of securities uploaded by respective Clearing Corporations.

8. Margin Pledge will be initiated in system after successful authentication of OTP by client. For Institutional accounts (CP code) and Proprietary account of TM and CM, the OTP authentication is not required.

9. All instructions in respect of Margin Pledge / Re-pledge submitted by a single user in MPR module will be directly processed in the NSDL system without additional stage of Checker / Verify Release. All the Users viz., Client, DP User, TM User, CM User and CC User are advised to follow the maker-checker process in their back-office system as per their respective internal policies.

10. The Margin Pledge / Re-pledge related instructions in respect of partial quantity are not available in NSDL system in 1st phase. The same will be made available in 2nd phase and details will be shared shortly.

11. The SMS and Email alerts will be sent to client for every status transition in respect of Margin Pledge / Re-pledge instructions.

Circular No.: NSDL/POLICY/ 2020/0104 July 31, 2020	***Subject: Registration process for Investors, Trading Members and Clearing Members on NSDL e-Services (i.e. SPEED-e & IDeAS) in respect of Margin Pledge/ Re-Pledge.*** Attention of Participants is invited to following NSDL circulars issued in respect of margin obligations to be given by way of pledge/ re-pledge in the Depository System.

Circular Nos	Date	Subject
NSDL/POLICY/2020/0023	February 26,2020	SEBI circular on Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System
NSDL/POLICY/2020/0073	May 27, 2020	SEBI circular on Implementation of Circular on 'Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System'- Extension.
NSDL/POLICY/2020/0075	May 30, 2020	SEBI circular on Implementation of provision regarding Power of Attorney in circular dated February 25, 2020 - Extension.
NSDL/POLICY/2020/0076	May 31, 2020	New Client Type and sub type for opening of accounts by stock broker/PCM for margin obligations.
NSDL/POLICY/2020/0077	June 01, 2020	Operational Guidelines on margin obligations to be given by way of Pledge / Re-Pledge in the Depository System
NSDL/POLICY/2020/0094	July 14, 2020	Changes in file format in respect of Margin Pledge / Re-Pledge
NSDL/POLICY/2020/0096	July 23, 2020	Changes in respect of static codes in DPM system pertaining to Margin Pledge / Re-pledge
NSDL/POLICY/2020/0101	July 28, 2020	Additional Operational Guidelines on margin obligations to be given by way of Pledge/ Re-pledge in the Depository System
NSDL/POLICY/2020/0103	July 31, 2020	SEBI circular on implementation of Margin obligations to be given by way of Pledge / Re-pledge in the Depository System

In this context, the registration process for Investors, Trading Members (TMs) and Clearing Members (CMs) on NSDL e-Services system viz., SPEED-e & IDeAS (sole holder account) in respect of implementation of Margin Pledge/ Re-Pledge process is enclosed at **Annexure**. The aforesaid functionality will be available on NSDL e-Services system at EOD of **July 31, 2020**.

Process for Registration of Investors, Trading Members (TMs) and Clearing Members (CMs) on NSDL e-Services (SPEED-e & IDeAS) in respect of Margin Pledge / Re-Pledge

1. NSDL has introduced new feature viz., Margin Pledge / Re-pledge (MPR) for facilitating process in respect of Margin obligations to be given by way of Pledge /Re-pledge in the Depository System. The access of aforesaid MPR feature is available through NSDL eDPM system for Participants and through NSDL e-Services (SPEED-e and IDeAS) system for Investors, TMs and CMs.

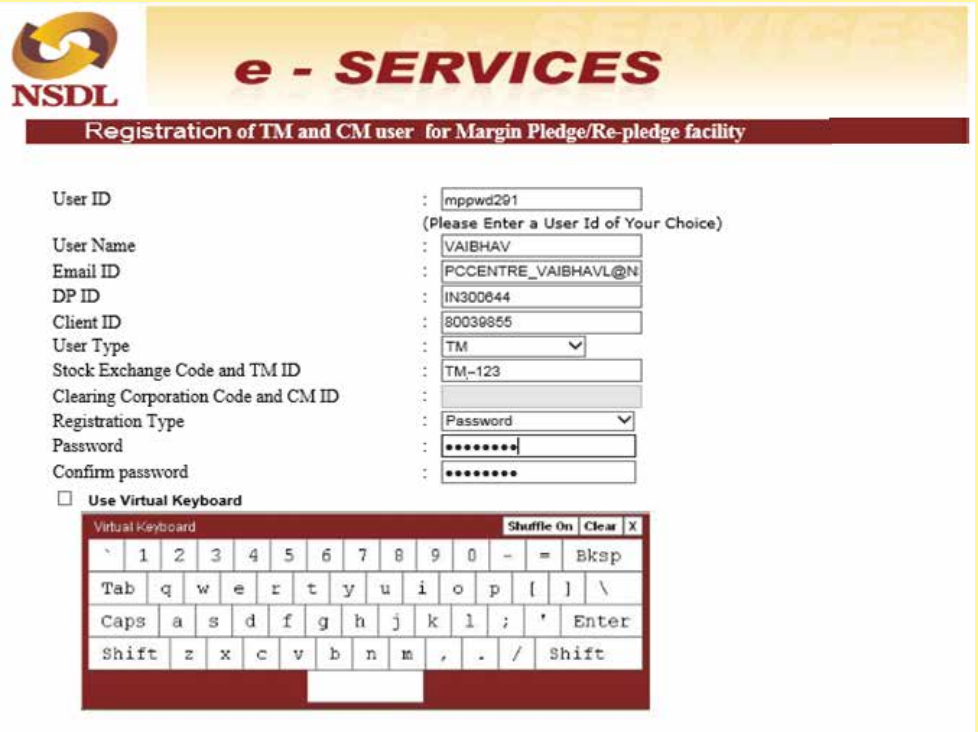
2. The link viz., 'Margin Pledge' is provided on SPEED-e and IDeAS (for sole holder account), which can be accessed by the existing Beneficial Owner (BO) users (password and e-token based) for execution of margin pledge related transactions. The new BO users can follow the existing process of registration on SPEED-e and IDeAS or they can contact their Depository Participant.

3. As per SEBI guidelines, Margin Pledge instructions will be initiated on the basis of UCC mapped in client demat account (on the basis of PAN), segment and linkages of respective TM details. Further, Margin Re-pledge will be initiated on the basis of TM-CM linkages provided by the Clearing Corporations to NSDL. NSDL has mapped the UCC as provided by Stock Exchanges in demat account on the basis of PAN details available in client maintenance module in NSDL depository system.

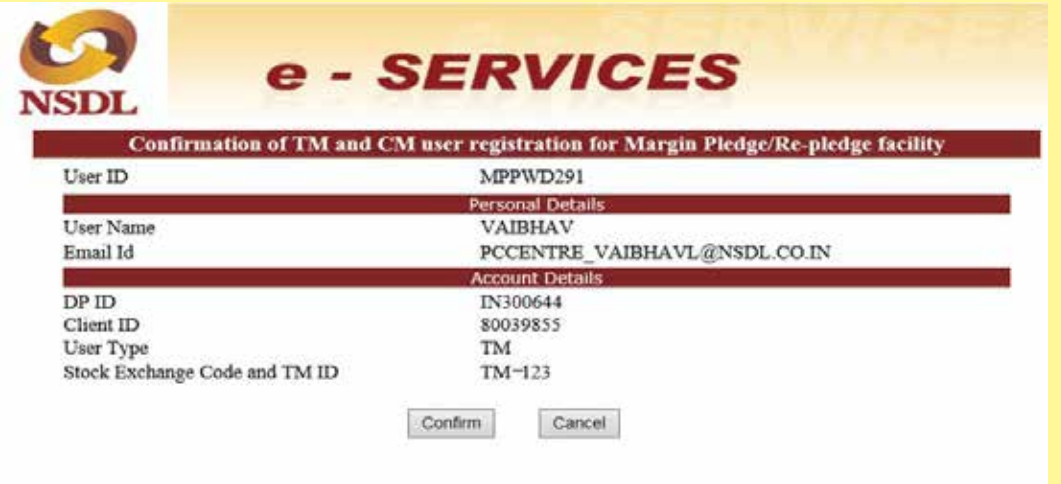
4. NSDL has facilitated Participants to open demat accounts in respect of TM/CM under various Client Type / Sub-types for margin obligations. (informed to Participants vide NSDL Circular No.: NSDL/ POLICY/2020/0077 dated June 1, 2020).

5. NSDL has provided the facility to Depository Participants (DPs) for registration of Margin Pledge Accounts & Proprietary Accounts in respect of TMs & CMs and Margin Funding Accounts in respect of TMs on NSDL e-services website for password based users. These users can process only Margin Pledge / Re-pledge related transactions through NSDL e-Services. The DP user shall click option viz., 'Registration of TM and CM users for Margin Pledge/Re-pledge facility' and process the user submission and confirmation (as exhibited below):

Registration of TM and CM users for Margin Pledge/Re-pledge facility:



Confirmation of TM and CM user registration for Margin Pledge/Re-pledge facility:



Margin Pledge Registration - Success message:

6. TM / CM can contact their Participant to register on NSDL e-Services for Margin Pledge facility. The DP can take request from TM/CMs containing the requisite details for registration on letter head of TM/CMs or in electronic mode, as may deemed fit.

7. While registration of TM Users, DP shall capture Exchange Code and TM ID (in case of Trading Members) as Stock Exchange (SE) Code - TM ID. For Example: "01-TM1234" wherein '01' is SE code for 'NSE' and 'TM1234' is TM ID. Further, while registration of CM Users, DP shall capture Clearing Corporation ID and CM ID (in case of Clearing Members) as Clearing Corporation (CC) Code - CM ID. For Example: "11-CM1234" wherein '11' is CC code for 'NCL' and 'CM1234' is CM ID. The static codes for Stock Exchanges and Clearing Corporations are provided at Annexure I.

8. The TMs and CMs are required to upload the details in respect of their Margin Pledge Accounts and Margin Funding Accounts on "NSDL e-Services → Margin Pledge Module" through master upload process (as per the file format prescribed vide Circular No.: NSDL/POLICY/2020/0094 dated July 14, 2020). The TM / CM are required to upload details of their existing proprietary demat account(s) through aforesaid master upload process. On the basis of details provided by TMs/CMs while registration on NSDL e-Services and details uploaded by the TMs/CMs under master upload of TM/ CMs BO accounts, the validations will be performed while processing the Margin Pledge / Re-pledge related transactions by respective TMs/CMs.

9. If TM/CM proprietary accounts are already registered on NSDL e-Services, then on the basis of master details provided by TM/CMs for such proprietary accounts, NSDL shall provide access of Margin Pledge facility to TM/CM proprietary accounts under their existing logins on NSDL e-Services.
10. TM and CM can download Margin Pledge/Re-pledge report in (.csv format) from SPEED-e in respect of Margin Pledge / Re-pledge instructions (as mentioned below) and the format for the same is enclosed at Annexure II.

    List of transactions available for download to TMs and CMs:

    a. Confirmed Margin Pledges and Re-pledges
    b. Re-pledge Initiation
    c. Margin Pledge and Re-pledge Release notification
    d. Margin Pledge and Re-pledge Closure
    e. Margin Pledge and Re-pledge Invocation
    f. View Margin Pledge and Re-pledge instructions (containing all aforesaid transactions)
11. The TMs/CMs registered on NSDL e-Services in respect of Margin Pledge / Re-pledge facility will also have the facility to opt for "Change of Service" option by which TMs/CMs can opt for additional facility of NSDL SPEED-e services wherein they can execute various transactions (more details available on NSDL e-services portal i.e. eservices.nsdl.com). Such TMs/CMs can use all existing functionality of SPEED-e users alongwith Margin Pledge / Re-pledge module.
12. Registration of TM and CM users on NSDL e-Services for Margin Pledge/Re-pledge facility can be done from **EOD of July 31**, 2020 and the 'Margin Pledge' link on NSDL e-Services will be made accessible to users effective from **August 1, 2020**.

Static Codes for Stock Exchanges and Clearing Corporations:

Stock Exchanges:

Stock Exchange Code	Stock Exchange Full Name	Stock Exchange Short Name
01	National Stock Exchange of India Limited	NSE
02	BSE Limited	BSE
03	Metropolitan Stock Exchange of India Limited	MSE
04	National Commodity & Derivative Exchange Limited	NCDEX
05	Multi Commodity Exchange of India Limited	MCX
06	Indian Commodity Exchange Limited	ICEX

Clearing Corporations:

Clearing Corporation Code	Clearing Corporation Full Name	Clearing Corporation Short Name
11	NSE Clearing Limited	NCL
12	Indian Clearing Corporation Limited	ICCL
13	Metropolitan Clearing Corporation of India Limited	MCCIL
14	National Commodity Clearing Limited	NCCL
15	Multi Commodity Exchange Clearing Corporation Limited	MCXCC
16	Metropolitan Clearing Corporation of India Limited - ICEX	MCCIL-ICEX

Download CSV (TM Portal-> Margin Pledge -> Margin Pledge Confirmation)

		Data type	Size	Remark
1	Batch Number	Integer	8	
2	Record Type	Integer	2	
3	Line Number	Integer	6	
4	Transaction Type	Integer	3	
5	Transaction Flag	Character	1	
6	Transaction ID	Integer	14	Transaction ID = Margin Pledge Order number of previous pledge "01".
7	Client ID (Pledgee)	Integer	8	
8	ISIN	Character	12	
9	Quantity	Decimal (15+3without decimal)	18	
10	Accepted Flag/Rejected Flag	Character	1	
11	Filler	Character	11	
12	Transaction Unique ID	Integer	14	
13	Execution Date	Date (YYYYMMDD)	8	
14	Filler	Character	6	
15	Other DP ID (Pledgor)	Character	8	
16	Other Client ID (Pledgor)	Integer	8	
17	Rejection Reason Code1	Integer	4	
18	Rejection Reason Code2	Integer	4	
19	Rejection Reason Code3	Integer	4	
20	Rejection Reason Code4	Integer	4	
21	Filler	Character	11	
22	Internal Reference Number	Character	35	
23	Sender Reference Number 1	Character	50	
24	Sender Reference Number 2	Character	50	
25	Filler	Character	35	
26	Filler	Integer	1	
27	Channel Indicator	Integer	2	
28	Filler	Character	14	
29	Source DP ID	Character	8	
30	Margin Pledge/Re-pledge Indicatior	Character	2	
31	Filler	Character	398	
32	Uniqe Transaction ID	Integer	18	Uniqe Transaction ID = CMS Link ID
33	DPM Pledge Instruction ID (INV - TM "01")	Integer	14	

Circular No.: NSDL/POLICY/ 2020/0103 July 31, 2020	***Subject: SEBI circular on implementation of Margin obligations to be given by way of Pledge / Re-pledge in the Depository System.*** Attention of Participants is invited to NSDL Circular No. NSDL/POICY/2020/0023 dated February 26, 2020, NSDL/POLICY/2020/0073 dated May 27, 2020 and NSDL/POLICY/2020/0075 dated May 30, 2020 regarding SEBI circular on Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System. In this context, SEBI vide its circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/143 dated July 29, 2020 (copy enclosed) has informed about its decision as under: The mechanism of pledge / re-pledge issued vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 shall be implemented with effect from August 01, 2020. Trading member (TM) / Clearing member (CM) shall endeavor to align their systems and accept client collateral and margin funded stocks by way of creation of pledge / re-pledge in the Depository system. The TM / CM shall also be allowed to accept client securities as collateral by way of title transfer into the Client Collateral Account as per the present system. The system of parallel acceptance of the client securities by way of title transfer shall be available only upto August 31, 2020 and no further extension shall be granted. Funded stocks held by the TM / CM under the margin trading facility shall preferably be held by the TM / CM by way of pledge with effect from August 01, 2020. TM / CM may continue to hold funded stocks in respect of margin funding in 'Client Margin Trading Securities Account' till August 31, 2020 by which date all such accounts shall be closed. It is reiterated that, in terms of paragraph 12 of the circular dated February 25, 2020, the TM / CM shall be required to close all existing demat accounts tagged as 'Client Margin / Collateral' by August 31, 2020.

CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2020/143 **July 29, 2020**

To,

1. All Recognised Stock Exchanges

2. All Recognised Clearing Corporations

3. All Depositories

Madam / Sir,

Subject: Implementation of SEBI circular on 'Margin obligations to be given by way of Pledge / Re-pledge in the Depository System'

1. SEBI, vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020, specified mechanism with regard to Margin obligations to be given by way of Pledge / Re-pledge in the Depository System. The provisions of this circular were initially to come into effect from June 01, 2020. The implementation date of the circular was extended till August 01, 2020 vide SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/88 dated May 25, 2020 read with SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/90 dated May 29, 2020 in view of disruptions on account of COVID-19 pandemic including restrictions in movement of people.

2. In view of the prevailing situation due to Coivid-19 pandemic, partial lockdowns in various areas of the country, representations received from the stock brokers and stock broker associations and that the changes to the systems and software development still under progress, it has been decided that

2.1. The mechanism of pledge / re-pledge issued vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 shall be implemented with effect from August 01, 2020. Trading member (TM) / Clearing member (CM) shall endeavor to align their systems and accept client collateral and margin funded stocks by way of creation of pledge / re-pledge in the Depository system.

2.2. The TM / CM shall also be allowed to accept client securities as collateral by way of title transfer into the Client Collateral Account as per the present system. The system of parallel acceptance of the client securities by way of title transfer shall be available only upto August 31, 2020 and no further extension shall be granted.

2.3. Funded stocks held by the TM / CM under the margin trading facility shall preferably be held by the TM / CM by way of pledge with effect from August 01, 2020. TM / CM may continue to hold funded stocks in respect of margin funding in 'Client Margin

3. It is reiterated that, in terms of paragraph 12 of the circular dated February 25, 2020, the TM / CM shall be required to close all existing demat accounts tagged as 'Client Margin / Collateral' by August 31, 2020.

4. Stock Exchanges, Clearing Corporations and Depositories are directed to bring the provisions of this circular to the notice of their members / participants and also disseminate the same on their websites.

5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, and Section 19 of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully
Narendra Rawat
General Manager
Market Intermediaries Regulation and Supervision Department

Circular No.: NSDL/POLICY/ 2020/0101 July 28, 2020	***Subject: Additional Operational Guidelines on margin obligations to be given by way of Pledge/ Re-pledge in the Depository System.*** Attention of Participants is invited to NSDL Circular no. NSDL/POLICY/2020/0077 dated June 1, 2020 regarding Operational Guidelines on margin obligations to be given by way of Pledge/ Re-pledge in the Depository System. Participants are hereby requested to take note of the following additional operational guidelines in this regard: 1. Client Securities under Margin Funding Account a. As per point no. 11 of SEBI Circular Nos. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020, funded stocks held by the TM / CM under the margin trading facility shall be held by the TM / CM only by way of pledge in a separate demat account tagged as 'Client Securities under Margin Funding Account '.

	b. To facilitate Participants to open the aforesaid demat account, new type and sub-type has been made available in DPM system (Refer NSDL Circular no. NSDL/POLICY/2020/0091 dated July 7, 2020). c. Further, as clarified by SEBI, margin funded shares shall be pledged in favor of the TMs / CMs 'Client Securities under Margin Funding Account' (CSMA a/c) only through OTP confirmation by the concerned clients and pledged securities could move to the CSMA a/c only on invocation. The margin pledge module shall be used and the OTP mechanism as used for margin pledge will be used for validating margin funding transaction by the clients. d. Re-pledge shall not be permitted from CSMA account. 2. In case the margin pledge is initiated by the Client for 'All segments', the re-pledge by the TM for such securities can be done for any specific segment or 'All segments'. However, the re-pledge by the CM for such securities which were pledged by client and re-pledged by TM to CM with 'All segments' will be allowed with the specific segment only.
Circular No.: NSDL/POLICY/ 2020/0095 July 17, 2020	***Subject: Amendments to Bye Laws and Business Rules of NSDL.*** Participants are hereby informed that following amendments have been made in the Bye Laws and Business Rules of NSDL with respect to margin obligations to be given by way of Pledge/ Re-pledge in the Depository System: 1. Insertion of new Bye-law 9.16 and amendment to Bye-law 10.2.7 (iv) [attached as **Annexure A**] 2. Insertion of Rule 12.16, 16.1.1 (xv) and amendment to Rules 4.5.3, 16.1.1 (xii) & 22.1 [attached as **Annexure B**] 3. Insertion of new Form 43 in Rules [attached as **Annexure C**] **9.16.MARGIN PLEDGE** 9.16.1 If a client intends to create a margin pledge on securities owned by him for margin or settlement obligations of the client or such other purpose as specified by SEBI in favour of a Trading Member which may be re-pledged to the Clearing Member or by the client in favour of a Clearing Member and further re-pledged to the Clearing Corporation, he shall make an application for creation of margin pledge in the form and manner specified in the Business Rules to the Depository through the Participant, who has his account in respect of such securities. 9.16.2 The Trading Member or the Clearing Member through an account designated for this purpose with a Participant, may re-pledge the securities of the Client to the Clearing Member and Clearing Corporation respectively, in the form and manner specified in the Business Rules. 9.16.3 If the securities are pledged or re-pledged with a Trading Member or Clearing Member or Clearing Corporation, any release or invocation of margin pledge will be effected, in the form and manner specified in the Business Rules. 9.16.4 The rights to release or invoke a margin pledge shall be either with the Clearing Corporation, Clearing Member or Trading Member in a hierarchical order at a particular point in time.

	Explanation: (i) If securities are re-pledged to Clearing Corporation, the rights to release or invoke the margin pledge will be with the Clearing Corporation to the exclusion of other parties. (ii) If securities are re-pledged to the Clearing Member or if the Clearing Corporation has exercised its rights to release the pledge, the rights to release or invoke the margin pledge will be with the Clearing Member to the exclusion of other parties. (iii) If securities are pledged to the Trading Member or if the Clearing Member has exercised its rights to release the pledge, the rights to release or invoke the margin pledge will be with the Trading Member to the exclusion of other parties. 9.16.5 The pledger and pledgee must have an account in the Depository to create a margin pledge. However, the pledger and pledgee may hold an account with different Participants. 9.16.6 Upon creation of margin pledge on securities, no transfer, hold, pledge, hypothecation, lending, rematerialisation, or alienation of securities in any manner shall be permitted, unless the margin pledge on securities is released or invoked. **10. RECONCILIATION, ACCOUNTS AND AUDIT** **10.2. ACCOUNTING, INTERNAL CONTROL, REPORTS AND RETURNS** 10.2.7. Every Participant shall maintain the following records and documents, namely: i) records of all the transactions entered into with a Depository and with a Client; ii) details of securities dematerialised, rematerialised on behalf of Clients iii) records of instructions received from Clients and statements of account provided to Clients; and, iv) records of approval, notice, entry and cancellation of pledge or hypothecation or margin pledge or hold, as the case may be. **12.16 Margin Pledge** 12.16.1 For the purpose of this Rule for margin pledge, the Client, Trading Member or the Clearing Member shall be the pledger acting in such capacity and the Trading Member, Clearing Member or the Clearing Corporation shall be the pledgee acting in such capacity. 12.16.2 The Participant of the pledger shall request initiation of margin pledge or re-pledge on receipt of the margin pledge form as laid out in Form 43 from the pledgor. Provided that in case margin pledge is initiated by the Client for a specified segment, the re-pledge by the Trading Member or the Clearing Member for such securities shall be done for the same segment. Provided further that in case the margin pledge is initiated by the Client for all segments, the re-pledge by the Trading Member or the Clearing Member for such securities shall be done for any segment.

	12.16.3 The Participant of the pledgee shall request confirmation of initiation of margin pledge or re-pledge on receipt of the margin pledge form as laid out in Form 43 from the pledgee. Alternatively, pledgee may give standing instructions to its Participant to confirm the margin pledge. 12.16.4 On receipt of the request and confirmation for initiation of margin pledge or re-pledge from the pledgor and pledgee respectively through their Participants and acceptance of margin pledge by the client by way of One Time Password confirmation on registered mobile number or registered email ID of the client or other verifiable mechanism, the Depository may create the margin pledge. Provided that in case the client has a joint account, any one holder may accept the margin pledge on behalf of the client. 12.16.5 The Participant of the client shall request release of margin pledge on receipt of margin pledge form as laid out in Form 43 from the client. On receipt of request from the Participant for release of margin pledge, the Depository may intimate the Participant of the pledgee about the request for release. 12.16.6 The Participant of the pledgee shall release the margin pledge on receipt of margin pledge form as laid out in Form 43 from the pledgee. On receipt of request from the Participant of pledgee for release of margin pledge, the Depository may release the pledge vis-à-vis the concerned pledgee. 12.16.7 The Participant of the pledgee shall request invocation of margin pledge or re-pledge on receipt of the margin pledge form for invocation as laid out in Form 43 from the pledgee. 12.16.8 The Depository, on receipt of a request under Rule 12.16.10, shall invoke the pledge or re-pledge and amend its record accordingly to register the pledgee as a beneficial owner of the securities and shall thereafter, send intimation of the same to the Participants of the pledgor and the pledgee. 12.16.9 The aforementioned forms submitted by the pledgor and pledgee shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the pledgor or pledgee before the requests on these forms are executed. 12.16.10 The Trading Member or the Clearing Member may re-pledge the securities either for the full quantity for which the margin pledge was initiated or for partial quantity and the margin pledge may be released or invoked either for full quantity or for partial quantity. **4.5. MODE OF OPERATING ACCOUNTS AND EFFECTING TRANSACTIONS BY BOOK ENTRY** 4.5.3. The Participant shall not accept any instruction for debit or pledge or margin pledge or hold of securities from a Client unless the Participant has fully satisfied itself that the instruction has been given by the Client itself. In respect of instructions received in paper form, the Participant shall ensure that the Client submits the instructions only on an instruction form issued by the Participant to the Client by verifying the instruction forms with its records pertaining to serial numbers of instruction forms issued to the Clients.

16.1. RECORDS TO BE MAINTAINED BY THE PARTICIPANTS

16.1.1. Every Participant of the Depository shall maintain the following records relating to its business for a period of five years:-

i) Delivery/Receipt Instructions given by its Clients.

ii) Forms submitted by the Clients to the Participant for: -

a) Opening of accounts with the Participant;

b) Closing of accounts with the Participant;

c) Freezing of accounts with the Participant;

d) Unfreezing of accounts with the Participant.

iii) Copies of correspondence from the Clients on the basis of which Clients details were updated in the DPM;

iv) Record of all actions taken on the exception reports, generated by the system;

v) A register showing details of grievances received from the Clients and their present status. The following details may be specified in this regard :-

a) name of the Client;

b) reference number of the Client;

c) date;

d) particulars of complaints;

e) actions taken by the Participant;

vi) if the matter is referred to arbitration, then the particulars including the present status thereof.

vii) instructions received from the Clearing Member to transfer balances from the Pool account to the Delivery account of the Clearing Member in order to enable it to meet its obligations to the Clearing Corporation;

viii) instructions from the clearing member authorising the transfer of securities from the pool account of the clearing member to the accounts of its clients

ix) The forms received in respect of pledge of securities;

x) The forms received in respect of transmission of securities

xi) The forms received in respect of securities lending.

xii) Record of serial numbers of the instruction forms for debit or pledge or margin pledge or hold of securities in a Client account, issued to its Clients.

xiii)The Participant shall ensure that records of nomination are maintained properly and preserved for record purposes. These records shall form part of the records of the Participant.

xiv) The forms received in respect of hold of securities;

xv) The forms received in respect of margin pledge of securities.

22. TERMINATION/ SURRENDER OF PARTICIPANTSHIP

22.1. No participant shall accept any fresh application from any person for opening a new Client account, or any Dematerialisation Request Form or Form for creation of pledge or hypothecation or margin pledge or hold, with effect from the date of receipt of notice of the termination of participantship, issued by the Depository to Participant, or from the date incorporated in the notice of termination of Participantship issued by Participant to the Depository; or from the effective date of the order of Participant's Expulsion passed by the Depository; or from the date of the receipt of the order of Participant's expulsion passed by the Depository; whichever is later; or from the date of the receipt of the order of cancellation of Participant's registration certificate passed by SEBI.

DP Logo	**FORM 43 – MARGIN PLEDGE FORM**	NSDL Technology, Trust & Reach

Participant Name Participant Address		Serial Number	
		Date	D D M M Y Y Y Y
DP ID	I N	Client ID	**Prestamped**

I/We request you to execute margin pledge instructions as per following details. Further, I/we hereby give my/our express consent for re-pledge of the securities by the Trading Member to Clearing Member and further by the Clearing Member to the Clearing Corporation.

- ☐ Initiate Margin Pledge/Re-pledge
- ☐ Request Release of Margin Pledge/Re-Pledge
- ☐ Confirm Margin Pledge/Re-Pledge Initiation
- ☐ Release Margin Pledge/Re-Pledge
- ☐ Invoke Margin Pledge/Re-Pledge

Counterparty DP ID	I N	Agreement No.	
Counterparty Client ID		Indicative Closure Date	D D M M Y Y Y Y
Counterparty Client Name		Execution Date	D D M M Y Y Y Y

Unique Client Code		Segment	
Trading Member Code		Trading Member Name	
		Stock Exchange Name	
Clearing Member ID		Clearing Corporation Name	

Sr. No.	ISIN	Security Name	Lock-In Reason and Release Date (If Any)	Quantity (In Figures)	Quantity (In words)	Margin Pledge Order Number	Consideration Amount (₹) (*To be filled in case of Invocation*)

1._____ 2._____ 3._____

Authorised Signatory(ies)

Instructions:

1. To be submitted in duplicate for acknowledgement.
2. Margin Pledge Order No. to be filled in by the client (except for margin pledge initiation - to be filled in by the Participant).
3. Locked-in securities cannot be invoked before the lock-in release date.
4. Strike out whichever is not applicable.

Circular No.: NSDL/POLICY/ 2020/0077 June 1, 2020	***Subject: Operational Guidelines on margin obligations to be given by way of Pledge/ Re-pledge in the Depository System.*** Attention of Participants is invited to SEBI Circular Nos. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 (*NSDL Circular No. NSDL/POICY/2020/0023 dated February 26, 2020*), SEBI/HO/MIRSD/DOP/CIR/P/2020/88 dated May 25, 2020 (*NSDL/POLICY/2020/0073 dated May 27, 2020*), SEBI/HO/MIRSD/DOP/CIR/P/2020/90 dated May 29, 2020 (*NSDL Circular No. NSDL/POLICY/2020/0075 dated May 30, 2020*) and NSDL Circular No. NSDL/POLICY/2020/0076 dated May 31, 2020 regarding margin obligations to be given by way of Pledge/ Re-pledge in the Depository System in favour of Trading Members (TM), Clearing Members (CM) and Clearing Corporations (CC). As per aforesaid SEBI Circulars, with effect from August 1, 2020, TM / CM shall, accept collateral from clients in the form of securities, only by way of 'margin pledge', created in the Depository system in accordance with Section 12 of the Depositories Act, 1996 read with Regulation 79 of the SEBI (Depositories and Participants) Regulations, 2018 and the relevant Bye Laws of the Depositories. In this context, all Participants are hereby requested to take note of the following operational guidelines for necessary implementation of the aforesaid SEBI circulars: **A. Opening of demat accounts by TM/CM for margin pledge** 1) To facilitate TM/CM to open separate demat account(s) for accepting margin pledge, the list of new type and sub-types which will be introduced in the DPM system have been communicated to Participants vide Circular No. NSDL/POLICY/2020/0076 dated May 31, 2020. 2) A TM who is not a CM may open demat account under sub-type "TM – Client Securities Margin Pledge Account" and client securities pledged in the said account can in turn be re-pledged with a CM for providing collateral in form of securities as margin. 3) A TM who is also a CM may open demat account under sub-type "TM/CM – Client Securities Margin Pledge Account' and client securities pledged in the said account can in turn be re-pledged with another CM (*in its capacity as a TM*) or CC (*in its capacity as a CM*) for providing collateral in form of securities as margin. 4) A CM who wants to take re-pledge of securities from a TM may open demat account under sub-type "CM – Client Securities Margin Pledge Account" and client securities re-pledged in the said account can in turn be further re-pledged with CC for providing collateral in form of securities as margin. 5) On activation of Margin Pledge account, TM/CM will upload additional details like TM/CM Code, Segment ID, Exchange code, role, etc. with respect to its 'Client Securities Margin Pledge Account' through SPEED-e. 6) If TM/CM opts to open the 'Client Securities Margin Pledge Account' with the existing Participant, then a consent form enclosed as **Annexure 1** for the same needs to be obtained by Participant from TM/CM. However, if TM/CM opts to open 'Client Securities Margin Pledge Account' with any other Participant, then TM/ CM will be required to follow the complete procedure of account opening.

	B. Initiation of Margin Pledge / Re-pledge
	1) Client can initiate a margin pledge in favour of 'TM – Client Securities Margin Pledge Account' or 'TM/CM – Client Securities Margin Pledge Account' by submitting a physical Margin Pledge Form to its Participant or electronic instructions through SPEED-e. Such instructions should have details of client UCC, TM, CM and Default Segment. In case the client has given a Power of Attorney (POA) to a TM which is registered in the demat account of the client, such instructions may be given by the TM on behalf of the Client.
	2) On receipt of margin pledge instruction either from a client or TM (based on the POA), a link to 'Confirm Margin Pledge Transactions' would be generated and sent by NSDL through SMS on registered mobile number and registered e-mail id in the demat account of a client. On clicking the said link, client will be redirected to a web page where client will be authenticated with "PAN" (not applicable in case of PAN exempt clients), After authentication, One Time Password (OTP) will be sent on the registered mobile number and registered e-mail id of the client and client will be displayed the details of outstanding margin pledges for the specific TM. On OTP authentication, margin pledge transaction would be processed further.
	3) As the margin pledge transactions have to be authenticated by the client using OTP, Participants are advised to ensure that the client is registered for SMS alert facility and has a valid and active email ID registered in the demat account.
	4) TM/CM can initiate a margin re-pledge in favour of 'CM – Client Securities Margin Pledge Account' / 'CC' by submitting a physical Margin Pledge Form to its Participant or electronic instructions through SPEED-e.
	5) While re-pledging the securities to the CM / CC, TM / CM are required to provide specific pledge instruction number for which re-pledge is required to be initiated. The CM/CC will be able to view the details of the specific pledge instruction number which will also include the details of the client for which the re-pledge is initiated.
	6) Margin pledge and re-pledge instruction shall be reflected in the client account against each security provided as collateral to a TM, and in whose favour i.e. TM / CM / CC.
	C. Release of a Margin Pledge / Re-Pledge:
	1) Client can initiate a release of margin pledge request for the securities pledged/ re-pledged with TM/CM/CC for margin/collateral purpose by submitting a physical Margin Pledge Form to its Participant or electronic instructions through SPEED-e.
	2) For release of client securities (based on client request to TM) pledged in favour of a TM to provide collateral / margin, the TM can initiate a unilateral release of pledge by submitting the Margin Pledge Form to its Participant or electronic instructions through SPEED-e.

	3) For release of client securities (based on TM request to CM) pledged in favour of a TM to provide collateral / margin and which are subsequently re-pledged in favour of a CM, the CM can initiate a release request (by the way of unilateral closure) of re-pledge by submitting the Margin Pledge Form to its Participant or electronic instructions through SPEED-e. 4) For release of client securities (based on CM request to CC) pledged in favour of a TM to provide collateral / margin and which are subsequently re-pledged in favour of a CM and further re-pledged by CM to the CC, the CC may initiate a release request (by the way of unilateral closure) of re-pledge through Participant on eDPM. 5) TM /CM/CC may initiate request for release of margin pledge/re-pledge. **D. Invocation of Margin pledge/ re-pledge:** 1) TM/CM may initiate an invocation request of pledged/ re-pledged client securities by submitting a physical Margin Pledge Form to its Participant or electronic instructions through SPEED-e. 2) CC may initiate an invocation request of re-pledged client securities by giving an instruction to the depository. ***3) Invocation by TM:*** a. For invocation of client securities pledged in favour of TM as collateral / margin, the TM will request to invoke the securities by submitting a Margin Pledge Form to its Participant or electronic instructions through SPEED-e. b. For invocation of client securities pledged in favour of a TM to provide collateral / margin and which are subsequently re-pledged in favour of a CM, the CM may give instructions to its Participant or electronic instruction through SPEED-e to release (by the way of unilateral closure) the re-pledged client securities to TM. The TM may initiate invocation request by submitting the Margin Pledge Form to its Participant or electronic instructions through SPEED-e. C. For invocation of client securities pledged in favour of a TM to provide collateral / margin and which are subsequently re-pledged in favour of a CM and further re-pledged by CM to the CC, the CC may initiate a release of pledge (by the way of unilateral closure) and the CM may give instructions to its Participant or electronic instruction through SPEED-e to release (by the way of unilateral closure) the re-pledged client securities to TM. The TM may initiate invocation request by submitting the Margin Pledge Form to its Participant or electronic instructions through SPEED-e. ***4) Invocation by CM:*** a. For invocation of client securities re-pledged in favour of CM as collateral / margin, the CM will request to invoke the securities by submitting a Margin Pledge Form to its Participant or electronic instructions through SPEED-e.

b. For invocation of client securities re-pledged in favour of a CM to provide collateral / margin and which are subsequently re-pledged in favour of a CC, the CC may submit instructions through eDPM system to release (by the way of unilateral closure) the re-pledged client securities to CM. The CM may initiate invocation request by submitting the Margin Pledge Form to its Participant or electronic instructions through SPEED-e.

5) Invocation by CC:

a. For invocation of client securities re-pledged in favour of CC as collateral / margin, the CC will invoke the securities by giving instructions to the depository. Such instructions will include the pledge instruction number and client details.

E. Other points

1. Existing pledge mechanism shall remain unchanged and will continue to co-exist along with the 'Margin Pledge' type mentioned above.
2. For margin pledge functionality, it will be necessary to open the designated demat accounts by TM/CM.
3. Validation of the margin pledge instruction will be done with the UCC database (i.e. Client UCC, TM ID, Segment) which is linked in the demat account of the Client.
4. Since TM / CM are required to close all their existing demat accounts with sub-type 'Client Margin/Collateral Account' by the date specified by SEBI, Participants may facilitate closure of such accounts upon receipt of closure request forms from the TM/CM.
5. The consequent amendments to Bye-laws and Business Rules of NSDL including formats for Margin Pledge form will be notified separately.

(To be provided on the letterhead of CM/TM)

To,

<Participant Name>

Subject: Request for opening Client Securities Margin Pledge Account

Madam / Dear Sir,

With reference to captioned subject, I / We < CM/TM Name > are maintaining a TM/CM account with <Participant name>. <demat account number >. I/We would like to open 'Client Securities Margin Pledge Account' in <Participant name> based on the existing Account Opening Form with you as per details given below:

Sr. No.	Account Category	New Client Type	New Client Sub-type Description
1			
2			

I/we hereby declare that I/we are KYC compliant and there is no change in the same.

For <CM/TM Name>
Signature of the CM/TM:
Name of Authorised Signatory:
Date:

Circular No.: NSDL/POLICY/ 2020/0075 May 30, 2020	***Subject: SEBI circular on Implementation of provision regarding Power of Attorney in circular dated February 25, 2020 – Extension.*** Attention of Participants is invited to NSDL Circular No. NSDL/POICY/2020/0023 dated February 26, 2020 and NSDL/POLICY/2020/0073 dated May 27, 2020 regarding SEBI circular on Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System. In this context, SEBI vide its circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/90 dated May 29, 2020 (copy enclosed) has informed about its decision to extend the implementation date of the provision as specified in paragraph 4 of the SEBI circular dated February 25, 2020 regarding holding of Power of Attorney by TM / CM not to be considered as equivalent to the collection of margin by TM / CM in respect of securities held in the demat account of the client, from June 01, 2020 to August 1, 2020 and align it with the implementation of mechanism of pledge re-pledge through the Depository system.

CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2020/90 **May 29, 2020**

To,

1. **All Recognised Stock Exchanges**
2. **All Recognised Clearing Corporations**
3. **All Depositories**

Madam / Sir,

Subject: Implementation of provision regarding Power of Attorney in circular dated February 25, 2020 – Extension.

1. SEBI, vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020, specified guidelines with regard to Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System. The provisions of this circular were to come into effect from June 01, 2020.
2. Vide SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/88 dated May 25, 2020, it was reiterated that the provision as specified in paragraph 4 of the SEBI circular dated February 25, 2020 regarding holding of Power of Attorney by TM / CM not to be considered as equivalent to the collection of margin by TM / CM in respect of securities held in the demat account of the client, shall be applicable from June 01, 2020.
3. However, in view of the situation arising due to Covid-19 pandemic, lockdown imposed by the Government, representations received from stock brokers and stock broker associations regarding difficulty in implementing this provision in lockdown situation due to work in progress by Market Infrastructure Institutions, it has been decided to extend the implementation date of the aforesaid provision to August 01, 2020 and align it with the implementation of mechanism of pledge re-pledge through the Depository system.
4. Stock Exchanges, Clearing Corporations and Depositories are directed to bring the provisions of this circular to the notice of their members / participants and also disseminate the same on their websites.
5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, and Section 19 of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully
D Rajesh Kumar
General Manager
Market Intermediaries Regulation and Supervision Department

Circular No.: NSDL/POLICY/ 2020/0073 May 27, 2020	***Subject:SEBI circular on Implementation of Circular on 'Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System'- Extension.*** Attention of Participants is invited to NSDL Circular No. NSDL/POICY/2020/0023 dated February 26, 2020 regarding SEBI circular on Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System. In this context, SEBI vide its circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/88 dated May 25, 2020 has informed about its decision to extend the implementation date from June 1 to August 1, 2020.

CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2020/88 **May 25, 2020**

To,

1. **All Recognised Stock Exchanges**
2. **All Recognised Clearing Corporations**
3. **All Depositories**

Madam / Sir,

Subject: Implementation of Circular on 'Margin obligations to be given by way of Pledge / Re-pledge in the Depository System' – Extension.

1. SEBI, vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020, specified guidelines with regard to Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System. The provisions of this circular were to come into effect from June 01, 2020.
2. In view of the situation arising due to Covid-19 pandemic, lockdown imposed by the Government, representations received from the Depositories and the Clearing Corporations and that the changes to the systems and software development still under progress, it has been decided to extend the implementation date of the aforesaid circular to August 01, 2020. Accordingly, in terms of paragraph 12 of the circular, the trading member (TM) / clearing member (CM) shall be required to close all existing demat accounts tagged as 'Client Margin / Collateral' by August 31, 2020.
3. However, the provision as specified in paragraph 4 of the aforesaid circular regarding holding of Power of Attorney by TM / CM not to be considered as equivalent to the collection of margin by TM / CM in respect of securities held in the demat account of the client, shall be applicable from June 01, 2020.
4. Further, with regard to paragraph 4 of annexure A regarding confirmation from the client / pledgor through OTP on mobile number / registered e-mail id or other verifiable mechanism, it is clarified that such confirmation shall be required only once from the client / pledgor at the time of initial creation of pledge in favour of TM / CM and subsequent repledging by TM / CM shall not require any further confirmation from the client / pledgor. Paragraph 4 of Annexure A of the aforesaid SEBI circular stands modified accordingly.
5. Stock Exchanges, Clearing Corporations and Depositories are directed to bring the provisions of this circular to the notice of their members / participants and also disseminate the same on their websites.
6. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, and Section 19 of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully
D Rajesh Kumar
General Manager
Market Intermediaries Regulation and Supervision Department

Circular No.: NSDL/POICY/ 2020/0023 February 26, 2020	***Subject: SEBI circular on Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System.*** Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD/DOP/ CIR/P/2020/28 dated February 25, 2020 *(copy enclosed)* regarding Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System. Participants are requested to take note of the same and ensure compliance. The operational procedure and systems enhancements related to the above will be notified separately.

CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2020/28 February 25, 2020

To,

All Recognised Stock Exchanges

All Recognised Clearing Corporations

All Depositories

Dear Sir / Madam,

Subject: Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System

1. SEBI had extensive consultations with Stock Exchanges, Clearing Corporation and Depositories and industry representatives of Trading Members (the "TM") / Clearing Members (the "CM") / Depository Participants (the "DP"), to devise a framework that mitigates the risk of misappropriation or misuse of client's securities available with the TM / CM / DP. The misappropriation or misuse would include use of one client's securities to meet the exposure, margin or settlement obligations of another client or of the TM / CM. The matter was also discussed in the Secondary Market Advisory Committee meeting.
2. With effect from June 01, 2020, TM / CM shall, inter alia, accept collateral from clients in the form of securities, only by way of 'margin pledge', created in the Depository system in accordance with Section 12 of the Depositories Act, 1996 read with Regulation 79 of the SEBI (Depositories and Participants) Regulations, 2018 and the relevant Bye Laws of the Depositories.
3. Section 12 of the Depositories Act, 1996 read with Regulation 79 of the SEBI (Depositories and Participants) Regulations, 2018 and the relevant Bye Laws of the Depositories clearly enumerate the manner of creating pledge of the dematerialised securities. Any procedure followed other than as specified under the aforesaid provisions of law for creating pledge of the dematerialised securities is prohibited. It is clarified that an off-market transfer of securities leads to change in ownership and shall not be treated as pledge.
4. Transfer of securities to the demat account of the TM / CM for margin purposes (i.e. title transfer collateral arrangements) shall be prohibited. In case, a client has given a power of attorney in favour of a TM / CM, such holding of power of attorney shall not be considered as equivalent to the collection of margin by the TM / CM in respect of securities held in the demat account of the client.
5. Depositories shall provide a separate pledge type viz. 'margin pledge', for pledging client's securities as margin to the TM / CM. The TM / CM shall open a separate demat account for accepting such margin pledge, which shall be tagged as 'Client Securities Margin Pledge Account'.
6. For the purpose of providing collateral in form of securities as margin, a client shall pledge securities with TM, and TM shall re-pledge the same with CM, and CM in turn shall re-pledge the same to Clearing Corporation (CC). The complete trail of such re-pledge shall be reflected in the de-mat account of the pledgor.
7. The TM shall re-pledge securities to the CM's 'Client Securities Margin Pledge Account' only from the TM's 'Client Securities Margin Pledge Account'. The CM shall create a re-pledge of securities on the approved list to CC only out of 'Client Securities Margin Pledge Account'.

8. In this context, re-pledge would mean endorsement of pledge by TM / CM in favour of CM/CC, as per procedure laid down by the Depositories.

9. The TM and CM shall ensure that the client's securities re-pledged to the CC shall be available to give exposure limit to that client only. Dispute, if any, between the client, TM / CM with respect to pledge, re-pledge, invocation and release of pledge shall be settled inter-se amongst client and TM / CM through arbitration as per the bye-laws of the Depository. CC and Depositories shall not be held liable for the same.

10. Securities that are not on the approved list of a CC may be pledged in favour of the TM / CM. Each TM / CM may have their own list of acceptable securities that may be accepted as collateral from client.

11. Funded stocks held by the TM / CM under the margin trading facility shall be held by the TM / CM only by way of pledge. For this purpose, the TM / CM shall be required to open a separate demat account tagged 'Client Securities under Margin Funding Account ' in which only funded stocks in respect of margin funding shall be kept/ transferred, and no other transactions shall be permitted. The securities lying in 'Client Securities under Margin Funding Account' shall not be available for pledge with any other Bank/ NBFC.

12. The TM / CM shall be required to close all existing demat accounts tagged as 'Client Margin/ Collateral' by June 30, 2020. The TM / CM shall be required to transfer all client's securities lying in such accounts to the respective clients' demat accounts. Thereafter, TM / CM are prohibited from holding any client securities in any beneficial owner accounts of TM/CM, other than specifically tagged accounts as indicated above, and in pool account(s), unpaid securities account, as provided in SEBI Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019.

13. Clients having arrangements with custodians registered with SEBI for clearing and settlement of trades shall continue to operate as per the extant guidelines.

14. The operational mechanism for margin pledge is provided in Annexure A. The framework for utilisation of pledged clients' securities for exposure and margin is provided in Annexure B.

15. This circular is applicable for all securities in dematerialised form and which are given as collateral / margin by the client to TM / CM / CC by way of pledge and repledge.

16. The Stock Exchanges, Clearing Corporations and Depositories are directed to:

    16.1. bring the provisions of this circular to the notice of their TM / CM and Depository Participants, as the case may be, and also disseminate the same on their websites;

    16.2. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another, as considered necessary;

    16.3. communicate to SEBI, the status of the implementation of the provisions of this circular in their monthly development report and

    16.4. monitor the compliance of this circular through half-yearly internal audits, inspections and other appropriate monitoring mechanisms to be put in place by Stock Exchanges / Clearing Corporation / Depository.

17. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

18. This circular is available on SEBI website at www.sebi.gov.in.

Yours faithfully,

D. Rajesh Kumar
General Manager
Tel. No: 022 -26449242
Email: rajeshkd@sebi.gov.in

Annexure A

Operational mechanism for margin pledge

INITIATION OF MARGIN PLEDGE

1. For the purpose of providing collateral in form of dematerialised securities as margin, a client shall initiate the margin pledge only in favour of the TM / CM's separate client securities margin account tagged as 'Client Securities Margin Pledge Account' through physical instruction or electronic instruction mechanism provided by the Depositories. Such instructions shall have details of client UCC, TM, CM and Default Segment.

2. In cases where a client has given a Power of Attorney (the "POA") to the TM / CM, the TM / CM may be allowed to execute the margin pledge on behalf of such client to the demat account of the TM / CM tagged as 'Client Securities Margin Pledge Account'.

3. The 'pledge request form' shall have a clause regarding express consent by the client for re-pledge of the securities by the TM to CM and further by the CM to CC.

4. On receipt of the margin pledge instruction either from the client or by TM / CM as per the POA, DP of a client shall initiate a margin pledge in the client's account and the status of instruction will remain pending till confirmation is received from client / pledgor. The client will submit acceptance by way of One Time Password (the "OTP") confirmation on mobile number / registered e-mail id of the client or other verifiable mechanism. Such OTP confirmation from client shall also be required, if securities of such client are being re-pledged. The Depositories shall develop a verifiable mechanism for confirmation of the pledge by the client.

5. In client account, margin pledge or re-pledge shall be reflected against each security, if it is pledged / re-pledged and in whose favour i.e. TM / CM / CC.

6. The TM can re-pledge only in favour of CM's demat account tagged as 'Client Securities Margin Pledge Account'. The CM shall create a re-pledge of securities on the approved list only to the CC out of 'Client Securities Margin PledgeAccount'. While re-pledging the securities to the CC, CM/ TM shall fully disclose the details of the client wise pledge to the CC/CM. CM would need to have visibility of client level position and client collateral so that CM shall allow exposure and / or margin credit in respect of such securities to that client to whom such securities belong.

RELEASE OF MARGIN PLEDGE

7. In case of a client creating pledge of the securities in favour of the TM / CM against margin, the TM / CM may release the 'margin pledge' after their internal exposure and risk management checks. The request for release of pledge can be made by the client to its DP or to the TM / CM, who shall release the pledge in the Depository system.

8. For release of client securities given to TM/CM as margin pledge and which are re-pledged in favour of the CC, the CM shall make a request to the CC. The client through TM, or the TM on his own, may request the CM to make an application to the CC for the release of margin pledge. CC shall do margin utilisation check at the CM level before releasing the re-pledge of securities to the CM. The CC will release the re-pledged client securities to CM after blocking other available free collateral of CM. The CM /TM in turn after doing their risk management shall release the securities to TM / client, as the case may be.

INVOCATION OF MARGIN PLEDGE

9. In case of default by a client of TM where the clients securities are re- pledged with the CM/ CC, the invocation request shall be made by the TM to CM and CM in turn will make request to CC as per the procedure laid down by the Depositories under their bye-laws.

10. In case of default by a client of TM who has pledged securities with TM, The TM shall invoke the pledge.

11. In case of default by a client of TM whose securities are re-pledged by TM with CM, the invocation request shall be made by TM to the CM. The CM, after doing its internal exposure and risk management, shall release the re-pledged securities to the 'Client Securities Margin Pledge Account' of the TM. The TM in turn will invoke the pledge of client's securities.

12. In the event of default by a client of a TM, whose securities are re-pledged by TM with CM and CM in turn has re-pledged with CC, the TM shall make a request for invocation of pledge with CM and CM in turn shall file a request with CC to release the re-pledged securities for invocation. The CC shall block equivalent available free collateral provided by CM and shall release the re-pledged securities of that defaulting client of TM to CM in "Client Securities Margin Pledge Account" of CM. The CM shall do his own risk assessment of TM and would release re-pledged securities of the defaulting client of TM in "Client Securities Margin Pledge Account" of TM and TM shall invoke the pledge in Demat account of the client.

13. In case of default by a client/ TM of CM whose securities are re-pledged with CC, CM shall file a request with CC for invocation of the pledged/ re-pledged securities of that client/TM. CC shall block the equivalent available free collateral provided by CM and shall release the re-pledged securities of that defaulting client/TM in "Client Securities Margin Pledge Account" of CM and the CM shall invoke the pledge in Demat account of the client/ TM.

14. In case of default by TM or client of TM, CM shall be entitled to invoke pledged/ re-pledged securities of the TM. CM shall also be entitled to invoke directly the repledged securities of client of TM having open position with CM to close out such positions.

15. In case of default by the CM, CC shall invoke securities pledged by the CM. After exhausting the CM own collateral, CC may also invoke re-pledge securities of that client who has open position and their re-pledged securities are blocked by CC to close out their open positions. The re-pledge securities of other clients who did not have any open position with CC, their securities shall not be available to CC for invocation to meet settlement default of the CM.

Annexure B

Framework for utilisation of client's pledged securities for exposure and margin

1. At present, the margin requirement is computed in real time at client level by the CC and is aggregated at the level of CMs to arrive at the total margin requirement. The CC maintains and monitor the collateral at the level of CM. The CM is required to provide the collateral in various acceptable forms such as Cash, Bank Guarantee, Govt. Securities, pledge of acceptable shares, etc.

2. The day to day real time risk management with respect to client / TM exposure, and the margin requirement shall continue to be the responsibility of the CM, and CC shall not monitor the client level exposure against the available client level collateral in real time.

3. In order to provide exposure to CM and/or to the clients / TM of a CM, CC shall aggregate margin requirement at CM level that shall be compared against the available collateral in real time as aggregate of;

a. cash and cash equivalent deposited by CM,

b. own securities pledged by CM with CC,

c. CC requires minimum 50% of the collateral to be deposited in cash and cash equivalent, if the total securities pledged by CM with CC exceed the total cash and cash equivalent, the value of securities will be restricted to amount of cash and cash equivalent.

d. The TM's proprietary margin requirement will be treated as a client of CM and aggregated along with other clients.

4. CM shall be allowed to re-pledge acceptable/approved client securities with the CC by furnishing the UCC wise client details. CC shall not allow any exposure to the CM on re-pledged securities of the client / TM. In case of a trade by a client / TM whose securities are re-pledged with CC, the CC shall first block the available collateral provided by CM as mentioned in point 3 above. However, at periodical interval (latest by end of day), CC shall release the blocked securities collateral of CM to the extent of re-pledged securities collateral of that client / TM available with the CC.

5. In the event of default by a client of TM, the TM shall make good the default to CM. In the event of default by a client or TM on its proprietary position, the CM shall make good the default to CC. However in the event of default by client/s leading to default of TM and also the CM, the following process shall be applied by TM/CM/CC for invocation of pledged and re-pledged securities of client/ TM/CM:

a. In case of default by a client of TM/CM or default of TM leading to the default of CM, CC shall:

i. encash the available collateral including cash, cash equivalent collateral, CM's own pledged securities.

ii. After encashing the available collateral of CM, also be entitled to directly invoke the re-pledged securities of client / TM who has any open position so as to close out the open positions of that client.

iii. not be entitled to invoke re-pledged securities of those clients who did not have any open position to meet settlement obligation of the defaulting CM

b. In case of default by a client of TM or default of TM, CM Shall:

i. be entitled to liquidate available cash, cash equivalent collateral and TM's own pledged /or re-pledged securities with CM/ CC to meet settlement/margin obligations of defaulting TM or client(s) of that TM.

ii. After encashing the available collateral of TM, be entitled to directly invoke re-pledged securities of the client of defaulting TM who has open position through CM so as to close out his position.

iii. not be entitled to invoke re-pledged securities of those clients of defaulting TM who did not have any open position,

iv. ensure that the client securities of TM/ CM re-pledged with the CC are not utilized for meeting the margin requirement/ settlement obligation of a TM's/CM's own proprietary position or margin requirement/ settlement obligation of any other client of TM / CM.

OTP for off market transfer	
Circular No.: NSDL/POLICY/ 2020/0163 December 26, 2020	***Subject: Amendments to Business Rules of NSDL - OTP for off-market transfer.*** Participants are hereby informed that amendment has been made to Business Rule 12.3.1 of Business Rules of NSDL as enclosed at **Annexure**. **12.3. OFF - MARKET TRADES** 12.3.1. Transfer of securities in respect of off market trades shall be effected on receipt of a duly filled in securities transfer instruction form from the Clients for delivery as well as a securities transfer instruction form from the Clients for receipt and after obtaining client's consent through One Time Password (OTP). The specimen of these forms have been laid out in Form 12 and Form 14 respectively as specified in Rule 12.2.1. above. Alternatively, a Client may give standing instructions to its Participant to credit its account. Provided that in case the client has a joint account, any one holder may provide such a client consent through OTP. 12.3.2. The Participant should check for the completeness of the form and validity of the signature of the Client before effecting such transfers.
Circular No.: NSDL/POLICY/ 2020/0147 November 05, 2020	***Subject: Operational guidelines in respect of OTP for off market transfers.*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2020/0138 dated October 20, 2020 on Operational guidelines in respect of OTP for off market transfers. Based on the communication received from SEBI, requirement of obtaining consent through OTP has been waived for off market transfer reason code "Implementation of Government / Regulatory Direction / Orders". Further, Participants may note that consent through OTP would continue to be required for all other reasons for any off-market transfers.
Circular No.: NSDL/POLICY/ 2020/0138 October 20, 2020	***Subject: Operational guidelines in respect of OTP for off market transfers.*** Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/158 dated August 27, 2020 (NSDL Circular No. NSDL/POLICY/2020/0118 dated August 28, 2020) regarding execution of Power of Attorney (PoA) by the Client in favour of the Stock Broker / Stock Broker and Depository Participant. In terms of point no. 5 of the abovementioned SEBI circular, Depositories are required to obtain client's consent through One Time Password (OTP) for all off market transfer of securities from client's demat account, with effect from November 1, 2020. In this context, all Participants are hereby requested to take note of the following operational guidelines for necessary implementation of the aforesaid SEBI circular:

	1. For off-market transfers with execution date of November 1, 2020 onwards, the off Market transfer instructions will be processed after taking consent from the transferor client by way of OTP confirmation. 2. On the execution date of off market transfer instruction, a link would be generated and sent by NSDL on mobile number and e-mail id as registered in the demat account of the client. 3. On clicking the said link, client will be redirected to a web page where after authentication, client will be displayed the details of off-market transfer instructions for the specific demat account which are pending for his confirmation. On OTP confirmation, Off Market Transfer instruction(s) as selected by the client will be processed, subject to payment of stamp duty, as applicable. 4. As the off-market transfer instructions have to be confirmed by the client using OTP, Participants may guide their clients to ensure that the mobile number and / or email ID is registered in the demat account of the clients. 5. Transactions pending for OTP confirmation will be reflected in the new status "Pending for OTP Confirmation" and in case OTP confirmation is not completed till EOD of the execution date (from November 1, 2020 onwards), transactions lying in the aforesaid status will be rejected. 6. A new Status (Pending for OTP confirmation – 21) will be added in Changed Orders for the Day (COD) which can be used by Participants' to update their Back Office (BO).
Circular No.: NSDL/POLICY/ 2020/0118 August 28, 2020	**Subject: SEBI circular on execution of Power of Attorney (PoA) by the Client in favour of the Stock Broker / Stock Broker and Depository Participant.** Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/158 dated August 27, 2020 regarding execution of Power of Attorney (PoA) by the Client in favour of the Stock Broker / Stock Broker and Depository Participant (Copy enclosed).

CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2020/158 **August 27, 2020**

To,

All Depositories

All Recognised Stock Exchanges

Madam / Sir,

Subject: Execution of Power of Attorney (PoA) by the Client in favour of the Stock Broker / Stock Broker and Depository Participant

1. SEBI, vide circular no. CIR/MRD/DMS/13/2010 dated April 23, 2010, issued Guidelines for execution of Power of Attorney (PoA) by the client favouring Stock Broker / Stock Broker and Depository Participant (**hereinafter referred to as "Guidelines"**). Certain clarifications were issued later vide circular no. CIR/MRD/DMS/28/2010 dated August 31, 2010.

2. Paragraph 5 of the circular dated April 23, 2010, specifies the following:
"Standardizing the norms for PoA must not be construed as making the PoA a condition precedent or mandatory for availing broking or depository participant services. PoA is merely an option available to the client for instructing his broker or depository participant to facilitate the delivery of shares and pay-in/pay-out of funds etc. No stock broker or depository participant shall deny services to the client if the client refuses to execute a PoA in their favour."

3. Further, paragraph 12 – 20 of the Guidelines in SEBI circular dated April 23, 2010, also specifies that the PoA shall not facilitate the stock broker to do the following:

3.1. Transfer of securities for off market trades.

3.2. Transfer of funds from the bank account(s) of the Clients for trades executed by the clients through another stock broker.

3.3. Open a broking / trading facility with any stock broker or for opening a Beneficial Owner account with any Depository Participant.

3.4. Execute trades in the name of the client(s) without the client(s) consent.

3.5. Prohibit issue of Delivery Instruction Slips (DIS) to beneficial owner (client).

3.6. Prohibit client(s) from operating the account.

3.7. Merging of balances (dues) under various accounts to nullify debit in any other account.

3.8. Open an email ID / email account on behalf of the client(s) for receiving statement of transactions, bills, contract notes etc. from stock broker / depository participant.

3.9. Renounce liability for any loss or claim that may arise due to any blocking of funds that may be erroneously instructed by the stock broker to the designated bank.

4. However, it has been observed that PoA is invariably obtained from the investors as part of the KYC and account opening process. Such PoA executed by clients has further found to have been misused by the stock brokers by taking authorization even for activities as specified in paragraph 3 above. In this regard, it is reiterated that:

4.1. PoA is optional and should not be insisted upon by the stock broker / stock broker depository participant for opening of the client account.

4.2. PoA executed in favour of stock broker / stock broker depository participant by the client shall be utilized

4.2.1. For transfer of securities held in the beneficial owner accounts of the client towards Stock Exchange related deliveries / settlement obligations arising out of trades executed by clients on the Stock Exchange through the same stock broker.

4.2.2. For pledging / re-pledging of securities in favour of trading member (TM) / clearing member (CM) for the purpose of meeting margin requirements of the clients in connection with the trades executed by the clients on the Stock Exchange.

4.2.3. For the limited purposes as specified in paragraph 1(iii) and 2 of the Guidelines.

4.3. Paragraph 1(i) and 1(ii) of the Guidelines stands modified in accordance with paragraph 4.2.1 and 4.2.2 above. Stock Exchanges and Depositories shall ensure that PoA is not used by TM/CM/DPs for any purpose other than as specified above and in SEBI circulars dated April 23, 2010 read with SEBI circular dated August 31, 2010.

5. It has also been decided that all off-market transfer of securities shall be permitted by the Depositories only by execution of Physical Delivery Instruction Slip (DIS) duly signed by the client himself or by way of electronic DIS. The Depositories shall also put in place a system of obtaining client's consent through One Time Password (OTP) for such off market transfer of securities from client's demat account.

6. All other provisions specified in SEBI circular dated April 23, 2010 read with SEBI circular dated August 31, 2010 shall continue to remain applicable. The circular shall be applicable with effect from November 01, 2020.

7. Stock Exchanges and Depositories are directed to

   7.1. make necessary amendments to the relevant Bye-laws, Rules and Regulations for the implementation of the above decision;

   7.2. bring the provisions of this circular to the notice of their members / participants and also disseminate the same on their websites; and

   7.3. communicate to SEBI, the status of implementation of the provisions of this circular in their monthly report.

8. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Section 19 of the Depositories Act, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully

Narendra Rawat

General Manager

Market Intermediaries Regulation and Supervision Department

❑❑❑

4. Transmission

Bye Law 9.10.1	NSDL shall effect the transmission of security balances of any Client due to death, lunacy, bankruptcy, insolvency or by any other lawful means other than transfer.
Bye Law 9.10.2.1.	In cases where the deceased is the Karta of a Hindu Undivided Family ("HUF") holding securities in such capacity, the surviving member(s) of the HUF may notify to NSDL the eldest surviving member of the HUF as the Karta of the HUF in accordance with law, and subject to production of such evidence and execution of such documents as may be prescribed in the Business Rules, the name of such newly designated Karta shall be entered in the records of NSDL as having title to the securities held in the beneficial owner account held by the deceased Karta. Provided however that such facility shall be permitted by NSDL only if the gross value of the securities lying to the credit of such beneficial account does not exceed such limit as may be prescribed by NSDL in its Business Rules from time to time. In all other cases, no change of name of account holder shall be permitted unless supported by a succession certificate and such other requirements as may be prescribed in accordance with law."
Bye Law 9.11.1	In respect of every account, the Beneficial Owner(s) (in Nominating Person(s)) may nominate any person (Nominee) to whom his securities shall vest in the event of his death in the manner prescribed under the Business Rules from time to time.
Rule 12.6.1	**Transmission of Securities held jointly in the Depository** 12.6.1.1. In case of death of one of the Clients in a joint account, the surviving Client(s) shall request the Participant to transmit the balances lying in the Client account to the account of the surviving Client(s). The surviving Client(s) shall make an application to the Participant in the form specified in Annexure O alongwith a copy of the death certificate duly attested by a Notary Public or by a Gazetted Officer. 12.6.1.2. The Participant shall verify the death certificate and the signature of the surviving Client(s) before effecting the transmission. 12.6.1.3. In case of death of one or more of the Clients in a joint account if the surviving client(s) wish to open a new account with the same Participant, then the Participant will open the new account in the name(s) of the surviving member(s), in the same order as in the original account, on the basis of the existing documents already in the possession of the Participant, provided that the said documents meet the prevailing requirements for opening an account. Further, the Annexure 'O' (copy enclosed) pertaining to Transmission Request Form (TRF) has been amended and various formats used alongwith TRF have been restructured and inserted as Annexures of Business Rules as below: (i) Annexure 'OC' - Format for Letter of Indemnity to be given by legal heir(s)/Legal representative(s) in case value of holding not exceeding Rs.1 lakh on the date of application (copy enclosed).

	(ii) Annexure 'OD' - Format for Affidavit to be given by legal heir(s)/ Legal representative(s) in case value of holding not exceeding Rs.1 lakh on the date of application (copy enclosed). (iii) Annexure 'OE' - Format for No Objection Certificate to be given by legal heir(s)/Legal representative(s) in case value of holding not exceeding Rs.1 lakh on the date of application (copy enclosed). (iv) Annexure 'OF' - Format for Deed of Indemnity to be submitted by surviving member(s) of HUF in case value of holding not exceeding Rs.10 lakh on the date of application (copy enclosed). (v) Annexure 'OG' - Format for Affidavit to be submitted by surviving member(s) of HUF in case value of holding not exceeding Rs. 10 lakh on the date of application (copy enclosed). 12.6.1.4. After effecting the transmission, the Participant shall close the account of the deceased.
Rule 12.6.2 (Renumbered) Circular No.: NSDL/POLICY/ 2014/0060 Date: May 13, 2014	**Transmission of Securities held singly in the Depository** 12.6.2.1. In case of death of the sole Client, the legal heir(s) or legal representative(s) of the deceased shall request the Participant to transmit the balances lying in the Client account of the deceased to the account of the legal heir(s) or legal Representative(s). 12.6.2.2. The legal heir(s) or the legal representative(s) of such securities shall make an application to the Participant in the form specified in Annexure O alongwith the following documents:- i) A copy of the death certificate duly attested by a Notary Public or by a Gazetted Officer. ii) A copy of the Succession certificate duly attested by a Notary Public or by a Gazetted Officer or an order of a court of competent jurisdiction where the deceased has not left a Will; or iii) A copy of the Probate or Letter of Administration duly attested by a Notary Public or by a Gazetted Officer. iv) In case the account of the claimant is not with the Participant, copy of Client Master Report of the account of the claimant. 12.6.2.3. However, if the legal heir(s) or the legal representative(s) express inability to produce either of the documents mentioned under (ii) and (iii) of 12.6.2.2, and the market value of the securities held in each of the account of the deceased as on the date of application for transmission does not exceed Rs. 5,00,000 then the Participant shall process the transmission request on the basis of the following documents: i) Request for transmission in Annexure O; ii) Copy of the death certificate duly attested by a Notary Public or by a Gazetted Officer; iii) Letter of Indemnity made on appropriate non judicial stamp paper; iv) An Affidavit made on appropriate non judicial stamp paper; and v) No Objection Certificate(s) from all the legal heir(s) who do not object to such transmission.

	vi) As an alternate to No Objection Certificate from all legal heir(s) who do not object to such transmission specified at 12.6.2.3 (v), a copy of Family Settlement Deed duly attested by a Notary Public or by a Gazetted Officer provided that the Family Settlement Deed clearly vest the securities in favour of the person seeking transmission in his/her name and vesting of securities in his/her name is not contingent upon any other onerous conditions in such Family Settlement Deed. Provided further that if the division of securities as per the Family Settlement Deed is amongst more than one person, then Family Settlement Deed can be considered as an agreement amongst the legal heirs for transmission of securities to each legal heir applying for transmission. vii) In case the account of the claimant is not with the Participant, copy of Client Master Report of the account of the claimant; 12.6.2.4. The Participant shall ensure that the documents submitted by the legal heir(s) or the legal representative(s) are in order, satisfy itself about Identity of the claimant mentioned in the documents and shall then effect a transfer of the balances to the Client account of the legal heir(s) or the legal representative(s). 12.6.2.5. After effecting the transmission, the Participant shall close the account of the deceased.
Rule 12.6.3 (Renumbered) Circular No.: NSDL/POLICY/ 2014/0060 Date: May 13, 2014	**Transmission of Securities in case of Nomination** 12.6.3.1. The Client(s) may make a nomination of his/their account in favour of any person by filing with the relevant Participant the form laid out in Annexure J or Annexure JA of these Business Rules. In the case of joint accounts, all the Clients shall be required to affix their signatures to the said form. Such nomination shall be conclusive evidence of the Client(s) disposition in respect of all the securities in the account for which nomination has been made. 12.6.3.2. A nomination once made shall not be considered to have been varied, substituted or canceled, unless the Client(s) files another form as laid out in Annexure JA with the Participant, expressly signifying the interest to vary, substitute or cancel all nominations made earlier. Unless a fresh variation, substitution or cancellation is registered with the Participant, the Depository shall consider the nomination last validly recorded in its books as being conclusive evidence of the Client(s)™ disposition in respect of the securities. 12.6.3.3. A nomination, substitution shall be valid only if :- a) it is submitted to the Participant by the rightful Client(s) or under his/their due authority. b) it is in prescribed form (Annexure J/JA) c) it is duly signed by Client(s) d) it is properly signed e) signature of the Client(s) tally with the specimen signature records

	12.6.3.4.	If the form is valid in all respects and accepted by the Participant, the Participant shall record the nomination by entering the same in the DPM (DP) and confirm the same to the Client(s).
	12.6.3.5.	In the event of a substitution/ cancellation of a nomination, a fresh registration shall be updated in the DPM (DP) by the Participant and the Participant shall confirm the same to the Client(s).
(Renumbered) Circular No.: NSDL/POLICY/ 2014/0060 Date: May 13, 2014	12.6.3.6.	Upon the death of the sole Client or the death of all the Clients, as the case may be, the nominee shall request the Participant in writing along with a certified true copy of the death certificate (or a duplicate copy of the death certificate if original lost or misplaced) issued by the competent authority and copy of Client Master Report of the account of the nominee in case the account of the nominee is not with the Participant to transmit the securities covered by the nomination to the account of the Nominee, held with any Depository. If the Nominee does not have an account with the Depository, the Nominee shall be required to open an account with any Depository.
	12.6.3.7.	The Participant shall ensure that such register is maintained properly and is verified periodically. All the nominations received should be bound and preserved for record purposes. These records shall form part of the records of the Participant.
(Renumbered) Circular No.: NSDL/POLICY/ 2014/0060 Date: May 13, 2014	12.6.3.8.	Before executing any request made under any of the forms in respect of nomination, the Participant shall ensure the completeness of the form and validity of the signature of the Client(s) and satisfy itself about identity of the nominee mentioned in the documents.
	12.6.3.9.	The provisions relating to Annexure "O" shall apply *mutatis mutandis* to the process of transmission of securities to the Nominee.
	12.6.3.10.	Before executing any request made under any of the forms in respect of nomination, the Participant shall ensure the completeness of the form and validity of the signature of the Client(s).
	12.6.3.11.	The details of various nominations made by the Client(s) shall form an integral part of the records of the Participant, Depository and the Issuer or its Registrar and Transfer Agent under Chapter 16 of these Business Rules and shall be Reconciled in accordance with Chapter 15 of these Business Rules.

Rule 12.6.4	**Transmission of Securities held by Karta of Hindu Undivided Family (HUF) in the Depository** 12.6.4.1. Upon death of the Karta of a Hindu Undivided Family (HUF), the surviving member(s) of the HUF may appoint the eldest surviving member of the HUF as the new Karta of the HUF. (A) For transmission of securities to the account of the new Karta from the account of the deceased Karta, the surviving members through the new Karta shall make a joint application to the Participant in the Form specified in Annexure "O" along with the following documents: i. True Copy of the death certificate of the Karta, duly attested by a Notary Public or by a Gazetted Officer; ii. An appropriate order by a competent court, Provided however that, if the surviving members or the New Karta express their inability to produce the order of a competent Court, and that the market value of securities lying to the credit of such account as on the date of application for transmission of securities does not exceed Rupees Ten Lakh then the Participant shall process the transmission request on the basis of the following documents: a) Request for transmission in Annexure "O", duly signed by the New Karta; b) A declaration of the list of surviving members of HUF in an affidavit in the prescribed form (Annexure "O"), duly notarised; c) Letter of Indemnity in the prescribed form (Annexure "O") from the surviving members. (B) Where there is an objection from any member of the HUF, transmission of securities held in the beneficial owner account should be effected only on the basis of a Decree by a competent Court or the Deed of Partition." 12.6.4.2. The surviving members shall furnish to the Participant the certified copy of the Settlement Deed/ Deed of Partition / Decree of the relevant Court, duly stamped in case the HUF goes into separation/ partition for dealing with the securities lying in the beneficial owner account held by the deceased Karta, and furnish to the Participant the details of the beneficial owner accounts of the individual members in order to have the securities distributed to their respective accounts. 12.6.4.3. The Participant shall ensure that the documents submitted by the surviving members or the new Karta are in order and shall then effect a transfer of the balances to the client account of the new Karta. 12.6.4.4. After effecting the transmission, the Participant shall close the account held in the name of the deceased Karta.

Rule 12.6.5	The Participant shall effect the request for transmission of securities within seven days of receipt of complete set of requisite documents.
Amendments to Annexures of Business Rules of NSDL	
Circular No.: NSDL/ POLICY/2019/0005 January 18, 2019	***Subject: Amendment to Business Rules*** Participants are hereby informed that the following amendments have been made in the Business Rules of NSDL: Amendment of Business Rule 12.6.1 Insertion of New Form 41- NAME DELETION IN JOINT ACCOUNT UPON DEATH The amended Business Rules (in track change mode), alongwith Form 41 as mentioned above are enclosed herewith. The required changes to the DPM system to implement the same are under development. Accordingly, the amendments to Business Rules will be effective from a date to be notified separately. **Amendment in Business Rule** **12.6.1. Transmission of Securities held jointly in the Depository** In case of death of one of the Clients in a joint account, the surviving Client(s) shall request the Participant to transmit the balances lying in the Client account to the account of the surviving Client(s). The surviving Client(s) shall make an application to the Participant in the form specified in FORM 30 alongwith a copy of the death certificate duly attested by a Notary Public or by a Gazetted Officer. The Participant shall verify the death certificate and the signature of the surviving Client(s) before effecting the transmission. In case of death of one or more of the Clients in a joint account if the surviving client(s) wish to open a new account with the same Participant, then the participant will open the new account in the name(s) of the surviving member(s), in the same order as in the original account, on the basis of the existing documents already in the possession of the Participant, provided that the said documents meet the prevailing requirements for opening an account. The Participant after being fully satisfied on all aspects, shall then effect transfer of the balances to the account of the surviving Client(s). For this purpose, the Participant may conduct such further enquiries as may be deemed necessary. After effecting the transmission, the Participant shall close the account of the deceased <u>In case of death of one of the holders in joint demat account, in addition to the existing option of opening new account, the surviving account holders continue the existing account by deleting the name of deceased account holder(s) from the account, the surviving account holders shall make an application to the Participant in the form specified at FORM 41 for deletion of deceased account holder(s) alongwith a copy of death certificate duly attested by a Notary Public or by a Gazetted Officer. The Participant shall verify the documents submitted and the signature of surviving Client(s). The Participant after being fully satisfied on all aspects, shall then effect the deletion of name.</u>

DP Logo

FORM 41- NAME DELETION IN JOINT ACCOUNT UPON DEATH

NSDL

Participant Name
Participant Address

Date	D	D	M	M	Y	Y	Y	Y

I/We, the undersigned, being the surviving holder(s) in the joint account, hereby request you to delete the name of the deceased account holder(s), and continue to maintain the account in the sole or joint surviving names in the same order and update the details in the account, as per details given below:

1. Account Number

DP ID	I	N							Client ID								

2. Account holders details

Account Holder Indicator	**Name of Joint Account Holder(s)**	**Tick against the holder(s) who has/have deceased**	
First Holder		☐	Provide copy of death certificate duly attested by a Notary Public or by a Gazetted Officer.
Second Holder		☐	
Third Holder		☐	

3. Updation of Address and bank details (To be filled if first holder has deceased)

(a) **Address details of first holder (submit proof of address)**

Residence Address (Local)							
City/ town/village		PIN Code		State		Country	
Correspondence/ Foreign Address							
City/ town/village		PIN Code		State		Country	

(b) **Bank details of first holder (submit proof of bank details)**

Bank account type ☐ Savings Account ☐ Current Account ☐ Others (Please specify)_____							
Bank Name		Bank Account no.					
MICR Code		IFSC					
Branch Address							
City/ town/village		PIN Code		State		Country	

4. Signature of surviving joint holder(s)

Sr. No.	**Name of the Surviving Joint Holder(s)**	**Signature**
1		
2		

Circular No.: NSDL/ POLICY/2018/0018 Date: March 28, 2018	***Subject: HUF Demat Account - Amendments to Bye Laws and Business Rules.*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2016/0082 dated October 4, 2016 regarding SEBI guidelines on opening of HUF demat accounts and procedure to be adopted in the event of death of Karta of a HUF (SEBI letter dated September 14, 2016). In this regard, Participants are requested to take note of the following: 1. Following amendments are made to the Bye Laws and Business Rules of NSDL: a. Bye Law 9.10.2.1, Rule 12.6.4 and Rule 18.1.1 (I) (Sr. No. 3) are amended. b. FORM 9 - Account Opening Form (for individuals) and FORM 11 - Account Opening Form (for non-individuals) are amended, so that the application for opening an account of an HUF is to be submitted in FORM 11 instead of FORM 9. c. New FORM 40 is added for Change of name of Karta. d. FORM 30 - Transmission Form is amended, as in case of death of Karta, FORM 40 is to be used. 2. Participants may continue to use the existing formats of Account Opening Form (FORM 9 and FORM 11) and Transmission Form (FORM 30) till the stock last. However, Participants must ensure that they are complying with the amended Bye Laws and Business Rules and obtain the specified information and documents from the applicant/claimant till the amended forms are brought into use. 3. The aforesaid amended Bye Laws and Business Rules are attached as Annexure A (without track change mode) and Annexure B (in track change mode). Amended FORM 9 (Account Opening Form for individuals), FORM 11 (Account Opening Form for non-individuals), FORM 30 (Transmission Form) & FORM 40 (Change in name of Karta) are also attached. 4. SEBI has vide its letter no. MRD/DSA1/OW/4947/2018 dated February 14, 2018 informed that "except married daughters" as mentioned in para 1.2 (a) of SEBI letter dated September 14, 2016 would not be applicable henceforth. The amended Bye Laws and Business Rules are notified after considering the same. 5. With respect to opening an HUF Account, Participants may take note of the following: a. For account opening of an HUF, KYC Application Form and Account Opening Form (for non-individuals) as laid out in FORM 11 of Business Rules of NSDL must be used. b. The relevant changes in the DPM system are being made to facilitate account opening in the name of HUF and will be notified separately. Meanwhile, Participants may continue to open demat account in the name of Karta and capture the name of HUF in the field viz; "HUF Name" provided in DPM system. c. Participants will be required to capture the list of family members as mentioned at point no. (J) of part II of FORM 11 includes the name of Karta of HUF along with other details of Karta in DPM system with respect to HUF account after necessary changes in DPM system are made. Meanwhile, Participants are requested to maintain such details in their internal records. 6. For existing HUF Accounts i.e. HUF Accounts which are opened on or before the date of release of new features in DPM system, the operational procedure for migration of these accounts will be notified separately.

Annexure A

Amended Bye Law 9.10.2.1

9.10. TRANSMISSION OF SECURITIES

9.10.2.1

In cases where the deceased is the Karta of a Hindu Undivided Family ("HUF"), the surviving member(s) of the HUF may notify to NSDL the eldest surviving member of the HUF as the Karta of the HUF in accordance with law, and subject to production of such evidence and execution of such documents as may be prescribed in the Business Rules, the name of such newly designated Karta shall be entered in the records of NSDL.

Amended Business Rule 12.6.4 and 18.1.1 (I) (Sr. No. 3)

12.6.4. Securities held by Hindu Undivided Family (HUF) in the Depository

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

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

i. Original copy of the death certificate or true Copy of the death certificate of the deceased Karta, duly attested by a Notary Public or by a Gazetted Officer;

ii. Copy of PAN, Proof of Identity, Proof of Address and a photograph of new Karta of HUF along with his original ink signed specimen signature

iii. A declaration of the list of surviving members of HUF in the prescribed FORM 40, not objecting the appointment of the new Karta along with name, date of birth, gender and relationship with Karta of all members of HUF;

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

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

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

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

12.6.4.7 If a transfer of securities is affected to the surviving members due to total partition, the Participant shall close the account held in the name of the HUF.

18.1.1 THE DEPOSITORY MAY IMPOSE A PENALTY ON THE PARTICIPANT TO THE EXTENT INDICATED FOR NON-COMPLIANCE AS DESCRIBED BELOW:

Sr No.	Nature of Non-compliance	**Penal Action in Rs. / Action**
1.	Operational Deviations	
3.	Accounts opened in the name of Partnership firms / proprietary concern / such other entities not entitled to hold securities in its name as prescribed under guidelines of NSDL/SEBI/PMLA.	Rs. 1000 per account.

FORM 9

PART II – ACCOUNT OPENING FORM
(*FOR INDIVIDUALS*)

Participant Name (DP ID ____) Address (Pre-printed)	**Client –ID** (To be filled by Participant)

I/We request you to open a depository account in my/our name as per the following details: (*Please fill all the details in CAPITAL LETTERS only*) **Date** D D M M Y Y Y Y

A) Details of Account holder(s):

Account holder(s)	Sole/ First Holder		Second Holder		Third Holder	
Name						
PAN						
Occupation *(please tick any one and give brief details)*	☐ Private Sector	☐ Agriculturist	☐ Private Sector	☐ Agriculturist	☐ Private Sector	☐ Agriculturist
	☐ Public Sector	☐ Retired	☐ Public Sector	☐ Retired	☐ Public Sector	☐ Retired
	☐ Government Service	☐ Housewife	☐ Government Service	☐ Housewife	☐ Government Service	☐ Housewife
	☐ Business	☐ Student	☐ Business	☐ Student	☐ Business	☐ Student
	☐ Professional	☐ Others (Please specify; _____	☐ Professional	☐ Others (Please specify; _____	☐ Professional	☐ Others (Please specify; _____
Brief details:						

B) For Association of Persons (AOP), Partnership Firm, Unregistered Trust, etc., although the account is opened in the name of the natural persons, the name & PAN of the Association of Persons (AOP), Partnership Firm, Unregistered Trust, etc., should be mentioned below:

a) Name | b) PAN

C) **Type of account**

☐ Ordinary Resident ☐ NRI-Repatriable ☐ NRI-Non Repatriable
☐ Qualified Foreign Investor ☐ Foreign National
☐ Margin ☐ Others (Please specify) _____ ☐ Promoter

D) **Gross Annual Income Details**

Income Range per annum (please tick any one)

☐ Below ₹ 1 lac ☐ ₹ 1- 5 lac ☐ ₹ 5- 10 lac
☐ ₹ 10- 25 lac ☐ More than ₹ 25 lac

E) **In case of NRIs/ Foreign Nationals**

RBI Approval Reference Number	
RBI Approval date	D D M M Y Y Y Y

F) **Bank details**

1	Bank account type	☐ Savings Account ☐ Current Account ☐ Others (Please specify)_____
2	Bank Account Number	
3	Bank Name	

	4	Branch Address											
			City/town/village				PIN Code						
			State				Country						
	5	MICR Code											
	6	IFSC											

G)	Please tick, if applicable: ☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)

H)	**Standing Instructions**		
	1	I/We authorise you to receive credits automatically into my/our account.	☐ Yes ☐ No
	2	Account to be operated through Power of Attorney (PoA)	☐ Yes ☐ No
	3	**SMS Alert facility:** [*Mandatory if you are giving Power of Attorney (PoA). Ensure that the mobile number is provided in the KYC Application Form*]	

Sr. No.	Holder	Yes	No
1	Sole/First Holder	☐	☐
2	Second Holder	☐	☐
3	Third Holder	☐	☐

	4	Mode of receiving Statement of Account [*Tick any one*]	☐ Physical Form ☐ Electronic Form [*Read Note 3 and ensure that email ID is provided in KYC Application Form*].

I)	**Guardian Details** (*where sole holder is a minor*): [For account of a minor, two KYC Application Forms must be filled i.e. one for the guardian and another for the minor (*to be signed by guardian*)]	
	Guardian Name	
	PAN	
	Relationship of guardian with minor	

J)	**Nomination Option**	
	☐ I/We wish to make a nomination. **[*Details are provided at FORM 10*]**	☐ I/We do not wish to make a nomination.

Declaration

The rules and regulations of the Depository and Depository Participants pertaining to an account which are in force now have been read by me/us and I/we have understood the same and I/we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. I/we hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/ we are aware that I/we may be held liable for it. In case non-resident account, I/we also declare that I/we have complied and will continue to comply with FEMA regulations. I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".

Name(s) of holder(s)		Signature(s) of holder
Sole/ First Holder/ Guardian (in case sole holder is minor) (Mr./Ms.)		X
Second Holder (Mr./Ms.)		X
Third Holder (Mr./Ms.)		X

Notes :

1. All communication shall be sent at the address of the Sole/First holder only.
2. Thumb impressions and signatures other than English or Hindi or any of the other language not contained in the 8th Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate.
3. For receiving Statement of Account in electronic form:
   I. Client must ensure the confidentiality of the password of the email account.
   II. Client must promptly inform the Participant if the email address has changed.
   III. Client may opt to terminate this facility by giving 10 days prior notice. Similarly, Participant may also terminate this facility by giving 10 days prior notice.

4. Strike off whichever is not applicable.

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Acknowledgement

Participant Name, Address & DP ID

Received the application from Mr/Ms_____ as the sole/first holder alongwith _____ and _____ as the second and third holders respectively for opening of a depository account. Please quote the DP ID & Client ID allotted to you in all your future correspondence.

Date: | D | D | M | M | Y | Y | Y | Y |

Participant Stamp & Signature

FORM 11
PART II – ACCOUNT OPENING FORM

(*FOR NON-INDIVIDUALS*)

Participant Name (DP ID ____) Address (Pre-printed)	**Client –ID** (To be filled by Participant)

We request you to open a depository account in our name as per the following details: (*Please fill all the details in CAPITAL LETTERS only*) **Date** D D M M Y Y Y Y

A)	Details of Account holder(s):		
		Name	PAN
	Sole/ First Holder		
	Second Holder		
	Third Holder		

B) **Type of account**

- ☐ Body Corporate
- ☐ Qualified Foreign Investor
- ☐ Bank
- ☐ FI
- ☐ Mutual Fund
- ☐ CM
- ☐ FII
- ☐ Trust
- ☐ HUF
- ☐ Other (Please specify) _____

C) For Partnership Firm, Unregistered Trust, Association of Persons (AOP) etc., although the account is opened in the name of the partner(s), trustee(es) etc., the name & PAN of the Partnership Firm, Unregistered Trust, Association of Persons (AOP) etc., should be mentioned below:

a) Name | b) PAN

D) Income Details (please specify)

Income Range per annum		Networth
☐ Below ₹ 20 Lac	and	Amount (₹)_____
☐ ₹ 20 – 50 Lac		As on (date) D D M M Y Y Y Y
☐ ₹ 50 Lac – 1 crore		(Networth should not be older than 1 year)
☐ Above ₹ 1 crore		

E) **In case of FIIs/Others (as may be applicable)**

RBI Approval Reference Number	
RBI Approval date	D D M M Y Y Y Y
SEBI Registration Number (for FIIs)	

F) **Bank details**

1	Bank account type	☐ Savings Account ☐ Current Account ☐ Others (Please specify) _____
2	Bank Account Number	
3	Bank Name	
4	Branch Address	
	City/town/ village	PIN Code
	State	Country

	5	MICR Code	
	6	IFSC	
G)	Please tick, if applicable, for any of your authorized signatories/Promoters/Partners/Karta/Trustees/whole time directors:	☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)	
H)	**Clearing Member Details** (to be filled up by Clearing Members only)		
	1	Name of Stock Exchange	
	2	Name of Clearing Corporation/ Clearing House	
	3	Clearing Member ID	
	4	SEBI Registration Number	
	5	Trade Name	
	6	CM-BP-ID **(to be filled up by Participant)**	
I)	**Standing Instructions**		
	1	We authorise you to receive credits automatically into our account.	☐ Yes ☐ No
	2	Account to be operated through Power of Attorney (PoA)	☐ Yes ☐ No
	3	**SMS Alert facility**	

Sr. No.	Holder	Yes	No
1	Sole/First Holder	☐	☐
2	Second Holder	☐	☐
3	Third Holder	☐	☐

	4	Mode of receiving Statement of Account [Tick any one]	☐ Physical Form ☐ Electronic Form [*Read Note 3 and ensure that email ID is provided in KYC Application Form*].

J) **List of family members (Separate Annexure maybe used in case number of members is higher)**

Sr No.	Name of Coparcener/Member	Gender	Date of Birth	Relation with Karta	Whether Coparcener/ Member (please specify)

Declaration

The rules and regulations of the Depository and Depository Participants pertaining to an account which are in force now have been read by us and we have understood the same and we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. We hereby declare that the details furnished above are true and correct to the best of our knowledge and belief and we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, we are aware that we may be held liable for it. I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".

Authorised Signatories (Enclose a Board Resolution for Authorised Signatories. In case of HUF details of Karta to be given)

Sole/First Holder	**Name**	**Signature(s)**
First Signatory/Karta of HUF		X
Second Signatory		X
Third Signatory		X
Other Holders		
Second Holder		X
Third Holder		X

Mode of Operation for Sole/First Holder (In case of joint holdings, all the holders must sign. In case of HUF this is not applicable)	
☐ Any one singly	
☐ Jointly by	
☐ As per resolution	
☐ Others (please specify)	

Notes:

1. In case of additional signatures, separate annexures should be attached to the application form.
2. Thumb impressions and signatures other than English or Hindi or any of the other language not contained in the 8th Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate.
3. For receiving Statement of Account in electronic form:
   I. Client must ensure the confidentiality of the password of the email account.
   II. Client must promptly inform the Participant if the email address has changed.
   III. Client may opt to terminate this facility by giving 10 days prior notice. Similarly, Participant may also terminate this facility by giving 10 days prior notice.
4. Strike off whichever is not applicable.

==

Acknowledgement

Participant Name, Address & DP ID

Received the application from M/s____________________________ as the sole/first holder alongwith ______________________________ and ________________________________ as the second and third holders respectively for opening of a depository account. Please quote the DP ID & Client ID allotted to you (CM-BP-ID in case of Clearing Members) in all your future correspondence.

Date: | D | D | M | M | Y | Y | Y | Y | **Participant Stamp & Signature**

FORM 30
TRANSMISSION FORM

Date D D M M Y Y Y Y

To,
Name of Participant
Address of Participant

(1) I/We, the undersigned, being the

Executor(s) of the Will	☐	Legal heir(s)	☐
Administrator(s) of the Estate	☐	Joint holder(s)	☐
Successor(s) to the Estate	☐	Nominee	☐

of Mr./Mrs./Ms. _____, Mr./Mrs./Ms. _____ and Mr./Mrs./Ms. _____, the deceased, of which *nomination / probate/ letter of administration / succession certificate was duly granted to me / us on the _____ day of _____of _____ hereby request you to register me/us as the beneficial owner(s) in respect of the securities standing in the name of the said deceased under Client ID _____DP ID_____.

(2) I/We give hereunder the details of my/our account with a Participant to which the security balances are requested to be transmitted:

Name	Client ID	DP ID

(3) List of Documents enclosed (*for Individual accounts*) (*tick as applicable*):

A For surviving holder(s) in a joint account

☐ Copy of Death Certificate duly attested by a Notary Public or by a Gazetted Officer.

B For nominee of the deceased:

☐ Copy of Death Certificate duly attested by a Notary Public or by a Gazetted Officer.

☐ In case the account of the claimant is not with the Participant, copy of Client Master Report of the account of the nominee.

C For legal heir(s)/legal representative(s) where deceased was a sole holder and no nomination in the account - Value of holding not exceeding Rs.5 lakh on the date of application

- ☐ Copy of Death Certificate duly attested by a Notary Public or by a Gazetted Officer
- ☐ In case the account of the claimant is not with the Participant, copy of Client Master Report of the account of the claimant.
- ☐ Indemnity (*format enclosed*)
- ☐ Affidavit (*format enclosed*)
- ☐ No objection certificate(s) (*format enclosed*)
- ☐ Family Settlement Deed [*as an alternate to No objection certificate(s)*]

D For legal heir(s)/Legal representative(s) where deceased was a sole holder and no nomination in the account - Value of holding was Rs. 5 lakh or more on the date of application

- ☐ Copy of death Certificate duly attested by a Notary Public or by a Gazetted Officer
- ☐ In case the account of the claimant is not with the Participant, copy of Client Master Report of the account of the claimant.
- ☐ Succession certificate
- ☐ Letter of Administration
- ☐ Probate of the Will

(4) Declaration:

(*Applicable only for legal heir(s)/legal representative(s) where deceased was a sole holder and no nomination in the account - Value of holding not exceeding Rs. 5 Lakh on the date of application*)

We declare that the below mentioned person(s) are the only legal heir(s) of the deceased and there are not other legal heir(s). Of these, as specified below, some/all of them are claimants and some of them have given a No Objection Certificate in favour of other legal heir(s). Details are given below:

Sr. No.	Name of the legal heir(s)	Specify whether a claimant or given a No Objection Certificate

(5) Signatures:

Sr. No.	Name of claimant	Signature of claimant

Notes: 1. This request form should be signed by the surviving joint holder(s)/ legal heir(s)/ legal representative(s)/ nominee, as the case may be.

2. * Strike off whichever is not applicable.

DP Logo	**FORM 40 - REQUEST FOR CHANGE OF NAME OF KARTA** (*to be given by new karta and other surviving members of HUF in the event of death of Karta)*	NSDL

To, <*Name of Participant*> <*Address of Participant*>	*Date*	D	D	M	M	Y	Y	Y	Y
	DP ID	I	N						
	Client ID								
	Name of HUF								

1	Name of Deceased Karta	
2	Death certificate of Karta is enclosed (*Original/ Notarized / attested by gazette officer*) *[Please tick]*	☐
3	I/We intend to continue the HUF in its current status even after the sad demise of Karta *[Please tick]*	☐
4	I/We do not have any objection whatsoever in appoinitng new Karta as per following details *[Please tick]*	☐

5	Details of Newly Appointed Karta			*Photograph of new Karta of HUF*
	a) Name of New Karta			
	b) Date of Birth		c) Gender *(Please tick)* ☐ Male ☐ Female	
	d) PAN			
	e) Aadhaar			

6 We state that the below list of surviving members is complete and exhaustive, and does not leave out any member of the HUF. We confirm that this list is accurate in all respect whatsoever. We also state that all the information provided herein is complete and accurate in all respect and that all the members of the HUF are fully aware of the above request made to the Participant and there is no pending dispute, difference, objection or claim to the same among any of the members of the HUF in this regard.

List of Surviving members of HUF [*In case space for providing list of surviving member is not sufficient please use separate sheet*]

Sr. No.	**Name of Coparcener / Member**	**Date of Birth (DD/MM/YY)**	**Gender**	**Relation with Karta**	**Coparcener/ Member (please specify)**	**Signature & Date (in case of minor to be signed by Guardian)**
1						
2						
3						

7	Name of new Karta	Signature of New Karta

Circular No.: NSDL/POLICY/ 2017/0064 October 23, 2017	***Subject: Transfer of securities to Multiple Nominees with respect to account transmission.*** As Participants are aware, the facility for multiple nominations has been introduced and the DPM system was enhanced to capture the names of multiple nominees. In case of the death of the account holder, the transmission is required to be carried out in favour of the multiple nominees. The transmission module available in the DPM system is being enhanced to facilitate such transfer of securities arising out of the death of the account holder where multiple nomination facility is availed. In the meanwhile i.e. till the transmission module is enhanced, if the Participant is required to effect to the transmission, the account transfer module is required to be used. In this context, the DPM system is enhanced to facilitate the Participants to capture 'TR9999999999' against DIS serial number for execution of account transfer (intra-depository) instructions, in case of transmission arising out of multiple nominations. The aforesaid feature has been released in eDPM system. Participants are required to take note of above.
Circular No.: NSDL/POLICY/ 2014/0061 Date: May 13, 2014	***Subject: Corrigendum to Circular No. 60 dated May 13, 2014 regarding Simplification of nomination process and amendments to Business Rules*** Attention of Participants is invited to NSDL Circular No. NSDL/ POLICY/2014/0060 dated May 13, 2014 regarding simplification of nomination process and amendments to Business Rules of NSDL. Participants are hereby informed that the point no. 4 of the aforesaid Circular should be read as follows: *"(4). Amended KYC Application Forms (Part 1 of Annexure J and K) in respect of all new clients must be obtained with effect from* ***June 25, 2014****. However, Participants may use the existing stock of Account Opening Forms (Part 2 of Annexure J and K) until the stock last."*
Circular No. NSDL/POLICY/ 2013/0138 Date: November 29, 2013	***Sub: Amendments to*** **Annexures of** ***Business Rules of NSDL*** Further to Circular No. NSDL/POLICY/2013/0131 dated November 6, 2013 regarding amendment to Rule 12.6.2.3 (*enhancing the threshold limit from Rs. 1 lac to Rs. 5 lac for transmission of securities in case of a sole holder where there is no nomination)* of Business Rules of NSDL, the words and figures 'Rs. 1 lakh' are replaced with the words and figures 'Rs. 5 lakh' in the Annexures "O", "OC", "OD" and "OE" of Business Rules of NSDL (copies enclosed). The same are also enclosed in track change mode. Participants may note that in respect of the existing stock of Annexures "O", "OC", "OD" and "OE", they may continue to use the same till such time it is exhausted provided the words and figures "Rs. 1 lakh" are effaced and replaced with "Rs. 5 lakh" in the existing stock of the aforesaid Annexures. Such alterations may be made by affixing a stamp or by affixing a sticker or in writing.

Circular No. NSDL/POLICY/ 2013/0131 Date: November 6, 2013	***Sub: Amendments to Business Rules of NSDL*** Attention of Participants is invited to SEBI's Circular No. CIR/MIRSD/10/2013 dated October 28, 2013 regarding standardisation and simplification of procedures for transmission of securities. Copy of the same is enclosed. SEBI has vide its aforesaid circular enhanced the existing threshold limit of Rs 1,00,000 per beneficiary owner account to Rs.5,00,000 for the purpose of following simplified documentation in the case of transmission of securities in dematerialised mode, where the securities are held in single name without a nominee [*Refer Para 2(I) of aforesaid SEBI circular*]. Accordingly, all Participants are hereby notified that Rule 12.6.2.3 has been amended which will be applicable w.e.f. November 18, 2013.The amended Rule 12.6.2.3 is given below: **12.6.2.3** However, if the legal heir(s) or the legal representative(s) express inability to produce either of the documents mentioned under (ii) and (iii) of 12.6.2.2, and the market value of the securities held in each of the account of the deceased as on the date of application for transmission does not exceed Rs. 5,00,000 then the Participant shall process the transmission request on the basis of the following documents: i) Request for transmission in Annexure O; ii) Copy of the death certificate duly attested by a Notary Public or by a Gazetted Officer; iii) Letter of Indemnity made on appropriate non judicial stamp paper; iv) An Affidavit made on appropriate non judicial stamp paper; and v) No Objection Certificate(s) from all the legal heir(s) who do not object to such transmission. vi) As an alternate to No Objection Certificate from all legal heir(s) who do not object to such transmission specified at 12.6.2.3 (v), a copy of Family Settlement Deed duly attested by a Notary Public or by a Gazetted Officer provided that the Family Settlement Deed clearly vest the securities in favour of the person seeking transmission in his/her name and vesting of securities in his/her name is not contingent upon any other onerous conditions in such Family Settlement Deed. Provided further that if the division of securities as per the Family Settlement Deed is amongst more than one person, then Family Settlement Deed can be considered as an agreement amongst the legal heirs for transmission of securities to each legal heir applying for transmission. The same is also enclosed in track change mode as Annexure.

Circular No.: NSDL/POLICY/ 2019/0028 May 9, 2019	Subject: SEBI Circular on acceptance of Probate of Will or Will for Transmission of Securities held in dematerialized mode. Attention of Participants is invited to SEBI Circular no. SEBI/HO/MIRSD/DOP/CIR/P/2019/05 dated January 04, 2019 regarding acceptance of Probate of Will or Will for Transmission of Securities held in dematerialized mode. Copy of the same is enclosed. CIRCULAR SEBI/HO/MIRSD/ DOP/CIR/P/ 2019/05 January 04, 2019 To, All Recognized Depositories All Recognized Stock Exchanges Dear Sir/Madam, Sub: Acceptance of Probate of Will or Will for Transmission of Securities held in dematerialized mode In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018, succession certificate or probate of will or will or letter of administration or court decree, as may be applicable in terms of Indian Succession Act, 1925 has been prescribed as documentary requirement for transmission of securities held in physical mode. With regard to transmission of securities held in dematerialized mode, the same is dealt in terms of bye laws of the Depositories. In order to harmonize the procedures for transmission of securities in dematerialized mode with that of transmission of securities in physical mode, it has been decided that transmission of securities held in dematerialized mode shall be dealt in line with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018. Accordingly, the Depositories and Stock Exchanges are directed to: bring the provisions of this circular to the notice of their participants/ members, and also disseminate the same on their websites; and suitably amend their Bye Laws; The provisions of this circular shall be applicable with immediate effect. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets. Yours faithfully, D. Rajesh Kumar General Manager Tel. No: 022 - 26449242 Email: rajeshkd@sebi.gov.in

Circular No. NSDL/POLICY/ 2013/0002 Date: January 3, 2013	***Sub: Transmission of securities to nominee*** Participants are aware that as per NSDL Business Rule 12.6.3, individual Beneficial Owner [BO] account holder(s) can avail the nomination facility by providing the nominee details in the format specified in Annexure J/JA. Further, as per Circular No. NSDL/POLICY/2009/0002 dated January 3, 2009, Participants are required to ensure that all individual BO account holder(s) either avail the nomination facility as per the specified procedure or provide a declaration that the BO account holder(s) do not wish to make a nomination with regard to the securities held in the BO account. Participants have informed that efforts are being made to ensure that all individual BO account holder(s) conform to the specified requirement to avail the nomination facility. However, there may be cases where the BO account holder(s) may have provided the nominee details in the format prior to the introduction of Annexure JA at the time of opening of the BO account or subsequently but due to circumstances beyond the control of BO(s), the information in the specified new format may not have reached the Participant before the demise of the BO account holder(s). All Participants are hereby advised that in such cases Participants may on receipt of the indemnity in the enclosed format along with the other documents specified in NSDL Business Rule 12.6.3; process the transmission requests after satisfying themselves about the identity of the nominee. **Annexure** **NOTE**: - To be stamped as per the stamp duty rates prevailing in the place where the document is executed or the place where it is to be received and stored by the Depository Participant whichever is higher) INDEMNITY This Deed of indemnity is made at _____ this_____ day of _____by _____S/o / D/o / w/o of _____ residing at _____. [herein after referred to as the "Claimant" which expression shall unless it be repugnant or contrary to the context there of means and includes his legal heirs and successors and permitted assigns in favour of _____ [DP ID: IN_____] and having its registered address at _____ ____ _____and acting as a duly registered Participant under the provisions of the Depositories Act, 1996 and the Regulations and Bye Laws made there under [herein after referred to as the "Participant" which expression shall, unless it be repugnant or contrary to the context thereof, mean and include its successors and permitted assigns] AND National Securities Depository Limited and having its registered address at 4th floor, Trade World, "A"-Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013 and acting as a duly registered Depository under the provisions of the Depositories Act, 1996 and the Regulations and Bye Laws made there under [herein after referred to as the "Depository" which expression shall, unless it be repugnant or contrary to the context thereof, mean and include its successors and permitted assigns] WHEREAS: 1. The Beneficial owner [BO] Account [Client ID: _____] was held in the single name of _____ with the Participant, _____ [DP ID: IN_____].

2. The BO account holder _____ died on _____.

3. The list of the securities held in the said BO account [Client ID _____] of _____ is provided in the Statement of Holdings annexed hereto and marked as Annexure 'A'.

4. At the time of opening of account or subsequently, the BO account holder [Client ID: _____; DP ID: IN_____] had mentioned the name of the Claimant to receive the securities held in the BO account [Client ID: _____; DP ID: IN_____]. However, the BO account holder, _____ did not provide the nominee information in the format specified at Annexure 'JA' and avail the nomination facility as per the procedure specified in the NSDL Business Rules.

5. The Claimant has requested the Participant to effect the transmission of the securities held in the name of _____ [Client ID: _____ ; DP ID: _____] to the BO account of the Claimant [Client ID: _____; DP ID: _____] without insisting on production of a succession certificate and on the basis of the documents submitted by the Claimant and in consideration of the Participant agreeing to transmit the securities now held in the said BO account [Client ID: _____; DP ID: IN_____] to the BO account of the Claimant [Client ID: _____; DPID: _____], I, _____, the Claimant indemnify the Depository and the Participant as under :

This DEED WITNESSETH that in consideration of the Participant agreeing to transmit the securities now held in the said BO account [Client ID: _____; DP ID IN_____] as per Annexure 'A', that I, _____, the Claimant do hereby agree to keep indemnified and hold the Depository and the Participant saved, harmless and defended for all times hereafter from and against all losses, claims, legal proceedings, actions, demands, risks, charges, taxes, duties, damages, costs, expenses, including attorney and legal fees and penalties whatsoever which may be initiated against the Depository or the Participant and with the reason of the Participant having agreed at my request to transmit the securities now held in the BO account [Client ID: _____; DP ID IN_____] as per Annexure 'A' to the BO account [Client ID: _____] held with (Name of the Participant) in the single name of the Claimant _____ and further agree to indemnify the Depository and the Participant, in case of any claims/disputes in respect of the securities listed at Annexure 'A', by any person. If called upon by the Depository and or the Participant to do so, I shall join any proceedings that may be initiated against the Depository and / or Participant and by any person and shall defend at my cost any such proceedings.

Further, I shall initiate such proceedings as may be considered necessary by the Depository and /or the Participant, if called upon by the Depository and or the Participant to do so, in order to protect the Depository's and /or Participant's interests and to further and perfect the indemnity granted by me hereby in favour of the Depository and the Participant .

IN WITNESS WHEREOF:

Dated this ____ day of _____, 20_ _

Signed and delivered by the _____ (Claimant)

Before Me

_____

Notary Publi

Procedure for transfer of locked-in securities or securities held under suspended ISIN in case of account closure and/ or transmission	
Circular No. NSDL/POLICY/ 2011/0020 Date: March 5, 2011	***Sub: Procedure for transfer of locked-in securities or securities held under suspended ISIN in case of account closure and/ or transmission*** As Participants are aware, the securities which are locked-in by the Issuer or securities held under suspended ISIN in the depository system cannot be transferred from one account to another. Due to this restriction, transfer of securities from one account to another necessitated by account closure and/ or transmission also cannot be effected. In order to facilitate such transfers in co-ordination with the Issuer / R&T Agent, Participants are requested to adhere to the following procedure (*in addition to existing procedures for account closure and transmission*): **(A) In case of Account Closure:** **(I) For Participants:** 1) Participant must request the Client to submit a copy of the Client Master Report of the target account with another Participant where the securities are to be transferred. 2) Participant must verify that the target account and source account belong to the same Client. The names and order of names of the accountholders including the PANs in the source account and the target account must match. 3) After due verification, the Participant must forward a request (*format enclosed at Annexure A*) to the concerned Issuer/ its R&T Agent alongwith copies of Client Master Report of the source account and the target account for execution of corporate action to effect the transfer of locked-in securities/ securities held under suspended ISIN. **(II) For Issuers/ R&T Agents:** 1) The Issuer must submit a Corporate Action Information Form (*for transfer of locked-in securities or securities held under suspended ISIN due to account closure*) as per the format given at Annexure B alongwith copy of its latest Secretarial Audit Report to NSDL. 2) For execution of corporate action, the Issuer has to advise its R&T Agent/Registry Division. **(B) In case of transmission:** **(I) For Participants:** 1) Upon submission of all the required documents by the legal heir/ legal representatives of the deceased Client, the Participant must verify the documents and execute the transmission in respect of all other securities (if any). 2) In respect of securities which are locked-in or held under suspended ISIN, after due verification, the Participant must forward a request (*format enclosed at Annexure C*) to the concerned Issuer/its R&T Agent for execution of corporate action to effect the transfer of locked-in securities/ securities held under suspended ISIN. **(II) For Issuers / R&T Agents:** 1) The Issuer must submit a Corporate Action Information Form (*for transfer of locked-in securities or securities held under suspended ISIN due to transmission*) as per the format given at Annexure D alongwith copy of its latest Secretarial Audit Report to NSDL. 2) For execution of corporate action, the Issuer has to advise its R&T Agent/Registry Division.

Participant Letter

To be printed/typed on Participant's letterhead

(In case of closure of old account)

Ref. No. : _____ Date : _____

Name and address of the Issuer

We wish to inform you that we have received a request for transfer of locked-in securities / securities held under suspended ISIN from our client ***(Client name)*** having DP ID ***(_____)***; Client ID ***(_____)*** on account **of closure of the said account**. We have verified the documents submitted by client and confirm that the documents are in order and the signature(s) of the transferor(s) have been verified by us. We also confirm that the client has an account with the other Depository Participant in same name, order of names and that the account holder is the same entity/person. We are enclosing the copies of client master report from the DPM (DP) for both, the old account and the new account with the other Participant. Since the securities are locked-in/ the ISIN is suspended, we are unable to execute the instruction. Hence, we request you facilitate us to transfer the securities as instructed by the client. Details of instructions received by us are as follows:

To facilitate transfer of securities where:	☐	Securities are in lock-in
	☐	ISIN of Securities is in suspended status
	(tick any one)	

ISIN	
Security Description	
Lock-in Reason/ Reason for ISIN suspension	
Lock-in Release Date (if applicable)	

Details of old account (to be closed)

DP ID	
Client ID	
Quantity	

Details of new account

DP ID	
Client ID	
Quantity	

Signature :
Name :
Designation :

CC: National Securities Depository Limited
4th Floor, A Wing, Trade World
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel
Mumbai - 400 013.

Annexure B

To be printed on the letterhead of the issuer
(In case of closure of old account)
CORPORATE ACTION INFORMATION FORM
(For transfer of locked-in securities/securities under suspended ISIN due to change in demat account)

Ref. No. : _____ Date : _____

National Securities Depository Limited
4th Floor, A Wing, Trade World
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel
Mumbai – 400013.

We wish to execute a corporate action to facilitate transfer of securities in the depository system, which have been issued under lock-in by us/ the ISIN for securities of our company is suspended to prevent transfer. The details of the corporate action for transfer of locked-in securities / securities held under suspended ISIN due to change of demat account as provided by the Participant are as follows:

To facilitate transfer of securities where:	☐ the securities are locked-in ☐ ISIN of Securities is in suspended status (tick any one)

ISIN	
Security Description	
Lock-in Reason/ Reason for ISIN suspension	
Lock-in Release Date (if applicable)	

Details of old Account (Debit)

DP ID	
Client ID	
Client Name	
Quantity	

Details of new account (Credit)

DP ID	
Client ID	
Client Name	
Quantity	

Signature :

Name :
Designation :

CC: R&T Agent

Participant Letter
To be printed/typed on Participant's letterhead
(For transmission of locked-in securities/ securities held under suspended ISIN)

Ref. No. : _____ Date : _____

Name and address of the Issuer

We wish to inform you that we have received a request for transmission of locked-in securities / securities held under suspended ISIN from the legal heir(s) / legal representative(s) of our deceased client. We have verified the documents submitted by the legal heir(s) / legal representative(s) of the deceased and confirm that the documents are in order and the signature(s) of the transferee(s) have been verified by us. Since the securities are locked-in / the ISIN is suspended, we are unable to execute the instruction. Hence, we request you facilitate us to transmit the securities as instructed by the legal heir(s) / legal representative(s) of our deceased client. Details of instructions received by us are as follows:

To facilitate transmission of securities where:	☐ Securities are in lock-in ☐ ISIN of Securities is in suspended status (tick any one)

ISIN	
Security Description	
Lock-in Reason/ Reason for ISIN suspension	
Lock-in Release Date (if applicable)	

Details of old account (*to be closed*)

DP ID	
Client ID	
Client Name	
Quantity	

Details of new account [*of legal heir(s) / legal representative(s)*]

DP ID	
Client ID	
Client Name	
Quantity	

Signature :
Name :
Designation :

CC: National Securities Depository Limited
4th Floor, A Wing, Trade World
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel
Mumbai – 400013.

Annexure D

To be printed on the letterhead of the Issuer
(For transmission of lock-in/ suspended securities)

CORPORATE ACTION INFORMATION FORM

(For transmission of lock-in securities/ securities held under suspended ISIN)

Ref. No. : _____ Date : _____

National Securities Depository Limited
4th Floor, A Wing, Trade World
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel
Mumbai – 400013.k

We wish to execute a corporate action to facilitate transmission of securities in the depository system, which has been issued under lock-in by us / the ISIN for securities of our company is suspended to prevent transfer. The details of the corporate action for transmission of locked-in securities / securities held under suspended ISIN as provided by the Participant are as follows:

To facilitate transmission of securities where:	☐ the securities are locked-in ☐ ISIN of Securities is in suspended status (tick any one)

ISIN	
Security Description	
Lock-in Reason/ Reason for ISIN suspension	
Lock-in Release Date (if applicable)	

Details of old account (*Debit*)

DP ID	
Client ID	
Client Name	
Quantity	

Details of new account (Credit) [*of legal heir(s) / legal representative(s)*]

DP ID	
Client ID	
Client Name	
Quantity	

Signature :
Name :
Designation :
CC: R&T Agent

RBI Clarification on Transmission of Government Securities	
Circular No. NSDL/POLICY/ 2009/0021 Date: March 19, 2009	***Sub : RBI Clarification on Transmission of Government Securities*** All Participants are hereby informed that pursuant to enactment of the Government Securities Act, 2006, Reserve Bank of India has clarified that for recognition of title to Government Security of the deceased sole holder or joint holders, where there is no nomination in force, no limit is prescribed for the value of the securities in the provisions of Government Securities Act, 2006 read with the provisions of Regulation 6 of the Government Securities Regulations, 2007. In view of the aforesaid, the procedure for transmission of securities under Rule 12.6.2.3 and proviso to 12.6.4.1 (A) (ii) of Business Rules of NSDL shall not apply to Government Securities. Participants are advised to take note of the same for transmission of Government Securities of value less than Rs.1 lac (Rs.10 lac for HUF) and follow provisions of Rule 12.6.1, Rule 12.6.2 & 12.6.3 *[except Rule 12.6.2.3]* and 12.6.4 *[except proviso to 12.6.4.1 (A) (ii)]*.
Transmission in depository account-Capturing description in the PAN field of the deceased	
Circular No. NSDL/ POLICY/2007/0006 Date: January 23, 2007	***Sub : Transmission in depository account-Capturing description in the PAN field of the deceased*** Attention of Depository Participants (DPs) is invited to Circular No. NSDL/ POLICY/2007/0005 dated January 18, 2007 wherein DPs were informed about the process to be followed when a request for transmission of securities is received in case of death of Client(s) holding a depository account and such account is frozen **(Suspended for Debit)** due to non-compliance of PAN requirements. As explained in the above circular, DPs are required to obtain PAN details of legal heir(s)/legal representative(s)/nominee in case of death of the sole holder/ death of all holders. Where the deceased was a joint holder, DPs are required to capture the PAN details of the surviving holder(s) in the DPM Application Software (DPMAS). **In addition to above, DPs are requested to take the following steps in DPMAS:** **1. Capture the description "TRANSMISIN" in the PAN field of the deceased.** **2. Do not enable the PAN flag appearing against the name of the deceased in the existing depository account.** **3. Enable the PAN flag only against the names of the surviving holder(s) after updation of the concerned PAN field(s).** Thereafter, as explained in the aforesaid circular, DPs are advised to follow the procedure for unfreezing of the depository account, transferring of securities and submitting requests for waiver fees in respect of such depository accounts.
Circular No. NSDL/POLICY/ 2007/0005 Date: January 18, 2007	***Sub : Clarification-Obtaining/Capturing of PAN details in the DPMAS in case of transmission in depository account*** Depository Participants (DPs) have been seeking clarification regarding capturing of PAN details when a request for transmission of securities is received in case of death of Client(s) holding a depository account and such account is frozen **(Suspended for Debit)** due to non-compliance of PAN requirements. In this regard, it is hereby clarified that DPs should: 1. Capture the PAN details of the surviving holder(s) in the DPM Application Software (DPMAS), in case the deceased was a joint holder;

	2. Obtain the PAN details of the legal heir(s) or legal representative(s) of the deceased, in case the deceased was the sole holder of the depository account; 3. Obtain the PAN details of the nominee in case of death of the sole holder or death of all the holders, where nomination had been made in respect of such depository account. Thereafter, DPs are required to follow the procedure given hereunder: A) Unfreeze the Client account in the below given sequence (Refer Circular No. NSDL/POLICY/2006/0068 dated December 29, 2006): (i) Verify the PAN details as per the procedure laid down in Circular No. NSDL/POLICY/2006/0007 dated March 3, 2006 with respect to PAN details to be obtained / captured in the DPMAS. (ii) Update the PAN field and enable the PAN flag provided in the DPMAS in respect of the existing depository account. Ensure that the status of the updation is 'Closed,Settled'. (applicable only where transmission request is received from the surviving Client(s) as mentioned in point no. (1) above.) (iii) Remove the suspension by initiating unfreeze instruction and ensure that the status of the unfreeze instruction is 'Closed,Settled' prior to executing any other instruction in the DPMAS. B) Follow the procedure mentioned for account transfer in case of transmission as given in Rule 12.6 of Business Rules of NSDL under the following:
	Rule 12.6.1 — Transmission of securities held jointly in the depository
	Rule 12.6.2 — Transmission of securities held singly in the depository
	Rule 12.6.3 — Transmission of securities in case of nomination
	C) For submitting requests for waiver of fees to NSDL, DPs are requested to follow the procedure mentioned in Circular No. NSDL/PI/2003/2103 dated December 29, 2003.
Transmission - Processing pending cases	
Circular No. NSDL/PI/2000/2034 Date : November 3, 2000	Further to our Circular No. NSDL/PI/2000/1983 dated October 25, 2000, all Participants are hereby advised that the pending transmission cases arising out of nomination in respect of beneficial owner's account(s) where a valid nomination exists, can be processed and disposed of under the provisions of amended Bye Law 9.11 and Business Rule 12.6.3 of NSDL. The Participants should satisfy themselves about the identity of the nominee. Further, the Participants should ensure that in respect of existing accounts where nominations have been obtained, Annexure JA duly filled in by all the account holder(s) is obtained immediately.
Transmission cum Demat - Removal of time limit	
Circular No. NSDL/PI/2001/0899 Date : June 25,2001	Attention of the Participants is invited to our Circular No. NSDL/PI/99/58 dated January 22, 1999 regarding the procedure for processing the requests for transmission alongwith the dematerialisation of securities in case of joint holdings. In this context, all Participants are hereby informed that such requests can be accepted even after two years from the date of the death of the deceased.

❑❑❑

NOTES

5. Provision of transaction statement

Regulation 39A	In order to enable generation of a consolidated account statement for the use of a beneficial owner in respect of all demat assets held by him, the depository shall enter into necessary agreements for sharing of such information.”
Regulation 43	Every participant shall provide statements of account to the Beneficial Owner in such form and in such manner and at such time as provided in the agreement with the beneficial owner.
Renumbered Bye Law 6.4.3 Circular No.: NSDL/POLICY/ 2014/0044 Date:	Every Participant shall provide a statement of accounts including transaction statement and holdings statement to the Clients in such form and manner as specified under the Business Rules
Bye Law 7.4.1	In case of a dispute between a Client and a Participant with whom the Client had maintained his account, and the Participants unwillingness to give transaction statement to the Client, the Depository shall provide or cause to provide, through the Participant, such details about daily transactions as might be required by the Client.
Clause 6 of DP-Client Agreement Circular No. NSDL/PI/2003/0671 Date : April 23, 2003	‘The Depository Participant undertakes to provide a transaction statement including statement of accounts, if any, to the Client at monthly intervals unless the Depository Participant and the Client have agreed for provision of such statements at shorter intervals. However, if there is no transaction in the account, then the Depository Participant shall provide such statement to the Client atleast once a quarter’ The aforesaid amendments come into effect immediately and should be incorporated in the agreements to be executed with new Clients. However, in case of existing Clients, Participants are advised to intimate them about the aforesaid amendments and implement the same w.e.f. June 1, 2003.
Rule 14.3.1 Circular No.: NSDL/POLICY/ 2013/0034 Date: February 27, 2013	The Participant shall furnish a statement of accounts including transaction statement and holdings statement to every Client, who has opened an account with it, giving the details of the security-wise transactions and balances, in the accounts of the Clients. Such a statement shall be furnished to the Clients at monthly intervals and to the Clients opting for Basic Services Demat Account at quarterly intervals unless the Client and the Participant have agreed for provision of such statements at shorter intervals. However, if there is no transaction in the account, then the Participant shall provide such statement to the Client on an annual basis. A specimen of such statement is given in Annexure V. Provided however that in respect of accounts with no transaction and nil balance, one such statement shall be sent to the Client in physical form on an annual basis.

Circular No.: NSDL/POLICY/ 2020/0130 Date: September 28, 2020	***Subject: Access to e-CAS and value added services on IDeAS-Integration with Net/Mobile banking and DP/Broking website.*** As Participants are aware that NSDL's IDeAS facility offers the following value added services for Investors/Clients viz., 1) Access to NSDL e-CAS, 2) Download NSDL e-CAS of last 12 months, 3) View latest balances of the demat account along with the value based on the previous day closing price, 4) View transactions of demat account of last 30 days, 5) Access to NSDL's E-Voting facility, 6) Download 'Form 26AS'. NSDL is pleased to inform that it has facilitated integration between the DP/ broking/net banking/mobile banking portal and IDeAS website to facilitate Clients to access the aforesaid value added services. After secured login, Participants / Brokers can provide a link on their website for accessing IDeAS facility. On clicking the link, the User/Client will be redirected to IDeAS website after carrying out necessary authentication.
Circular No.: NSDL/POLICY/ 2019/0073 Date: October 30, 2019	***Subject: Facility to opt for e-CAS and view & download of e-CAS from IDeAS.*** All Participants are hereby informed that IDeAS facility has been further enhanced to facilitate Clients (beneficial owners) to subscribe for consolidated account statement through email (i.e. e-CAS) and update the email ID in depository account where Client wishes to receive e-CAS. Clients are also able to view the e-CAS which is sent by NSDL to Client in previous twelve months. Salient features of the aforesaid facility are given at Annexure 1. **Annexure-1** **Salient features** IDeAS facility is enhanced by incorporating following features which is available to beneficiary owner who is registered on IDeAS facility of NSDL: **1. Subscribe for e-CAS** 1.1. IDeAS users who have not subscribed for e-CAS can subscribe for the same by submitting request through IDeAS login. URL: https://eservices.nsdl.com/ Screen for login on IDeAS

1.2. e-CAS will be sent to the email ID registered in the demat account of Client. Client has the option to choose email ID which is registered in IDeAS/SPEED-e facility or provide any other email ID which will be also updated in depository account(s) of client.

1.3. For subscription for e-CAS, it is mandatory to accept terms & conditions by enabling the check box for "I/We hereby agree with the aforesaid terms and conditions".

1.4. Upon submission of request, the necessary details will be updated in demat account(s) of beneficiary owner at the end of the day.

2. View and Download e-CAS

2.1. After subscription for e-CAS, Client can view and/or download the e-CAS from following menu of IDeAS facility. Client can view and/ or download e-CAS through IDeAS which was generated and sent to Beneficiary owner through email in previous twelve months.

2.2. Steps to follow :

- To view eCAS, click on under 'View eCAS' and then enter PAN as password.
- To download eCAS, click on IB under 'Download eCAS (in .pdf)'

URL: https://eservices.nsdl.com/

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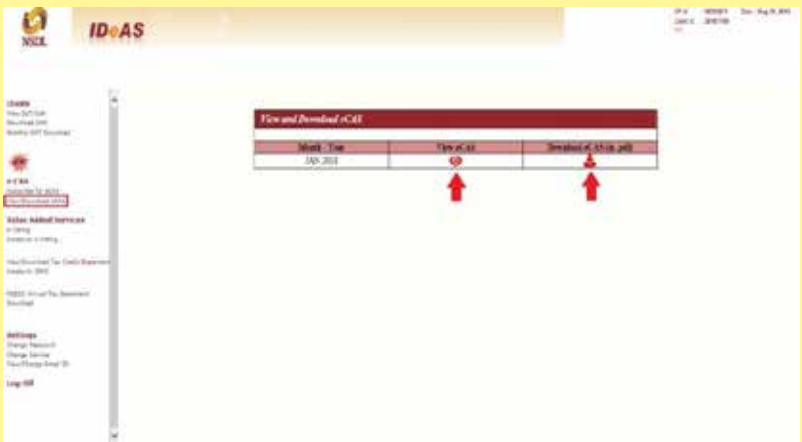

NSDL
IDeAS

Circular No.: NSDL/ POLICY/2020/0130 September 28, 2020	***Subject: Access to e-CAS and value added services on IDeAS-Integration with Net/Mobile banking and DP/Broking website.*** As Participants are aware that NSDL's IDeAS facility offers the following value added services for Investors/Clients viz., 1) Access to NSDL e-CAS, 2) Download NSDL e-CAS of last 12 months, 3) View latest balances of the demat account along with the value based on the previous day closing price, 4) View transactions of demat account of last 30 days, 5) Access to NSDL's E-Voting facility, 6) Download 'Form 26AS'. NSDL is pleased to inform that it has facilitated integration between the DP/ broking/net banking/mobile banking portal and IDeAS website to facilitate Clients to access the aforesaid value added services. After secured login, Participants / Brokers can provide a link on their website for accessing IDeAS facility. On clicking the link, the User/Client will be redirected to IDeAS website after carrying out necessary authentication.
Circular No.: NSDL/POLICY/ 2017/0070 Date: November 29, 2017	***Subject: Display of price and value updated at the interval of 5 min for ISINs listed on National Stock Exchange Limited on IDeAS facility*** As Participants are aware, NSDL provides a facility called IDeAS (Internet-based Demat Account Statement) which facilitates demat account holders to access their demat account online. Using IDeAS facility demat account holders can view latest balances and transactions available in their demat accounts alongwith the value based on the previous day closing prices(s) on the stock exchange platform. Various features that are available on IDeAS facility are given below: • Client can view **latest holdings** along with value of holdings based on the previous day closing price in demat account. • Client can view **transactions** that have taken place in demat account during the last 30 days. • Client can **download month-wise transaction statement** for the previous month (maximum 12 months) from the date of activation of IDeAS facility. • Client can access e-Voting system of NSDL and **cast votes electronically** in respect of resolutions of companies to be passed by Postal Ballot or at General Meetings. • Client can access TRACES website of Income Tax Department and **View / Download Tax Credit Statements (Form 26AS)**. **Background:** • IDeAS facility provides valuation of securities available in the demat account. • Currently, valuation of the securities is calculated based on the previous day closing prices of the securities as obtained from the stock exchanges. **New Feature:** • NSDL is pleased to inform Participants about new feature (i.e. *display of price and valuation of securities updated at the interval of 5 min based on the prices obtained from the NSE for those securities which are listed on NSE IDeAS facility)*. **Benefits to Investors:** • Investors can use this facility to monitor their portfolio frequently during trading period. • This facility will be useful for the investors to know the latest value of their investments and will help them to take decisions about their investments. **Charges** • Currently, the aforesaid facility will be made available to the demat account holders at free of cost. In respect of those securities which are only listed on BSE, closing prices as of previous day will continue to show on IDeAS website during trading period. After the trading period, closing prices as provided by NSE and BSE will be updated on IDeAS website as per existing process. This aforesaid facility has been released on IDeAS facility with effect from **Tuesday , November 28, 2017**.

Circular No.: NSDL/POLICY/ 2017/0029 Date: May 17, 2017	***Subject: SMS Alert facility enhanced – SMS Alerts to Clients upon Pledge instruction initiation/confirmation.*** As Participants are aware, SMS Alert facility provides important updates to Clients on their mobile phones about some of the activities in their depository accounts, which facilitates risk mitigation and provides value added services. Clients and Participants have widely appreciated this facility Participants are hereby informed that with effect from May 20, 2017, SMS Alert facility will be enhanced whereby Pledgor Client will receive SMS alerts upon initiation and confirmation of securities pledged in their demat accounts. These SMS Alerts will be sent to the Clients on the same day when instructions for pledge initiation / confirmation are processed in respect of the pledgor demat account. Sample text message of SMS Alerts is given below: a) Pledge Initiation: On _____ (date, dd/mm/yy), Pledge initiation instruction for _____ (quantity) _____ (company name), has been submitted in respect of your demat a/c no. xxxx1234. NSDL. b) Pledge Confirmation: On _____ (date, dd/mm/yy) Pledge initiation instruction for _____ (quantity) _____(company name), has been confirmed in respect of your demat a/c no. xxxx1234. NSDL. A list of features of SMS Alert facility is enclosed for information of Participants. **Annexure** **Introduction** NSDL provides SMS Alert facility for demat account holders whereby they can receive SMS alerts directly from NSDL for following: 1) All Debit Transfers 2) Credits for IPO, sub-division and bonus 3) Failed instructions 4) Overdue instructions 5) Change of mobile number 6) Change of address 7) Debit of Mutual Fund units 8) Invocation of pledged securities 9) Registration and De-registration of Power of Attorney 10) Modification / Cancellation of nominee name 11) Pledge initiation and confirmation **Charges** No charge is levied by NSDL to Participants for providing this facility to investors. **Registration** (i) This facility will be available to the investors provided they have given their mobile numbers to their DPs and the DPs have captured the numbers in the Local DPM System and have also enabled (ticked) the SMS flag in their Local DPM system. (ii) Those investors who have provided their mobile numbers to their DPs but do not wish to avail this facility may inform their DPs to disable the SMS flag provided such accounts are not operated by Power of Attorney. (iii) For change of address and registration & de-registration of Power of Attorney in Local DPM System, SMS alerts will be sent to Client's mobile phone (captured in Local DPM System) irrespective of Client availing SMS Alert facility. For further details / information investors may contact us at: **Investor Relationship Cell** **National Securities Depository Limited** 4th Floor, A Wing, Trade World, Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Tel.: (022) 2499 4200, Fax: (022) 2497 6351 Email: relations@nsdl.co.in

Circular No.: NSDL/POLICY/ 2015/0090 Date: October 9, 2015	***Subject: Statement of Account through Electronic Mode and registration of email ID.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2008/0036 dated May 21, 2008 and Business Rules 14.3.2, 14.3.3 and 14.3.4 regarding sending statement of account in electronic mode. All Participants are hereby informed that procedure for providing statement of account in electronic mode is revised and the same is given below: 1) Obtain a written or electronic request from Client. The electronic request can be obtained in any of the following modes provided controls as mentioned at Annexure A are implemented: a. Through registered email ID b. Through website of Participant c. Through IVRS system by using tele-pin d. Through ATM in case of Bank Participants 2) Inform Client about the following: a. Client must ensure the confidentiality of the password of email account. b. Client must promptly inform the Participant if the email address has changed. c. Client may opt to terminate this facility by giving 10 days prior notice. Similarly, Participant may also terminate this facility by giving 10 days prior notice. Participants are hereby informed that NSDL has developed a new facility on NSDL CAS microsite (https://nsdlcas.nsdl.com/) whereby Clients can submit their requests to receive statement of account in electronic mode (i.e. eCAS) and also able to provide its email ID for the same. Further, the NSDL CAS microsite facility will be enhanced by November 30, 2015 so that the updated email ID and the request to receive statement of account in electronic mode which is recorded on NSDL CAS microsite will be updated directly in the demat account of the Client. Participants will be informed about the procedure to update their back-office system with the new email ID and flag to receive statement of account in electronic mode subsequently. **Annexure** **Controls for request of Client are as follows:** 1) Through registered email ID (i) Request is received from the email address which is recorded in the DPM system. (ii) On receipt of request, a confirmation email is sent to the Client at the email address recorded in the DPM system requesting the Client to reply to email. (iii) The Client replies to the email sent as mentioned at point no. (ii) above. 2) Through website of Participant (i) There are adequate systems and security features in place to authenticate the Client and to ensure that the Client itself has made a request for change. (ii) Participant must implement Secure Socket Layer (SSL) security for its internet facility featuring site authentication and encrypted communication and appropriate Client authentication so as to restrict the access only to the Client. (iii) Authentication of Client by using one time password (OTP) sent to Client on his registered mobile number. 3) Through IVRS: (i) Request is received from registered mobile number. (ii) Authentication of Client by using tele-pin sent to Client at his registered address at the time of registering Client for IVRS facility. 4) Through ATM in case of Bank Participants: (i) Authentication of Client through ATM pin (ii) OTP sent to Client at his registered mobile number Participant shall be liable to conclusively prove the origin, date and time of receipt of request by it.

Circular No.: NSDL/POLICY/ 2015/0054
Date: May 19, 2015

Subject: Consolidated Account Statement (CAS) and Facility on I-Assist.

Attention of all Participants is invited to Circular No. NSDL/POLICY/2015/0026 dated February 24, 2015 regarding statement of account to be sent by NSDL to all the Clients. In this regard, it is clarified that NSDL will be sending the statement of account to all the clients in respect of their demat accounts wherever the statement is required to be sent. However, the statements in respect of Clearing Member (CM) accounts will not be sent by NSDL and the Participant may continue sending such statements to CMs.

Further, as informed vide Circular No. NSDL/POLICY/2015/0010 dated January 17, 2015, the manner of informing NSDL for noCAS information received by Participant from Clients in writing is given at Annexure A alongwith other types of intimation with respect to Preferred Depository, Mode of delivery for receiving CAS and accounts with nil holding and no transaction in a year where yearly physical statement is not required to be sent.

Participants are requested to take note of the same.

Facility on I-Assist

1. **NoCAS Information**: Upon receipt of request from Client for not receiving the CAS from depositories, Participant can upload the information on ***"Upload NO CAS details"*** under NSDL CAS menu on i-Assist. The file format for uploading the aforesaid information is given below:

Sr. No.	DP ID	CLIENT ID	PAN of First Holder	CAS FLAG
1	INXXXXXX	1000XXXX		'Y' OR 'N'

Note: Y = Yes (*Client has opted for receiving CAS*)

N = No (*Client has opted for not receiving CAS*)

If client who has opted for not receiving CAS in past, wishes to receive the NSDL CAS again, then client can inform to Participant and the Participant is required to provide the details of such clients in the aforesaid format by updating the CAS flag as 'Y'.

(File naming convention: DPID_NOCAS_DDMMYYYY_01.xls)

2. **Preferred Depository**: On the basis of the SEBI guidelines, depository which would be servicing the client for sending the CAS, will be identified. The respective depository will be called as *"Default Depository"*". Further, if the default depository is "NSDL", the Client on receipt of CAS from *Default depository* viz., NSDL, can change the *"default depository"* by informing his/her preference to choose CDSL as preferred depository to receive CAS by submitting a letter signed by the first holder to any DP of NSDL where he/she has an account. Alternatively, the Client can also send email to NSDL-CASfeedback@nsdl.co.in from his/her email id registered with NSDL by quoting his/her Name and Permanent Account Number (PAN). The default value will be "N" for all NSDL demat accounts. However, in case the Client opts CDSL as preferred depository, the Participant will be required to update the "Preferred depository Flag" from "N" to "C". Such requests, received from Clients need to be uploaded on ***'Upload Preferred Depository details'*** under NSDL CAS menu on i-Assist in the below mentioned format:

Sr. No.	DP ID	CLIENT ID	PREFERRED DEPOSITORY FLAG
1	INXXXXXX	1000XXXX	ALWAYS 'C'

Note: N = NSDL

C = CDSL

(File naming convention: DPID_DEPOSITORY_FLAG_DDMMYYYY_01.xls)

3. **Mode of delivery**: Upon receipt of request from Client to receive CAS in physical or in electronic mode, Participant can upload the information on ***'Upload CAS Dispatch Mode'*** under NSDL CAS menu on i-Assist. The file format for uploading the aforesaid information is given below:

Sr. No.	DP ID	CLIENT ID	CAS DIS-PATCH MODE	FIRST_HLDR_ EMAIL_ID	SECOND_ HLDR_ EMAIL_ID	THIRD_ HLDR_ EMAIL_ID
1	INXXXXXX	1000XXXX	'P' OR 'E'	Mandatory in case of CAS DISPATCH MODE 'E'		

Note: P = Physical mode

E = Electronic mode

(File naming convention: DPID_DISPATCH_MODE_DDMMYYYY_01.xls)

4. **Accounts with nil holding and no transaction in a year where yearly physical statement is not required to be sent**:

As per SEBI guidelines, Participant can stop sending physical transaction statement to the clients provided they comply with certain requirements as mentioned vide SEBI circular dated July 1, 2014. Accordingly, Participant can provide the details of such client account(s) for which yearly physical transaction statement is not required to be sent in the following format on i-Assist under the upload of client Accounts with nil holding and no transactions in a year where yearly physical statement is not required to be sent .

Sr. No.	DP ID	CLIENT ID	Yearly Physical Statement Flag
1	INXXXXXX	1000XXXX	'N' or 'Y'

In case Client subsequently comply with the requirement and Participant is required to send aforesaid physical statement to Client, then Participant can submit details in aforesaid format with Yearly Physical Statement Flag as 'Y'.

Note: N = Physical statement is not required to be sent

Y = Physical Statement is required to be sent

(File naming convention: DPID_DISPATCH_MODE_DDMMYYYY_01.xls)

Circular No.: NSDL/POLICY/ 2015/0026
Date: February 24, 2015

Subject: Consolidated Account Statement for all securities assets to Clients by NSDL (NSDL – CAS).

Attention of all Participants is invited to Circular No. NSDL/POLICY/2014/0122 dated November 12, 2014 and Circular No.: NSDL/POLICY/2015/0010 dated January 17, 2015 regarding Consolidated Account Statement (CAS) to be sent by Depositories. In this context, all Participants are hereby informed that in pursuance to Business Rule 14.3.6, with effect from February 2015 the statement of account will be sent by NSDL to all the Clients and the bill thereof will be included in the monthly bill of Participants. Accordingly, Participants will not be required to send such statement of account as per Rules 14.3.1, 14.3.2, 14.3.3 and Rights and Obligations Document as specified at Annexure K to Clients. However, if a Client makes a request for such statement, the Participant shall be duty bound to provide the same.

Circular No.: NSDL/POLICY/ 2015/0010 Date: January 17, 2015	***Subject: Footnote for Consolidated Account Statement (CAS) in the Statement of Accounts to be provided to Clients.*** As all Participants are aware, SEBI has vide its Circular dated November 12, 2014 (No. CIR/MRD/DP/31/2014) notified the requirement to issue a Consolidated Account Statement (CAS) by Depositories to enable a single consolidated view to all investors having Mutual Fund (MF) investments and holding demat accounts with the Depositories w.e.f. March 2015 w.r.t. transactions carried out during the month of February 2015. In this context, Participants are advised to incorporate the following footnote in the next Statement of Accounts sent to Clients for the month ended January 2015 onwards: "For the benefit of the investors SEBI has directed Depositories to send Consolidated Account Statement (CAS) from February 2015 for the investments of an investor in Mutual Funds (MF) and securities held in demat form with the Depositories. NSDL CAS will enrich your experience of managing your portfolio effectively and benefit you in many other ways viz. better decision making, simplified monitoring, rich analysis of portfolio etc. However, if you do not wish to receive the CAS (not recommended), you may write to your DP or send your request at noCAS@nsdl.co.in from your email ID registered in your demat account held with NSDL." Procedure to incorporate the aforementioned changes in the Statement of Accounts generated from DPM System and manner of informing NSDL for noCAS information received by Participant from Clients in writing will be informed in due course. Participants who are providing the Statement of Accounts through their back office system are advised to make necessary changes to their back office system and incorporate the aforesaid footnote in the Statement of Accounts for the month ended January 2015 onwards.
Circular No. NSDL/POLICY/ 2014/0131 Date: December 26, 2014	***Subject: ISIN description and narration of corporate action in statement of accounts.*** As all Participants are aware, the Participants provide statement of accounts including transaction statement and holdings statement to the Clients as per the defined frequency and as and when required by the client. In this context, it is observed that where such statements are generated by Participants through back office, the narration of corporate action / ISIN description (especially in case of corporate debt) appearing in the statement of accounts may not be meaningful to the Client. Accordingly, all Participants are requested to review the same and modify the same, if necessary, latest by March 31, 2015. Participants may also use the ISIN description and narration of corporate actions as per the statement of account generated from the DPM system.
Circular No. NSDL POLICY/ 2014/0122 Date: November 12, 2014	***Subject: Consolidated Account Statement (CAS) for all securities assets and amendment to Business Rules.*** All Participants are hereby informed that SEBI has vide its Circular No. CIR/MRD/DP/31/2014 dated November 12, 2014 (copy enclosed) notified the requirement to issue a Consolidated Account Statement to enable a single consolidated view of all the investments of an investor in mutual funds and securities held in demat form with the Depositories. In view of the above, all Participants are hereby notified that a new Rule 14.3.6 has been inserted in Business Rules of NSDL. The same is given below: "14.3.6 The Depository may directly send statement of account including transaction statement and holdings statement to Clients and in such cases Participants are not required to send such statement of account as per Rule 14.3.1, 14.3.2, 14.3.3 and Rights and Obligations Document as specified at Annexure K. Provided that whenever the Client requests for such a statement, the Participant shall be duty bound to provide the same." Participants are requested to take note of the same.

Circular No. NSDL/POLICY/ 2012/0127 Date: November 2, 2012	***Sub: Display of price, NAV and face value of unlisted ISINs on IDeAS facility*** As Participants are aware, Clients availing **IDeAS** facility can view the latest balances of their demat accounts on the internet along with the value based on price and NAV in respect of holdings of listed ISINs, E-series ICINs of National Spot Exchange Limited and mutual fund units respectively. **IDeAS** facility has been further enhanced to display price / face value and indicative value in respect of non-convertible debentures, bonds, ETFs, unlisted equity shares etc, held by Clients in their demat accounts. This aforesaid feature will be released on **IDeAS** facility with effect from Tuesday, November 6, 2012.
Transaction Statements	
Circular No. NSDL/POLICY/ 2010/0002 Date: January 4, 2010	***Sub: Footnote in the Transaction Statements provided to Clients*** As all Participants are aware, NSDL has enabled the facility of holding mutual fund units in dematerialised form as per the scheme envisaged by SEBI vide its Circular No. SEBI/IMD/CIR No.11/183204/2009 dated November 13, 2009 for transacting in mutual funds [*Ref.: Circular No.: NSDL/POLICY/2009/0116 dated December 5, 2009*]. In order to spread awareness about this facility and encourage investors to avail this facility, following footnote has been incorporated in the Transaction Statements, of Client accounts (*Active or Frozen*) where PAN flag is enabled in DPM System. In case of accounts which are suspended for PAN non-compliance, the footnote related to PAN will continue to be displayed. "***You can now hold your mutual fund investments in this demat account. Contact your Depository Participant or your stock broker for more information***".
	In order to incorporate the aforementioned changes in the DPM System, Participants are advised to: 1. Copy the enclosed zip file i.e. "Client_Setup" into C:\ drive of your DPM setup. 2. Extract the folder i.e. "Client_Setup" in C:\ drive. 3. Open "Client_Setup" folder and double click on the file named as "Double_Click.Bat". Participants who are providing the Transaction Statements through their back office system are advised to make necessary changes to their back office system and incorporate the aforesaid footnote in the Transaction Statements for the month ended January 2010 onwards. As regards conversion of physical units held in Statements of Account form into dematerialised form, this will be notified to the Participants after it is approved by SEBI. Participants may contact Mr.Ashish Kini or Mr.Ravindra Sahu at Tel. No. 022 – 24994494 or 022-24994212 or email IDs ashishk@nsdl.co.in or ravindras@nsdl.co.in for any information on holding/ transacting mutual fund units through the depository accounts.

Circular No. NSDL/POLICY/ 2008/0036 Date: May 21, 2008	***Sub: Providing Transaction Statements to Clients by email or on website*** As all Depository Participants (DPs) are aware, NSDL had vide Circular nos. NSDL/PI/98/477 and NSDL/PI/2002/0398 dated September 22, 1998 and March 7, 2002 respectively clarified that DPs can provide transaction statements to their Clients by email or on website provided an agreement is executed with the Client. DPs have been requesting NSDL to permit providing of such transaction statements to their Clients by email or on website on terms and conditions to be signed by the Clients in this regard. In view of the above, DPs may provide transaction statements by email and/or on website by entering into a legally enforceable arrangement with the Client subject to the following: **A. General** 1. This facility can be provided only on receipt of a written request from Client(s) duly signed (by all account holders in case of joint account) clearly stating their intention to receive transaction statements either by email or on website or both. 2. The terms and conditions to be signed by the Client(s) (by all account holders in case of joint account) shall include the following clauses: (a) The Client(s) is/are aware that it will not receive the transaction statements in paper form. (b) The Client(s) will take all the necessary steps to ensure confidentiality and secrecy of the login name and password of the internet/email account. (c) The Client(s) is/are aware that the transaction statement may be accessed by other entities in case the confidentiality/ secrecy of the login name and password is compromised. (d) In case transaction statements are sent by email, the Client(s) shall immediately inform the DP about change in email address, if any. (e) DPs and Client(s) shall have the right to terminate such service provided a written notice is given atleast 10 days in advance to the other party.

	3. The signature(s) of the Client(s) on the terms and conditions must be verified by a DP official and such official shall sign to the effect that the same is/are verified. 4. In case, the DP is not able to provide transaction statement to its Clients by email or on website due to any reason (including bounced emails), the DP should ensure that the transaction statement is provided to the Client in paper form as per the time schedule stipulated in the Bye Laws & Business Rules of NSDL. 5. If the Client(s) is/are desirous of receiving transaction statements in paper form, DPs shall be duty bound to provide the same. B. Email 1. The transaction statements should be digitally signed in accordance with the Information Technology Act, 2000. 2. The transaction statements should be password protected. C. Website 1. DPs must implement Secure Socket Layer (SSL) security for their Internet facility featuring site authentication, encrypted communication and appropriate client authentication so as to restrict the access of transaction statements only to the Client. The transaction statements made available on website should be digitally signed in accordance with the Information Technology Act, 2000. 2. DPs will be required to send a consolidated transaction statement in paper form or in electronic form (email) for the entire financial year and the same shall be dispatched before 15th May of every year. 3. The transaction statements should be made available on the website for a period of atleast 12 months. For further information / clarification, DPs are requested to contact Mr. Kaushal Shah / Ms. Prajakta Sadekar on Tel. No. (022) 24994214 / 4483 (email: kaushals@nsdl.co.in / prajaktas@nsdl.co.in).
Circular No. NSDL/NSDL/PI/2002/0398 Date : March 7, 2002	Participants were advised about the procedure for providing Transaction Statements on internet vide our Circular No. NSDL/PI/98/477 dated September 22, 1998. We have been receiving requests from some Participants to allow them to provide Transaction Statements through email as well. Participants may provide Transaction Statements to their Clients through Internet (web-based/email), provided an agreement has been executed with the Client as per the enclosed Annexure. Participant must implement Secure Socket Layer (SSL) security for their Internet facility featuring site authentication and encrypted communication. **Annexure** **Agreement between the Participant and the Client for providing the Transaction Statement through Internet** This agreement made and entered into this _____ day of _____ between _____ situated at _____ (hereinafter called "the Client") and _____ situated at _____ (hereinafter called "the Participant"). **Witnesseth**

WHEREAS the Client has permitted the Participant to provide the transaction statement through internet (web-based and/or email).

NOW THEREFORE in consideration of the Participant having agreed to provide the transaction statement through internet (web-based and/or email), both the parties to the agreement hereby covenant and agree as follows :

i. The Participant shall install adequate systems to restrict the access of the transaction statement only to the Client.

ii. The Client shall take all the necessary steps to ensure confidentiality and secrecy of the login name and password.

iii. The Client is aware that the transaction statement may be accessed by other entities in case the confidentiality /secrecy of the login name and password is compromised.

iv. In case the Client opts for transaction statement through email, it shall immediately inform the Participant about change in email address, if any. The Participant shall verify and confirm with the Client about the change. Further, the Participant shall confirm with the Client about validity of the email address atleast once in a year.

v. The Client agrees not to receive Transaction Statement in paper form from the Participant. Provided however that, in case when the Participant is not able to provide Transaction Statement to its Clients through internet (web-based / email) due to any unforeseen problems, the Participant should ensure that the Transaction Statement reaches to the Client in physical form as per the time schedule stipulated in the Bye Laws & Business Rules of NSDL.

vi. The Participant and the Client shall have the right to terminate this agreement after giving a notice of atleast 10 days to the other party.

vii. The above terms and conditions are in addition to and not in contravention of the terms and conditions forming a part of the "AGREEMENT BETWEEN THE PARTICIPANT AND THE PERSON SEEKING TO OPEN AN ACCOUNT WITH THE PARTICIPANT" signed by the Client at the time of opening the account with the Depository.

IN WITNESS WHEREOF the Participant and the Client has caused these presents to be executed as of the day and year first above written.

Signed and delivered by

_____ _____

(for and on behalf of the Client) (Witness)

Signed and delivered by

_____ _____

(for and on behalf of the Depository Participant) (Witness)

Transaction Statements - Provisions through Internet	
Circular No. NSDL/PI/98/477 Date: September 22, 1998	We have been receiving requests from Participants to allow providing of transaction statements through Internet. Participants are requested to note that in case they desire to provide this service to their clients, they may do so provided an agreement is executed with the clients as per the format enclosed. **Annexure** **Agreement between the Depository Participant and the client for providing the Transaction Statement through Internet** This agreement made and entered into this _____ day of _____ between _____ situated at _____ (hereinafter called "the Client") and _____ situated at _____ (hereinafter called "the Depository Participant"). **Witnesseth** **WHEREAS** the Client has permitted the Depository Participant to provide the transaction statement through internet. **NOW THEREFORE** in consideration of the Depository Participant having agreed to provide the transaction statement through internet, both the parties to the agreement hereby covenant and agree as follows: i. The Depository Participant shall install adequate systems to restrict the access of the transaction statement only to the Client. ii. The Client shall take all the necessary steps to ensure confidentiality and secrecy of the log-in name and password. iii. The Client is aware that the transaction statement may be accessed by other entities in case the confidentiality/ secrecy of the login name and password is compromised. iv. The Depository Participant and the Client shall have the right to terminate this agreement after giving a notice of atleast 10 days to the other party. v. The above terms and conditions are in addition to and not in violation of the terms and conditions forming a part of the "Agreement between the Depository Participant and the person seeking to open an account with the Depository Participant" signed by the Client at the time of opening the account with the Depository. **IN WITNESS WHEREOF** the Depository Participant and the Client has caused these presents to be executed as of the day and year first above written. Signed and delivered by _____ _____ (for and on behalf of the Client) (Witness) Signed and delivered by _____ _____ (for and on behalf of the Depository Participant) (Witness)

Internet-based Demat Account Statement - IDeAS	
Circular No.: NSDL/ POLICY/2015/0093 Date: October 27, 2015	***Sub: Launch of Online registration facility for IDeAS.*** As Participants are aware, NSDL provides common internet based facility called IDeAS (Internet-based Demat Account Statement) which facilitates demat account holders to view latest balances alongwith the value based on the previous day closing price and transactions that have taken place during last 30 days in their depository accounts. IDeAS also provide the facility of downloading, printing and viewing digitally signed monthly transaction statements for previous 12 months. All Participants are hereby informed that the IDeAS facility has been enhanced to enable Clients to register for IDeAS through Register Online for IDeAS facility. Using this facility, Client can register for IDeAS facility directly on e-Services website (https://eservices.nsdl.com) and start using the same. This facility eliminates the need for Clients to submit the online registration documents to the Participants for subsequent authorization of IDeAS facility. This facility can be availed by only those clients who have registered mobile number in DPM system for at least one of the account holders. The operating guideline for Register Online for IDeAS facility are enclosed at Annexure.
	1. Client will access e-Services website (https://eservices.nsdl.com) for registration of IDeAS facility and click on 'Register online for IDeAS' link available on the home page of e-Services website (refer exhibit 1). **Exhibit 1: e-Services website home page** 2. After clicking on the aforesaid link, Client will be required to enter the following details and click on 'Submit' option for registration of IDeAS facility (refer Exhibit 2): a) DP ID, b) Client ID,

c) Mobile Number (registered in his/her demat account in NSDL DPM System) and

d) Verification Code (Captcha).

Exhibit 2: Registration of IDeAS facility – Submission

Upon clicking on submit button, demat account details as submitted by the Client on e-services website will be validated by NSDL with the details available in the demat account in DPM system and if the same are found correct, then User will be directed to authorization page of IDeAS facility. In case mobile number is not captured in the demat account in the DPM System for Sole Holder / First Holder or Second Holder or Third Holder (in case of joint account), the Client will not be able to proceed to Register online for IDeAS facility. In such case, Client would be required to approach its Participant (where Client is maintaining its demat account) to update his/her mobile number in the demat account to register demat account through Register online for IDeAS facility.

3. Upon successful validation, Client will have an option to complete the IDeAS registration by entering either last 4 digits of bank account number (as captured in demat account) or entering One Time Password (OTP) message received on the registered mobile number of the demat account holder.

Option 1 – Verification through bank account number:

Client will be required to select 'Option 1' by enabling the radio button of Bank Account No. and enter last 4 digits of the bank account captured in demat account of the Client (refer Exhibit 3). The last 4 digits of bank account number entered by the Client will be verified with the bank account number available in demat account in the DPM system.

Exhibit 3: Registration of IDeAS facility - Authorization

Option 2 – Verification through OTP:

Client will be required to select 'Option 2' by enabling the radio button of One Time Password and click on 'Generate OTP' button (refer Exhibit 4). After clicking on the Generate OTP button, OTP will be generated and sent on the mobile number of Sole Holder / First Holder registered in demat account in the DPM system. In case the mobile number of the first holder is not available, then OTP will be sent to mobile number of the second or third holder, as the case may be, registered in demat account in the DPM system. Client will be required to enter OTP within 30 minutes from the time when SMS was sent from NSDL.

Exhibit 4: Registration of IDeAS facility - Authorization

Upon successful completion of authorization process through any of the above mentioned options, Client will be directed to final registration page (refer Exhibit 5) for registration of IDeAS facility.

4. Client will be required to enter the following details and click on submit button to proceed for completion of IDeAS registration:
   a) User ID of his / her choice,
   b) User Name,
   c) Date of Birth,
   d) Email ID and
   e) Password & Confirm Password.
   f) Client can enter their password either using the physical keyboard or virtual keyboard (after enabling the check box - 'Use Virtual Keyboard')

Exhibit 5: Registration of IDeAS facility – Final Submission

5. After clicking on submit button, confirmation page will be displayed to the Client for confirmation of IDeAS registration. Client will be required to confirm the Terms & Conditions by ticking on the check box provided on the screen and click on confirm button (refer Exhibit 6).

Exhibit 6: Registration of IDeAS facility – Confirmation

6. After final confirmation of IDeAS registration, an acknowledgement page (refer Exhibit 7) will be displayed to the Client. Client will be able to login to IDeAS facility with the login credentials viz., User ID and Password as provided during the registration process.

	 Exhibit 7: Registration of IDeAS facility – Acknowledgement
Circular No.: NSDL/ POLICY/2015/0049 Date: May 7, 2015	***Sub: Launch of Single sign-on facility for e-Voting and IDeAS.*** As all Participants are aware, NSDL has developed an e-Voting system (https://www.evoting.nsdl.com/) wherein shareholders can cast their votes electronically in respect of resolutions of companies to be passed by postal ballot or at general meetings as per extant rules and regulations. NSDL is pleased to inform the Participants that NSDL has now integrated its e-Services website (https://eservices.nsdl.com/) with the aforesaid e-Voting facility, which will enable Users of IDeAS facility to access e-Voting system for casting their votes in respect of companies, wherein the users are shareholders as of the record date / cut-off date, by using the login credentials viz; User ID and password of IDeAS facility. This is an additional facility to using the login credentials viz; User ID and Password of the e-Voting system. Thus, clients would not be required to log-in to e-voting system separately for casting their votes in respect of the resolutions and can also cast their votes by accessing the e-voting system of NSDL through their IDeAS login. The aforesaid features will be released on e-Services website with effect from May 9, 2015.
Circular No.: NSDL/ POLICY/2015/0030 Date: March 9, 2015	***Sub: IDeAS annual fee on financial year basis.*** As all Participants are aware, NSDL provides common internet facility called IDeAS, which facilitates investors to view latest balances alongwith the value and transactions in their depository accounts. The annual fee for IDeAS is being charged to the Participants on calendar year basis (i.e. January to December) and included in the monthly bill of December every year. Based on the suggestions/ feedback received from the various Participants, it has been decided to charge annual fee related to IDeAS facility on financial year (FY) basis and included it in the monthly bill of March. Since the annual fee for calendar year 2015 is not charged so far, the annual fee IDeAS will be charged to the Participants for the period from January 1, 2015 to March 31, 2016 and will be included in the monthly bill of March 2015. Participants are requested to take note of the same.

Circular No. NSDL/POLICY/ 2012/0099

Date: September 18, 2012

Sub: Participants and e-token based Users of SPEED-e and IDeAS facility to upgrade system configuration

All Participants are hereby informed that as per the direction of Controller of Certifying Authorities (CCA), format of Digital Signature Certificate (DSC) is required to be enhanced as follows:

1. HASHing algorithm : SHA1RSA to SHA2RSA
2. Key length : 1024 to 2048 bits

In view of the aforesaid, NSDL will be enhancing its PKI solution. The new PKI solution is qualified to be used only on Windows XP with Service Pack 3 (SP3) or Windows 7. As a result, Participants and e-token based Clients accessing e-Services facility of NSDL viz., SPEED-e and IDeAS would be required to upgrade their system configuration as follows :

(i) Supporting Operating System: Windows XP with SP3 or Windows 7.

(ii) Supporting Internet Explorer Version 6 & 7.

(iii) Upgradation of JRE version to 1.6.0_29 / 1.6.0_30 / 1.6.0_31.

Detailed User manual for checking the system configuration is enclosed at Annexure.

Participants and e-token based Clients accessing SPEED-e and IDeAS must carry out the aforesaid installation / upgradation by October 13, 2012 otherwise Participants and such clients will not be able to access SPEED-e / IDeAS facility with effect from October 15, 2012.

Participants are requested to inform their functional / operational Users and e-token based Clients accessing SPEED-e and IDeAS accordingly.

For more information / clarifications, kindly contact the following officials :

Name of the Person	Contact Numbers	Email IDs
Mr. Sunit Save	(022) 2499 4723	sunits@nsdl.co.in
Mr. Anurag Das	(022) 2499 4829	anuragd@nsdl.co.in
Mr. Prasad Phodkar	(022) 2499 4729	prasadp@nsdl.co.in
Mr. Dattaram Sawant	(022) 2499 4869	dattarams@nsdl.co.in

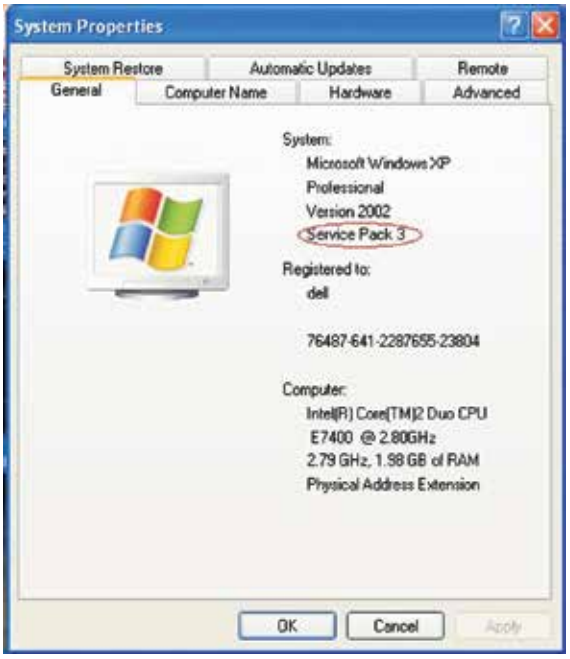
Annexure

User Manual for checking System Configuration

Sr. No.	Index	Page No
1	Supporting Operating Systems: Windows XP with SP3 or Windows 7	2 – 3
2	Supporting Internet Explorer Version 6 & 7	3 – 4
3	Upgradation of JRE version to 1.6.0_29 / 1.6.0_30 / 1.6.0_31	4 – 8

1) **Supporting Operating System : Windows XP with Service Pack 3 (SP3) or Windows 7 :**

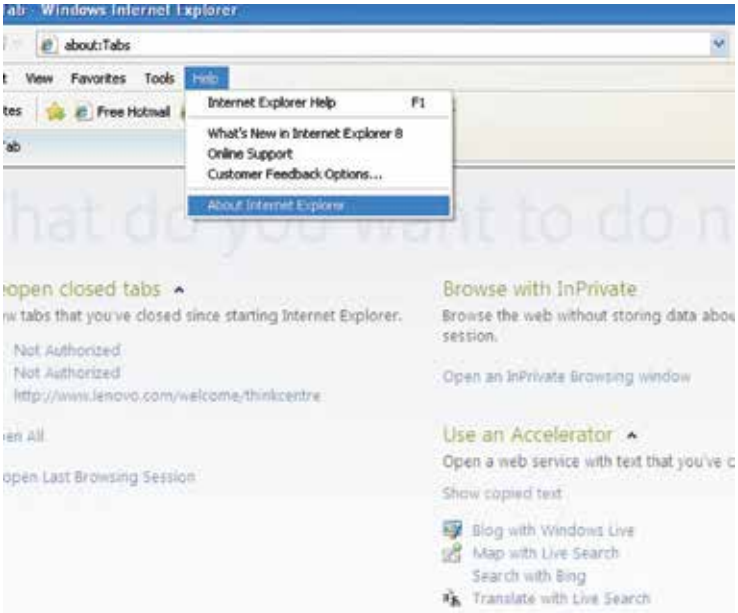
After installing Windows XP with SP3 or Windows 7, to check the Service Pack, follow the given below procedure

	a) Right click on 'My Computer' and then click on 'Properties'
	b) Ensure that the system configuration is displayed below in case Windows XP with SP3 is installed: 

c) In case Windows 7 is installed, the system configuration should be displayed as follow :

2) **Supporting Internet Explorer Version 6 or 7 :**
After installing Internet Explorer Version 6 or 7, to check the version, follow the below given procedure :

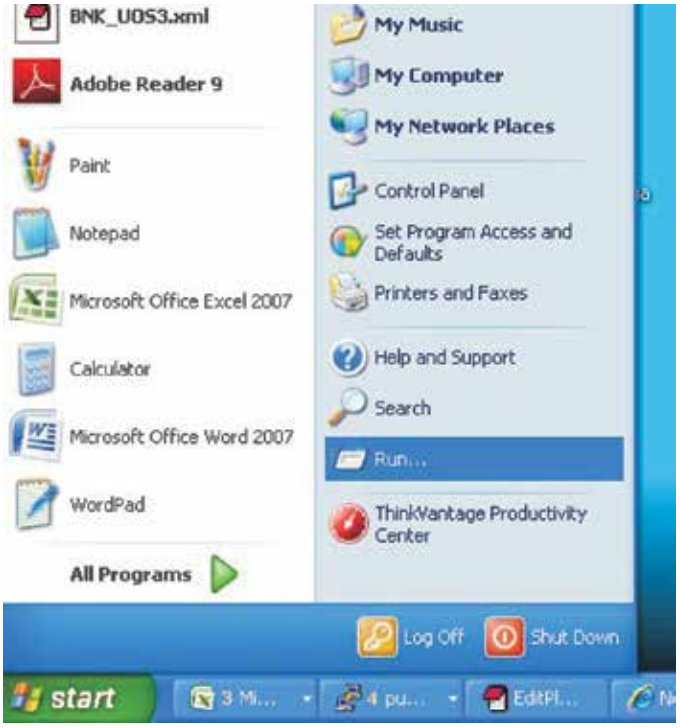
a) Go to -> Help -> about Internet Explorer



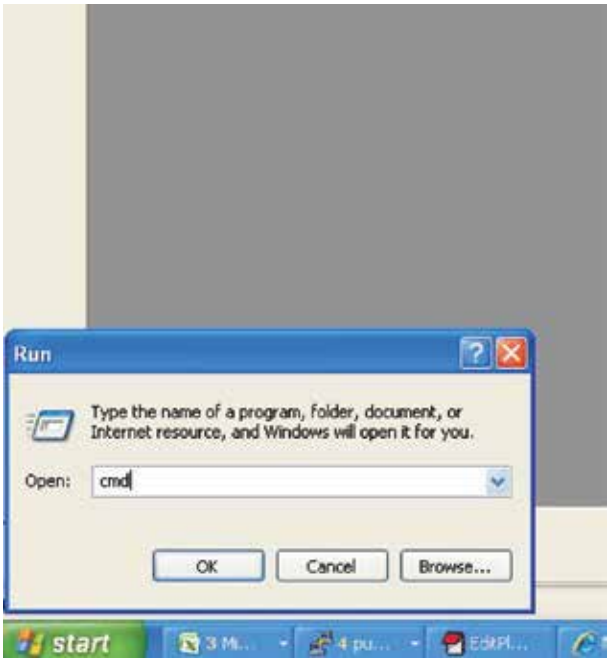
b) Internet Explorer Version 6 or 7 as the case may be will be displayed. The below screen displays Internet Explorer Version 7:

3) **Upgradation of JRE version to 1.6.0_29 / 1.6.0_30 / 1.6.0_31 :**

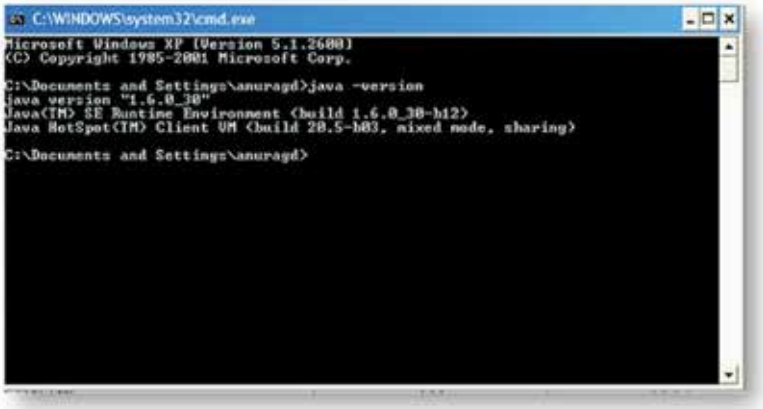
a) After upgrading JRE version to 1.6.0_29 / 1.6.0_30 / 1.6.0_31, go to start and click on Run as exhibited below :



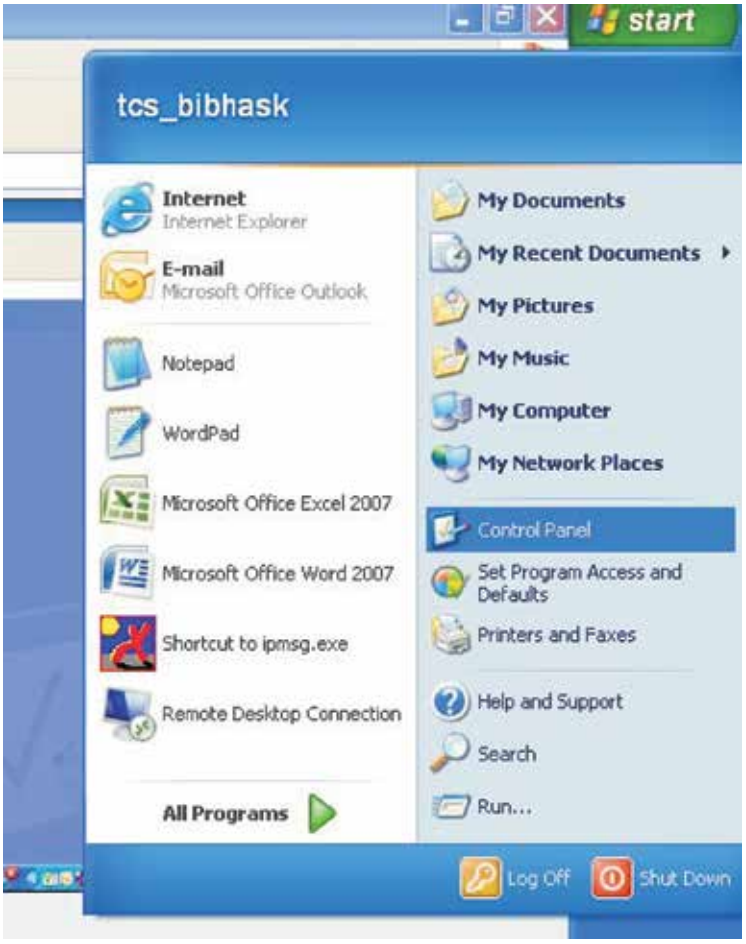
b) Type cmd and press enter



c) Then enter 'java -version' and press enter. Make sure 1.6.0_29 / 1.6.0_30 / 1.6.0_31 is already installed. The output will be as exhibited below :



d) To check the java version enabled, go to start→ control panel :

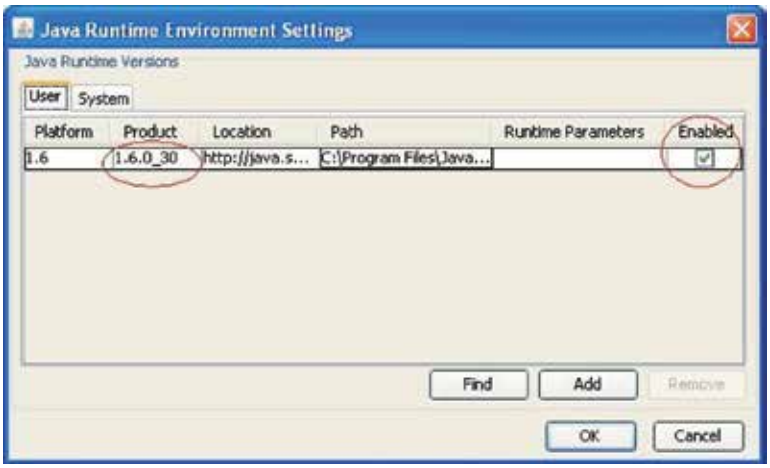


e) In case Windows XP with SP3 is installed, click on 'Other Control Panel Options' as exhibited below. In case of Windows 7, click on 'Control Panel' :

f) Click on icon 'Java'

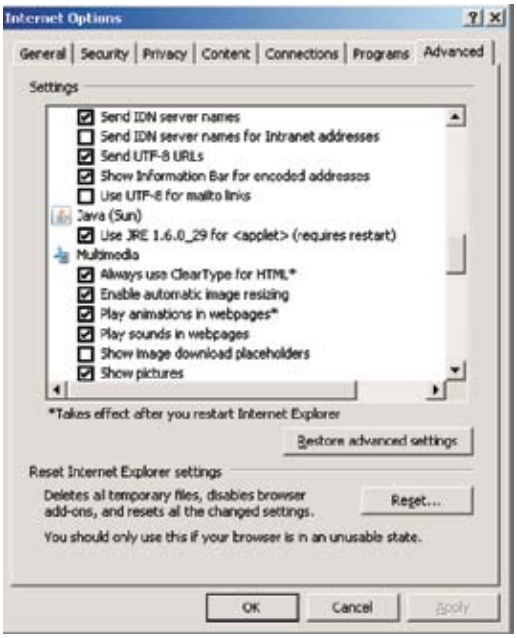
g) Click on Java → View:

h) JRE version will be displayed as exhibited below :



In case Java application is not enabled in the browser, follow the below given procedure:

a) Open Internet Explorer
b) Click on 'Tools' -> Internet Options
c) Go to 'Advanced' tab
d) Scroll down the list.
e) Enable the check box "Use JRE 1.6.0_29 for <applet> (requires restart)" as exhibited below :



Circular No. NSDL/POLICY/ 2012/0034
Date: March 12, 2012

Sub: Response file format and rejection reason code for registration of existing demat accounts for IDeAS facility through DIRECT

In continuation of our Circular No. NSDL/POLICY/2011/0108 dated December 19, 2011 regarding registration of existing demat accounts for ***IDeAS*** facility through DIRECT, response file format with respect to registration of Client accounts for ***IDeAS*** facility through DIRECT and rejection reason codes for the same are enclosed at Annexure I & II.

ANNEXURE I

DP ID	Client ID	Email ID	Status of registration (Y / N)	Error Code, if any

ANNEXURE II

Error odes	Description
4005	Client subscribed for IDeAS through Participant
4006	Client registered /applied for IDeAS, but pending authorisation by Participant
4007	Client subscribed for IDeAS through DIRECT

Circular No. NSDL/POLICY/ 2011/0108 Date: December 19, 2011	***Sub: Registration of existing demat accounts for IDeAS facility through DIRECT*** As Participants are aware that DIRECT *(**D**irect IDeAS **RE**gistration of **C**lient accoun**T**)* facilitates registration of new demat accounts activated *(with effect from September 24, 2009)* under Individual category i.e., Resident-Ordinary, Resident-HUF, NRI-Repatriable, NRI-NonRepatriable and Foreign National-FN for ***IDeAS*** facility directly at NSDL. **(1) Registration of existing demat accounts for *IDeAS* facility through DIRECT :** ***IDeAS*** facility has been enhanced to register existing demat accounts who are not registered for IDeAS. In this regard, there are two options available for Participants to register the existing demat accounts: **Option A – Registration of existing demat accounts *(one time)*** Participants can register all their existing demat accounts who are not registered for IDeAS one time by submitting a written request to NSDL signed by their compliance officers. The format of the letter is provided at Annexure A. In this regard, NSDL will register through DIRECT the existing demat accounts that are yet to be registered for ***IDeAS*** facility. The Clients will be registered for ***IDeAS*** facility provided email address of the sole holder or at least one of the account holder in case of joint accounts is captured in the DPM System. **Option B - Registration of selected demat accounts** Participants can register selected demat accounts by sending email at direct@nsdl.co.in alongwith the details of demat account i.e., DP ID & Client ID *(in an excel sheet)*. The caption of the email should be mentioned as 'Registration for ***IDeAS*** facility through DIRECT'. Participant must ensure that email address of the sole holder or at least one of the account holder in case of joint accounts is captured in the DPM System in such demat accounts to facilitate registration. The email must be received from the email address of the Compliance Officer or the Alternate Compliance Officer. Format of the email is provided at Annexure B. In this regard, Participants are requested to ensure that demat accounts that are already registered for ***IDeAS*** facility are not forwarded for registration. For this purpose, link named 'Download Client List' *(under the option inquiries)* has been provided on ***IDeAS*** / ***SPEED-e*** facility, to facilitate Participants to ascertain the demat accounts registered for ***IDeAS*** facility. **(2) Ensure correctness of email ID :** Participants must ensure that the email ID captured in the DPM system is indeed the same as provided by the Client i.e., the Client has provided the email ID at the time of opening the demat account or subsequently submitted a request to the Participant for updation / modification of email ID. **(3) Registration of demat accounts at NSDL :** After receipt of the requisite details from Participants as mentioned above, NSDL will register the demat accounts for ***IDeAS*** through DIRECT. The Registration and the login procedure for ***IDeAS*** facility through DIRECT for Clients would remain same as mentioned in Circular No. NSDL/ POLICY/2010/0058 dated May 25, 2010. In this regard, Participants may like to encourage their Clients to login to this facility.

Further, response file would be provided to Participants which would contain the registration status of Client accounts. The response file would also contain the rejection reason in case demat accounts could not be registered for ***IDeAS*** facility through DIRECT due to invalid Client ID, email ID, etc,.

(4) Registration of de-registered demat accounts :

Participants are aware that User IDs of the account holders may have been de-registered as the account holders may not have registered themselves for ***IDeAS*** facility within the specified period i.e.30 days. Participants may also register such Client accounts for ***IDeAS*** facility through DIRECT by sending the details to NSDL using option B as mentioned above.

For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in).

Annexure "A"

Date:

To,

IDeAS Cell
National Securities Depository Limited
Trade World, A Wing, 4th Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai – 400 013.

Dear Sir,

With reference to your Circular No. NSDL/POLICY/2011/0108 dated December 19, 2011, we wish to avail the one time registration facility for registering our existing demat accounts for ***IDeAS*** facility through DIRECT (***D****irect* ***IDeAS*** ***RE****gistration of* ***C****lient accoun****T****)*.

In this regard, we confirm that the email ID as provided by the Client is captured in the DPM System. We are also aware that this one time registering facility is only for those Clients who have not availed ***IDeAS*** facility.

Annexure "B"

To,

IDeAS Cell
(direct@nsdl.co.in)

Dear Sir,

With reference to your Circular No. NSDL/POLICY/2011/0108 dated December 19, 2011, we wish to register our demat accounts as per the enclosed excel list *(providing DP ID and Client ID)* for ***IDeAS*** facility through DIRECT (***D****irect* ***IDeAS*** ***RE****gistration of* ***C****lient accoun****T****)*.

In this regard, we confirm that the email ID as provided by the Client is captured in the DPM system. We also confirm that these Clients have not availed ***IDeAS*** facility.

Yours faithfully,

For (Participant Name)

Circular No. NSDL/POLICY/ 2011/0024 Date: March 16, 2011	***Sub: Facility for Clearing Members to View, Print and Download Statement of Holdings on IDeAS*** As all Participants are aware, Clearing Members (CMs) can view and download latest balances and transactions executed in their CM Pool accounts in respect of settlements for the current pay-in date, previous four and next four pay-in dates, through IDeAS facility. NSDL is pleased to announce that IDeAS facility has been further enhanced to facilitate CMs to view, print and download Statement of Holding (SOH) in respect of their CM Pool Accounts online. In view of this, CMs will have the ability to: a) View SOH b) Download SOH provided in 'PDF' format and print, if required c) Download soft copy of SOH in 'txt' format for onward processing in their back office system In case CMs have not subscribed for **IDeAS** facility, Participants may encourage them to subscribe for it. For subscribing to **IDeAS** facility, CMs can contact the following NSDL officials:

Name	**Contact No.**	**Email ID**
Mr. Charles Mathew	(022) 2499 4482	charlesm@nsdl.co.in
Ms. Kirti Samant	(022) 2499 4424	kirtis@nsdl.co.in

Circular No. NSDL/POLICY/ 2010/0074 Date: July 1, 2010	***Sub: Auto-reset password facility on IDeAS*** As all Participants are aware, ***IDeAS*** facility was enhanced to facilitate Users to capture or modify their email addresses registered on ***IDeAS*** *(Ref.:Circular No. NSDL/POLICY/2010/0057 dated May 25, 2010*). New feature of auto-reset of password on ***IDeAS*** facility will be released on Saturday, July 10, 2010. This feature will assist those ***IDeAS*** users who have forgotten their passwords or have entered wrong passwords *(upto three attempts)*. This feature is made available for Users exclusively availing ***IDeAS*** facility. If Users have subscribed for both ***IDeAS*** as well as ***SPEED-e*** facility, this auto-reset password facility is not available. The procedure for auto-reset of password is given below: (1) User would be required to enter the following details: a) User ID b) DP ID c) Client ID In case the User cannot enter correct details, he/she will be required to follow the usual method for resetting the password *(i.e., approaching its Participant)*. (2) Upon successfully entering the details as mentioned in point (1), ***IDeAS*** website will display a message that new password would be sent to the email address registered by the User on ***IDeAS*** facility. (3) The password will be concealed in a 'PDF' file and sent to the User's email address registered on ***IDeAS*** facility. Logic for opening the 'PDF' file will be communicated to the User in the email. (4) Upon entering the User ID and password *(password provided in the 'PDF' file)*, ***IDeAS*** website will force the User to change the password. (5) Upon successfully changing the password, User will get access to ***IDeAS*** facility. For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel: (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in).
Circular No. NSDL/POLICY/ 2010/0070 Date: June 25, 2010	***Sub: Display of value of mutual fund holdings on IDeAS facility based on NAV***.As Participants are aware, Clients of ***IDeAS*** facility can view the latest balances of their demat accounts on the internet along with the value based on the previous day closing price. ***IDeAs*** facility has been further enhanced to display the values in respect of mutual fund units *(security type code '20') (held by the Clients in their demat accounts)* based on the NAVs *(i.e.,Net Asset Value)*. Further, the date of the NAV of mutual fund units would also be displayed on ***IDeAS*** facility. This aforesaid feature would be released on ***IDeAS*** facility with effect from Saturday, June 26, 2010.

Circular No. NSDL/POLICY/ 2010/0058 Date: May 25, 2010	***Sub: Change in registration process for Clients registered for IDeAS facility through DIRECT*** As Participants are aware that **DIRECT** *(Direct Ideas REgistration of Client accounT)* facilitates registration of depository accounts activated under the Individual category i.e. Resident-Ordinary, Resident-HUF, NRI-Repatriable, NRI-NonRepatriable and Foreign National-FN for ***IDeAS*** facility directly at NSDL *(Refer Circular No. NSDL/POLICY/2009/0087 dated September 22, 2009)*. ***IDeAS*** facility has now been enhanced wherein account holder can enter User ID of his/her choice at the time of registering for ***IDeAS*** facility through DIRECT. As a result, the registration process for **DIRECT** has undergone a change which is given at Annexure A. This feature is scheduled to be released on ***IDeAS*** facility on Saturday, May 29, 2010. For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in). **Annexure A** (i) NSDL will register the Client for ***IDeAS*** facility provided email address of the sole holder or at least one of the account holder in case of joint accounts is captured in the DPM System. (ii) Participants are requested to take due care at the time of capturing email address of the account holder(s) in the DPM System, that is provided by the Client. (iii) 'PDF' file containing registration link will be sent to the Sole Holder's / First Holder's *(in case of joint accounts)* email address *(that is captured in the DPM System)* within a week of activation of the depository account. In case the email address of the first holder is not available, then email will be sent to the second or third holder, as the case may be, whose email address is captured in the DPM System. (iv) The 'PDF' file sent to the account holder will be password protected. Logic for opening the 'PDF' file will be communicated to account holder in the email. Process for login to ***IDeAS*** website by the account holder after receiving the 'PDF' file from NSDL is given in seriatim : a) The 'PDF' file will have a registration link and registration password. Account holder will have to click on the registration link. b) The link will direct the account holder to ***IDeAS*** pre-registration webpage. Account holder will enter the password *(provided in the 'PDF' file)* in the pre-registration webpage and click on 'Submit' button. c) Registration page would be displayed on the screen. Account holder will enter details viz., User ID of his / her choice, date of birth and

	password & re-confirm password. In case the User ID entered is already registered for ***IDeAS*** facility, account holder will be required to enter another User ID of his / her choice. Further, this page would also display other details of the account holder viz, name of the account holder(s), DP ID, Client ID, email ID etc. (as captured in the DPM System) which would be static. d) After successful entry of the above details by the account holder, confirmation page containing all the aforesaid details *(mentioned in point no. c)* would be displayed. Account holder will have to click on the 'Confirm' button. e) Account holder will be directed to ***IDeAS*** login page (https://ideas.ideas.nsdl.com) upon clicking 'Click here to login to ***IDeAS*** facility'. f) Account holder will login to the ***IDeAS*** website by entering the User ID and password. ***g)*** ***IDeAS*** website will display the terms and conditions. h) After the account holder gives confirmation to the terms and conditions, the account holder will get access to ***IDeAS*** facility. i) The Statement of holdings and transactions will be displayed from the next business day onwards after the account holder has successfully login to the ***IDeAS*** facility i.e., if the account holder has successfully login to the ***IDeAS*** facility on Monday, the statement of holdings and transactions will start getting displayed from Tuesday onwards. Further, the transaction statement of current month will be available for download latest by 7th of the following month. j) In case the account holder does not register for ***IDeAS*** facility within 30 days of sending of the email, the registration link will get disabled. Account holder in such case will have to then opt for usual method for ***IDeAS*** registration *(Ref : Circular No. NSDL/POLICY/2007/0059 dated October 5, 2007)*.
Circular No. NSDL/POLICY/2010/0057 Date: May 25, 2010	***Sub: Facility to reset password and view & change email ID on IDeAS facility*** All Participants are hereby informed that Users *(i.e.Clients)* of ***IDeAS*** facility will be given the ability to reset forgot passwords themselves by keying-in few parameters on ***IDeAS*** website. The new password would be sent at their email address registered on ***IDeAS*** website. This feature will be released on ***IDeAS*** facility in June 2010. As a preparatory step to the above facility, ***IDeAS*** facility is being enhanced to facilitate Users to view / change their email addresses registered on ***IDeAS***. This feature is scheduled to be released on ***IDeAS*** facility on Saturday, May 29, 2010. In this regard, existing Users who login on to ***IDeAS*** facility after release of this feature will be required to follow the below given process: (i) Upon entering the User ID and password on ***IDeAS*** website, a screen would appear, which will prompt the User to either confirm the existing email ID *(i.e., email ID entered by Users at the time of registration through usual method or available in the DPM system if registered through DIRECT)* or change the email ID by entering a new email ID. (ii) Upon giving confirmation to the existing email ID or upon changing the existing email ID, User will be required to enter his/her login password. Thereafter, User will be provided access to the ***IDeAS*** facility. A separate link named 'View / Change Email ID' is provided on ***IDeAS*** facility which will facilitate User to view as well as change his / her email ID. Upon changing the email ID, an auto generated email will be sent to both the existing and new email address *(changed)* of the User. User will receive the email from NSDL from the email ID: ideas@nsdl.co.in.

Circular No. NSDL/POLICY/ 2010/0012 Date: February 3, 2010	***Sub: Reduced de-registration period for Users who do not login to IDeAS facility registered through DIRECT*** As Participants are aware that DIRECT *(**D**irect Ideas **RE**gistration of **C**lient accoun**T**)* facilitates registration of depository accounts activated under the Individual category i.e. Resident-Ordinary, Resident-HUF, NRI-Repatriable, NRI-NonRepatriable and Foreign National-FN for ***IDeAS*** facility directly at NSDL *(Refer Circular No. NSDL/POLICY/2009/0087 dated September 22, 2009)*. The period for de-registration of User IDs of account holders registered through DIRECT *(**D**irect Ideas **RE**gistration of **C**lient accoun**T**)* has been reduced from 60 days to 30 days. As a result, the User IDs of the account holders who do not login to the ***IDeAS*** facility within the specified period *(i.e.,30 days)* of sending the email from NSDL will be de-registered. In such case, the account holders will have to opt for usual method of ***IDeAS*** registration.
Circular No. NSDL/POLICY/ 2009/0087 Date: September 22, 2009	***Sub: Launch of DIRECT (Direct Ideas REgistration of Client accounT) at NSDL upon activation of Client accounts*** As Participants are aware, NSDL's common internet facility called ***IDeAS*** facilitates demat account holders to view latest balances alongwith the value 2009 based on the previous day closing price and transactions that have taken place during last 30 days in the depository accounts. ***IDeAS*** also features the facility of downloading, printing and viewing digitally signed monthly transaction statements for previous 12 months. ***IDeAS*** facility has now been enhanced wherein depository accounts activated with effect from September 24, 2009 under the Individual category *i.e. Resident-Ordinary, Resident-HUF, NRI-Repatriable, NRI-Non Repatriable and Foreign National-FN* will be directly registered at NSDL for the ***IDeAS*** facility. Salient features of DIRECT are as follows: (i) NSDL will register the Client for ***IDeAS*** facility provided email address of the sole holder or at least one of the account holder in case of joint accounts is captured in the DPM System. (ii) Participants are requested to take due care at the time of capturing email address of the account holder(s) in the DPM System, that is provided by the Client. (iii) The User ID and password will be sent to the Sole Holder's / First Holder's *(in case of joint accounts)* email address *(that is captured in the DPM System)* within a week of activation of the depository account. In case the email address of the first holder is not available, then User ID and password will be sent to the second or third holder, as the case may be, whose email address is captured in the DPM System. (iv) The User ID and password sent to the account holder will be in a password protected 'PDF' file. Logic for opening the 'PDF' file will be communicated to Clients in the email. Process for login to ***IDeAS*** Website by the account holder after receiving 'PDF' file from NSDL is given in seriatim : a) Account holder will login to the ***IDeAS*** website (https://ideas.ideas.nsdl.com) with the requisite User ID and password *(provided in the 'PDF' file)*. b) The website will display the terms and conditions. c) After the account holder has given his/her confirmation to the terms and conditions, the system will force the account holder to change the password. d) After the account holder has successfully changed the password, he/she will get the access to the ***IDeAS*** website.

	e) In case the account holder does not login to ***IDeAS*** within 60 days of sending of the email, the User ID of the account holder will be de-registered. Account holder in such case will have to then opt for usual method for ***IDeAS*** registration [*Ref.: Circular No. NSDL/ POLICY/2007/0059 dated October 5, 2007*]. For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in).
Circular No. NSDL/POLICY/ 2009/0027 Date: April 11, 2009	***Sub: Launch of Virtual Keyboard on IDeAS / SPEED-e websites to facilitate Users to enter password in more secured manner and change in minimum configuration for accessing IDeAS / SPEED-e websites*** All Participants are hereby informed that NSDL is pleased to announce the launch of virtual keyboard on ***IDeAS*** *(https://ideas.nsdl.com)* / ***SPEED-e*** *(https://speed-e.nsdl.com)* websites to facilitate Users to enter their password in a more secured manner. This feature is released on April 11, 2009. Salient features of Virtual Keyboard are as follows: (i) This feature is available for password based Users of ***IDeAS*** and ***SPEED-e*** facility and Clearing Members availing the facility of ***IDeAS*** using password based option (hereinafter referred as Users). (ii) Virtual keyboard will be made available for Users on ***IDeAS*** / ***SPEED-e*** websites to enter their password at the time of registration, login, reset of password, change of password and during auto-expiry of password. (iii) At present, Users enter their password using a physical keyboard for login to ***IDeAS*** / ***SPEED-e*** websites. Users will now have the choice to enter their password either using the physical keyboard or virtual keyboard (after enabling the check box - 'Use Virtual Keyboard'). (iv) Users will be required to enter the entire password (in toto) either using the physical keyboard or virtual keyboard for all the password fields provided on the screen. The minimum configuration of a PC for accessing ***IDeAS*** / ***SPEED-e*** websites has been revised as follows: **Operating System**: Microsoft Windows 2000, Windows Server 2003, Windows XP and Windows Vista. **Browser**: Microsoft Internet Explorer 6.0 and above. **RAM**: 512 MB The above information about virtual keyboard will also be displayed on ***IDeAS / SPEED-e*** websites. Participants may guide their Clients in this regard. For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in).
Circular No. NSDL/POLICY/ 2009/0025 Date: April 1, 2009	***Sub: Withdrawal of User fee for Users of IDeAS facility and reduction in annual fees for SPEED-e facility*** As all Participants are aware, NSDL's common internet facility called ***IDeAS*** facilitates investors to view latest balances and transactions in their depository accounts. ***SPEED-e*** facilitates Users (Beneficial Owners and Clearing Members) to submit delivery instructions on the internet. ***SPEED-e*** facilitates Participants to eliminate paper [Delivery Instruction Slips (DIS)] resulting in reduction in cost of storage and processing of DIS and the risk involved in verifying specimen signatures of account holders at the time of processing DIS.

NSDL is pleased to announce reduction in the fees for ***IDeAS*** and ***SPEED-e*** facilities with effect from April 1, 2009 as follows:

Particulars	Existing Fees	Revised Fees
IDeAS		
User Fee	Rs.10 per quarter	Nil
SPEED-e		
Admission Fee	Rs. 6,00,000	Rs.2,00,000
Annual Fee	Rs.1,00,000 for main DPM set-up and Rs. 50,000 for every additional DPM set-up subject to a maximum of Rs 3,00,000.	Rs.25,000 irrespective of number of DPM set-ups

The revised fee structure and features of ***IDeAS*** and ***SPEED-e*** facilities are enclosed at Annexure I and Annexure II respectively.

For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in).

Annexure I

Fee structure for *IDeAS* and *SPEED-e* (for Participants)

Type of fee		Fee
IDeAS		
Admission fee	NIL	-
Annual Fee	Rs.10,000 for first DPM set-up and Rs.5,000 for every additional DPM set-up.	Fees for the ensuing calendar year (January to December) will be charged in the monthly bill for December.
SPEED-e		
Admission fee	Rs. 2,00,000	Payable at the time of joining ***SPEED-e*** facility.
Annual Fee	Rs. 25,000 irrespective of number of DPM set-ups.	Payable at the time of joining ***SPEED-e*** facility. Fees will be charged in advance in the monthly bill of March for the ensuing financial year (April to March).
Note : If Participants subscribe for ***SPEED-e*** facility, no charges are payable by Participants for ***IDeAS*** facility.		
Type of User	**Facility**	**Fee**
Password based User		
BO (Beneficial Owners)	*Only IDeAS*	NIL
BO	*Only SPEED-e*	
BO	*IDeAS and SPEED-e*	
E-token* based User		
BO	*Only IDeAS*	NIL
	Only SPEED-e	Rs. 125 per quarter
	IDeAS and SPEED-e	Rs. 125 per quarter
CM (Clearing Members)	*Only IDeAS*	Payable annually by CM to NSDL
	Only SPEED-e	Rs. 125 per quarter

* Charges for e-token will be Rs.1,000 approx.

Annexure II

Various features and advantages of ***IDeAS*** facility are given below:

(I) Clients (Beneficial Owners)

- View the latest balances along with the value based on the previous day closing price* in depository account(s).
- View transactions that have taken place in depository account(s) during the last 30 days.
- Download month-wise transaction statement for the previous months (maximum 12 months) bearing NSDL's digital signature, which can be verified by using a Signature Verification Utility.
- SEBI has permitted the Participants to discontinue providing physical transaction statements to their Clients who subscribe for the ***IDeAS*** facility. However, Participants will be required to send a consolidated transaction statement, in physical form, for the entire financial year and the same shall be dispatched before 15th of May every year *(Refer NSDL Circular No. NSDL/POLICY/2006/0010 dated March 24, 2006)*.

*Disclaimer : While care has been exercised by NSDL compiling price file, NSDL does not warrant completeness or accuracy and damages arising out of use of this information. For any specific / latest information, you may contact the respective stock exchange.

(II) Clearing Members (CMs)

CMs will be able to view and download the latest balances and transactions in their pool accounts in respect of settlements for the current pay-in date, previous four and next four pay-in dates. Other features available on ***IDeAS*** for CMs are as follows:

- View ISIN-wise positions / transactions for a given market type and settlement number.
- View Delivery-out instructions which are in 'overdue' status, for a given market type and settlement number.
- Download transactions in the Pool Account to determine shortages for follow-up with Clients.
- Download ISIN master to keep the back-office system up-to-date.

Various features and advantages of ***SPEED-e*** facility are given below:

(I) Features

(a) Clients:

- Password based Users can submit market instructions in favour of maximum three pre-notified CM Accounts.
- E-token Users can submit both market as well off-market instructions in an interactive as well as batch upload.
- Submission of instruction(s) to freeze / unfreeze account(s) / ISIN(s) and / or specific quantity of securities under an ISIN. Further, freeze request executed by Clients through ***SPEED-e*** cannot be unfrozen by the Participant *(applicable for e-token based Users)*.

(b) CMs:

CM Users can avail the following features both on interactive as well as on a batch submission mode:

- Delivery-out to Clearing Corporation
- Delivery to Client
- Inter-Settlement
- CM Pool to Pool

	(II) Advantages ➢ Check the latest balances in the depository account through ***IDeAS*** before submitting instructions and monitor the status of execution of the same. ➢ View status of execution of delivery instructions. ➢ Save time and efforts in obtaining delivery instruction slips and submitting them to Participant. ➢ Freeze depository accounts on ***SPEED-e***. Freeze created through ***SPEED-e*** can be unfrozen only through ***SPEED-e*** *(applicable for e-token based Users)*. ➢ Convenience for NRI Clients to operate their accounts.
Circular No. NSDL/POLICY/ 2007/0059 Date: October 5, 2007	***Sub: IDeAS Operational Manual for DPs*** In continuation to NSDL Circular No. NSDL/POLICY/2007/0057 dated September 29, 2007 informing DPs that the ***IDeAS*** Users (Password/Smart Card) will be able to view the Value of the holdings (in INR) on ***IDeAS***. NSDL is now pleased to inform the DPs that the ***IDeAS*** Operational Manual for DPs will now be available for download on SQLASSIST Intranet site of NSDL (//sqlassist/IDeAS Operational Manual). This operational manual will also be available for download to DP Users (i.e. Admin and Functional User) on NSDL ***SPEED-e*** website (https://speed-e.nsdl.com).
Circular No. NSDL/POLICY/ 2007/0057 Date: September 29, 2007	***Sub : Display Value of holdings to subscribers of IDeAS*** As all Depository Participants (DPs) are aware, NSDL offers an Internet based facility called ***IDeAS*** **(Internet-based Demat Account Statement)** through its ***SPEED-e*** website (**https://speed-e.nsdl.com**). ***IDeAS*** enables a Client to view the latest balances as well as the transactions that have taken place in the last thirty days in its demat account. ***IDeAS*** also features the facility of download of digitally signed monthly transaction statements. DPs are advised to refer to our various circulars (NSDL/PI/2003/2054, NSDL/ PI/2004/1157, NSDL/PI/2005/1920, NSDL/POLICY/2006/0010 and NSDL/ POLICY/2006/0045 dated December 20, 2003, June 29, 2004, October 7, 2005, March 24, 2006 and October 5, 2006 respectively) in this regard. NSDL is now pleased to inform the DPs that the ***IDeAS*** Users (Password/Smart Card) will be able to view the Value of the holdings (in INR) on ***IDeAS*** w.e.f September 29, 2007. This facility will be available for Beneficial Owners only. Value of the holdings will be displayed only for listed ISINs with the date of the prices used for calculation of the value. DPs are requested to disseminate the above information to their ***IDeAS*** Users. For further information, DPs can visit ***SPEED-e*** website **https://speed-e.nsdl. com** or contact Mr. Charles Mathew / Mr. Vinith Nair on Tel. No. (022) 2499 4482 / 4414.
Circular No. NSDL/POLICY/ 2006/0045 Date: October 5, 2006	***Sub : New feature in IDeAS - viewing of transactions*** As all Participants are aware, NSDL offers an internet based facility called ***IDeAS*** **(Internet-based Demat Account Statement)** through https://speed- e.nsdl. com. ***IDeAS*** at present enables Clients **(Beneficial owners)** to view the latest balances and transactions that have taken place in the last five days, in their depository accounts. NSDL is pleased to inform that Clients will now be able to view the transactions for a period of past **30 days.** Clients can select the period upto 30 days from the current date, to view the transactions. Further, ***IDeAS*** also features the facility of download of digitally signed monthly transaction statements for a period of 12 months (Refer Circular No. NSDL/ POLICY/2006/0010 dated March 24, 2006). Participants are requested to disseminate the above information to their Clients.

Circular No. NSDL/PI/2004/1157 Date: June 29, 2004	NSDL launched ***IDeAS* (Internet-based Demat Account Statement)** w.e.f. January 1, 2004. ***IDeAS*** is a facility available on ***SPEED-e*** website for viewing balances and transactions in demat accounts (ref. Circular No. NSDL/PI/2003/2054 dated December 20, 2003). At present, subscribers to ***IDeAS*** (Beneficial owners) can view the latest balances and transaction that have taken place in the last five days in their depository accounts. Based on the feedback received from the users, Participants have requested NSDL to provide transaction statements on a monthly basis. Accordingly, NSDL is pleased to provide the facility to download the transaction statement on a monthly basis, to the subscribers of ***IDeAS***, on a pilot basis, **w.e.f. July 1, 2004.** The transaction statements of a particular month will be available latest by 7th of the following month and will be available for download till the details of the following month are uploaded to ***IDeAS***. It may be mentioned that if the subscription to ***IDeAS*** is during the month, transaction statement for that month will be for the period starting from the date of subscription till the end of that month.
Circular No. NSDL/PI/2003/2054 Date: December 20, 2003	NSDL launched ***SPEED-e*** in September 2001 to enable demat account holders to submit delivery instructions through Internet. NSDL is now pleased to announce the launch of a facility called **IDeAS (Internet-based Demat Account Statement)** w.e.f. January 1, 2004. IDEAS is a facility for viewing balances and transactions in demat accounts updated on an online but not real time basis. This facility is available to the users of ***SPEED-e*,** Clearing Members who have subscribed to SPEED and to those Clients whose Participants are registered for **IDeAS.** Salient features of **IDeAS:** **(A) Clients (Beneficial Owners) :** Clients can view the latest balances and transactions that have taken place in the last five days in their depository accounts. Print-out of the screen can also be taken. **(B) Clearing Members (CMs):** CMs will be able to view and download the latest balances and transactions in their pool accounts in respect of settlements for the current pay-in date, previous four and next four pay-in days. **Other features for CMs:** a. View ISIN-wise positions / transactions for a given market type and settlement number. b. View Delivery-out instructions which are in "overdue" status, for a given market type and settlement number. c. Download transactions in the Pool Account and import into back-office system to determine shortages for follow-up with clients. d. Download ISIN master to keep the back-office system up-to-date. Participants who wish to subscribe to **IDeAS** will have to pay one time Admission fee of Rs. 25,000/- and Annual fee of Rs. 10,000/- and Clients who wish to register for **IDeAS** will have to pay a quarterly fee of Rs. 10/-. Participants who have already subscribed to ***SPEED-e*** get **IDeAS** at no additional cost. However, Clients (who are already subscribers of ***SPEED-e***) of such Participants who are desirous of subscribing to **IDeAS** will have to pay an additional quarterly fee of Rs. 5/- per account i.e. quarterly fee would be Rs. 30/- or Rs. 130/- for password users/smart card users respectively. In case Clients of such Participants wish to subscribe only to **IDeAS**, they will have to pay a quarterly fee of Rs. 10/- per account.

	Participants are hereby informed that they will be required to register Clients for **IDeAS** while registration of CMs will be done directly by NSDL. It may be mentioned that existing ***SPEED-e*** users (both password and smart card users) can register online for **IDeAS** by clicking on the "Change Service" link on ***SPEED-e*** website https://speed-e.nsdl.com and selecting **'IDeAS'**. After Participant authorises the request, users will be able to access **IDeAS** with the existing User Id and password. For further information, Participants can visit ***SPEED-e*** website https://speed-e.nsdl.com or contact Mr. Prashant Vagal/Mr. Pankaj Srivastava on Tel. No. (022) 56608037.
Exemption from sending physical transaction statement to subscribers of IDeAS	
Circular No. NSDL/POLICY/ 2006/0010 Date: March 24, 2006	***Sub : Exemption from sending physical transaction statement to subscribers of IDeAS*** As all Participants are aware, NSDL offers an Internet based facility called ***IDeAS* (Internet-based Demat Account Statement)** through its ***SPEED-e*** website (**https://speed-e.nsdl.com**). ***IDeAS*** can be availed of by a Beneficial Owner (Client) provided its Participant has subscribed to this service. ***IDeAS*** enables a Client to view the latest balances as well as the transactions that have taken place in the last five days in its demat account. ***IDeAS*** also features the facility of download of **digitally signed monthly transaction statements**. Participants are advised to refer to our various circulars (NSDL/PI/2003/2054, NSDL/PI/2004/1157 and NSDL/PI/2005/1920 dated December 20, 2003, June 29, 2004 and October 7, 2005 respectively) in this regard. Clients can verify the digital signature of NSDL using a Signature Verification Utility. The detailed procedure regarding installation of Signature Verification Utility is available on ***SPEED-e*** website. NSDL is now pleased to inform the Participants that if a Client subscribes to ***IDeAS*,** SEBI has permitted the Participants to discontinue providing physical transaction statements to their Clients**.** However, the Participants will be required to send a consolidated transaction statement, in physical form, for the entire financial year and the same shall be dispatched before 15th of May every year. To enable the Participants to service the Clients, NSDL proposes to maintain month-wise transaction statements for a period of 12 months on ***IDeAS***. Transaction statement for a particular month will be available for download latest by 7th of the following month (for eg. transaction statement of April 2006 will be available for download by May 7, 2006). However, if a Client subscribes to ***IDeAS*** during the month, the transaction statement for the broken period will be available in the next month i.e. if a Client subscribes on April 15, 2006, the transaction statement of April for that Client will show transactions from April 16-30, 2006 onwards. Participants are advised to bring the aforesaid changes to the notice of all their Clients. Participants who wish to subscribe to ***IDeAS*** will have to pay one time Admission fee of Rs. 25,000 and Annual fee of Rs. 10,000 and Clients who wish to register for ***IDeAS*** will have to pay a quarterly fee of Rs. 10. Participants who have already subscribed to ***SPEED-e*** get ***IDeAS*** at no additional cost. However, Clients (who are already subscribers of ***SPEED-e***) of such Participants who are desirous of subscribing to ***IDeAS*** will have to pay an additional quarterly fee of Rs. 5 per account i.e. quarterly fee would be Rs. 30 or Rs. 130 for password users/smart card users respectively. In case Clients of such Participants wish to subscribe only to ***IDeAS***, they will have to pay a quarterly fee of Rs. 10 per account. For further information, Participants can visit ***SPEED-e*** website **https://speed-e.nsdl.com** or contact Mr. Prashant Vagal / Mr. Narayan Venkat on Tel. No. (022) 2499 4481 / 4479.

Transaction Statement - Controls on despatch	
Circular No. NSDL/PI/99/823 Date : October 20, 1999	All Participants are advised to ensure that the Transaction Statements required to be given to the clients as per Business Rule 14.3.1 of NSDL, are despatched directly to the addresses of clients as per the records (e.g account opening form) of the Participant and not through the franchisees / collection centres.
Transaction Statement - Provide transaction statement and not holding statement	
Circular No. NSDL/PI/2000/103 Date: January 31, 2000	As all Participants are aware, Transaction Statements are required to be given to all clients at fortnightly intervals. Further, if there is no transaction in the account, then the Participant has to provide the Transaction Statement to the client atleast once a quarter. NSDL has received complaints that in some cases only holding statements are issued to clients which do not indicate the transaction. This is a violation of NSDL's Byelaws and regulations. In this context, Participants are advised that the Transaction Statements be provided to the clients in the format prescribed in Annexure V of the Business Rules of NSDL. NSDL has also received complaints that in some cases clients have not been provided with the bill of charges while their accounts have been debited (as per authorisation given by clients). Participants are requested to provide such details to their clients.
Transaction Statement - RBI directive on providing Transaction Statement to Bank clients	
Circular No. NSDL/PI/2003/0308 Date : February 22, 2003	Participants may be aware that w.e.f. January 16, 2003, Reserve Bank of India (RBI) has decided to retail Government Securities through stock exchanges. RBI has, vide its letter no. IDMC No. 3212/10.26.65 / 2002-03 dated February 6, 2003 informed NSDL that the Department of Banking Operations and Development (DBOD) vide its circular dated January 16, 2003 has enabled banks to trade in government securities on the stock exchanges. RBI has further informed that the government securities maintained by the banks with the depositories will be included for Statutory Liquidity Ratio (SLR) purposes and SLR is required to be maintained on a daily basis. In view of this, Transaction Statements should be provided to banking Clients as of every Friday giving details of the securities held by them on each day of the week Participants are therefore advised to provide Transaction Statements to their bank Clients, so as to enable them to comply with the requirements of RBI.
Circular No. NSDL/PI/2004/2291 Date : December 23, 2004	Further to our Circular No. NSDL/PI/2004/1104 dated June 21, 2004, regarding insertion of footnote in the transaction statements sent to the Clients, all Participants are hereby informed that w.e.f December 24, 2004, transaction statements printed from DPM system will bear the prescribed text of the footnote. Further, transaction statements printed from the DPM system will also contain the **"client type"** and **"client sub type"**. Participants who print transaction statements from their back office are advised to incorporate these features in their back office. This software release is planned on December 24, 2004.
Circular No. NSDL/PI/2004/1104 Date : June 21, 2004	As per the Bye Laws and Business Rules of NSDL, all Participants are required to provide transaction statements to their Clients. In this context, Participants are hereby advised to insert a footnote in the transaction statements stating that ***"any discrepancy in the statement should be brought to the notice of _____ (name of the Participant) within one month from the date of the statement".***

Providing Statement of transaction to Beneficial Owner consequent to account closure	
Circular No. NSDL/POLICY/ 2006/0014 Date: May 11, 2006	All Participants are hereby advised that if a Beneficial Owner (Client) makes a request for closure of accounts, Participants should provide the Statement of Transaction (SOT) to such Client for the period from the beginning of the quarter in which the account is closed till the date of closure. Further, the SOT should bear the words **"Account Closed"** and should be prominent. For this purpose, Participants can affix a rubber stamp or create a suitable system that will clearly show on the SOT that the account has been closed.
Transaction Statements - Exemption from giving hard copies of transaction statements to Beneficial Owners by DPs	
Circular No. NSDL/PI/2004/1514 Date: August 24,2004	As per the Bye Laws and Business Rules of NSDL, Participants are required to provide a transaction statement including statement of accounts, if any, to the Clients at monthly intervals, unless the Participant and its Clients have agreed for provision of such statements at shorter intervals. However, if there is no transaction in the account, then the Participant is required to provide such statement to the Client atleast once a quarter.
	In this regard, Participants are informed that SEBI has vide its Circular No. MRD/DoP/Dep/Cir-27/2004 dated August 16, 2004 (copy enclosed) clarified that Participants can be exempt from giving hard copies of transaction statements to beneficial owners subject to certain conditions. Participants may implement the above subject to the conditions contained in SEBI circular as well as the condition that such transaction statements is provided to Clients as per the frequency specified under the Bye Laws and Business Rules of NSDL.

Annexure

Deputy General Manager
Market Regulation Department
Email:-sundaresanvs@sebi.gov.in

MRD/DoP/Dep/Cir-27/2004
August 16, 2004

The Managing Director,
National Securities Depository Ltd.,
Trade World, 4th Floor, Senapati Bapat Marg, Lower Parel,
Mumbai - 400013

The Executive Director,
Central Depository Services (India) Ltd.,
Phiroze Jeejeebhoy Towers, 27-28th Floor, Dalal Street,
Mumbai - 400 023

Dear Sir/s,

Sub: Exemption of Depository Participants(DPs) from giving hard copies of transaction statements to Beneficiary Owners(BOs)

1. In terms of Regulation 43 of SEBI (Depositories & Participants) Regulations, 1996, every DP is required to provide statements of account to the BO in such form and in such manner and at such time as provided in the agreement with the BO.
2. Based on various representations received from the Depository Participants, it has been decided to permit the DPs to provide transaction statements and other documents to the BOs under Digital signature, as governed under the Information Technology Act, 2000, subject to the DP entering into a legally enforceable arrangement with the BO for the said purpose. The providing of transaction statements and other documents in the aforesaid manner would be deemed to be in compliance of

the provisions of the Regulation 43 of SEBI (Depositories & Participants) Regulations, 1996. However if the BOs are still desirous of receiving statements in hard copy, the DPs shall be duty bound to provide the same.

3. The depositories are accordingly advised to ;
   - 3.1 Make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be necessary/applicable.
   - 3.2 bring the provisions of this circular to the notice of the DPs of the Depository and also to disseminate the same on the website.
   - 3.3 communicate to SEBI the status of the implementation.
4. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

V S SUNDARESAN

Circular No. NSDL/POLICY/ 2009/0056 Date: July 11, 2009	***Sub: Clarification on sending transaction statements to Clients in respect of depository account with no transactions and no security balances*** Participants are aware that NSDL has vide Circular No.: NSDL/ POLICY/2009/0006 dated January 15, 2009 exempted Participants from sending transaction statements to Clients holding depository accounts with no transactions and no security balances subject to certain conditions. In this regard, Participants are hereby informed that the condition mentioned at point no.4 of Circular No.: NSDL/POLICY/2009/0006 dated January 15, 2009 relating to SMS alert facility has been deleted. Participants are requested to ensure compliance with the other conditions mentioned in the above referred circular.
Circular No. NSDL/POLICY/ 2009/0024 Date: April 1, 2009	***Sub: Discontinuation of sending transaction statements to Clients to whom transaction statements were returned undelivered.*** NSDL has been receiving representations from Participants seeking permission for discontinuation of sending Transaction Statements to those Clients to whom Transaction Statements were returned undelivered in the past. Participants are hereby informed that they may not send Transaction Statements to those clients to whom Transaction Statements were returned undelivered in the past subject to the following conditions: 1. Transaction Statements were returned undelivered on three consecutive occasions. 2. The Participant maintains proof that the Transaction Statements were returned undelivered. 3. The Transaction Statements were returned undelivered for the reasons which clearly establish that the client no longer resides at the given address (*i.e. party shifted, etc.*) and not for other reasons (*i.e. residence/ office closed, address incorrect, address incomplete, etc.*) 4. The Participant informs such clients through alternative means (*such as outbound call, SMS or email*) that their Transaction Statements are returned undelivered and they need to communicate the proper (new) address. The Participant ensures that on receipt of request for address modification from the client as per the stipulated procedure, the dispatch of Transaction Statements is immediately started. Further, the Participant ensures that Transaction Statements that were not delivered and dispatched due to discontinuation are also dispatched immediately without any additional cost to the clients.

Circular No. NSDL/POLICY/ 2009/0006 Date: January 15, 2009	***Sub: Exemption from sending Quarterly Transactions Statements to Clients in respect of demat accounts with no transactions and no security balances.*** NSDL has been receiving representations from Participants seeking exemption from sending Transaction Statements on quarterly basis to Clients holding demat accounts with no transactions and no security balances. Participants are hereby informed that they may not send the quarterly Transaction Statements to such Clients subject to the following: 1. Client is informed in advance that it will not be receiving Transaction Statements for such accounts till there are any transactions or security holdings in the demat account. 2. KYC and PAN requirement in respect of all such depository accounts are complied. 3. No Annual Maintenance Charges are levied for such an account. 4. Client must have opted for the SMS alert facility as provided by NSDL. 5. Information which is required to be disseminated by Participants by way of a note in the Transaction Statements will be required to be communicated to such Clients separately. 6. The Internal Auditor of the Participant shall comment in its internal audit report on compliance of the aforesaid requirements. Participants are advised to note that in case there is any transaction i.e. credit or subsequent debit in the Client's demat account, the Participant must send Transaction Statements to the Client at stipulated intervals in accordance with Bye Laws & Business Rules of NSDL. As Participants are aware, furnishing of Transaction Statement is a requirement for those Clients who do not want to personally visit the Participant's office for various requests such as address change, Delivery Instruction Slips, etc. For the purpose of such requests, "In-person' identification/presence will be mandatory for such clients in respect of whom the Participant opts not to send the quarterly Transaction Statements.
Circular No. NSDL/PI/2005/1692 Date : September 9, 2005	Participants have been seeking clarification from NSDL whether they could discontinue providing transaction statement to a Client under the following conditions: 1) The Client has given an account closure request to the Participant; 2) The Client account has only those ISIN(s) in the account which is / are in 'suspended' status and / or pending rematerialisation request(s). 3) The Client authorises the Participant to remove the standing instruction to receive credits in the account. If the above conditions are satisfied, Participants need not provide transaction statement to the Client, provided the Participant waives all charges viz., annual maintenance charges etc. on such accounts from the date of such discontinuation.
Circular No. NSDL/PI/2004/1515 Date: August 24, 2004	Participants have brought to the attention of NSDL that even after following the procedure prescribed in Circular No. NSDL/PI/2003/0309 dated February 22, 2003, dematerialisation requests pending disposal for a long time are not rejected. As a result, Participants continue to provide transaction statements as per NSDL Bye Laws and Business Rules. Participants have requested for waiver from this requirement.

	In this regard, Participants are advised to note that they need not provide transaction statements to such Clients, subject to the following: (a) The Client has requested the Issuer company to reject the dematerialisation request and return the physical securities (as prescribed under Circular No. NSDL/PI/2003/0309 dated February 22, 2003) to the Client directly (b) The Client is not interested in getting the securities dematerialised. (c) The Client authorises the Participant to remove the standing instruction to receive credits in his/her account. (d) Participant waives all charges viz. annual maintenance charges etc. on such accounts.
SMS Alert Facility	
Circular No. NSDL/POLICY/ 2018/0022 Date: April 17, 2018	***Sub: SMS Alert facility enhanced - SMS Alerts to Clients for Blocking/Debit of shares in demat account in respect of Tender Offer instruction*** As Participants are aware, SMS Alert facility provi des important updates to Clients on their mobile phones about some of the activities in their depository accounts, which facilitates risk mitigation and provides value added services. Clients and Participants have widely appreciated this facility. Further, attention of Participants is invited to Circular No NSDL/POLICY/2017/0007 regarding Acquisition of Shares pursuant to Tender-Offers through Stock Exchange Mechanism. In this regard, Participants are hereby informed that with effect from April 14, 2018, SMS Alert facility is further enhanced whereby client will receive SMS alerts in respect of following events pertaining to instruction submitted for the purpose of acquisition of shares by the company pursuant to Tender-Offers through Stock Exchange Mechanism: Blocking of shares in the demat account of the client Debit of shares from the demat account of the client Sample text message of SMS Alerts is given below: SMS - Blocking of shares in demat account of the client in respect of Tender Offer instruction. On____(date, dd/mm/yy), ____ (Qty) ____ (ISIN Name) Blocked in your a/c xxxx0905 for Buyback Offer..NSDL On ____(date, dd/mm/yy), ____(Qty) ____ (ISIN Name) Blocked in your a/c xxxx0905 for Delisting Offer..NSDL On ____(date, dd/mm/yy), ____(Qty) ____ (ISIN Name) Blocked in your a/c xxxx0905 for Takeover Offer..NSDL SMS- Debit of shares from demat account of the client in respect of Tender Offer instruction. On ____(date, dd/mm/yy), ____(Qty) ____ (ISIN Name) Debited from your a/c xxxx0905 for Buyback Offer..NSDL On ____(date, dd/mm/yy), ____ (Qty) ____ (ISIN Name) Debited from your a/c xxxx0905 for Delisting Offer..NSDL On ____(date, dd/mm/yy), ____(Qty) ____ (ISIN Name) Debited from your a/c xxxx0905 for takeover Offer..NSDL

Annexure

SMS Alert Facility for NSDL demat account holders

Introduction

NSDL provides SMS Alert facility for demat account holders whereby they can receive SMS alerts directly from NSDL for following:

All Debit Transfers

Credits for IPO, sub-division and bonus

Failed instructions

Overdue instructions

Change of mobile number

Change of address

Debit of Mutual Fund units

Invocation of pledged securities

Registration and De-registration of Power of Attorney

Modification / Cancellation of nominee name

Initiation/Confirmation of pledge instructions

Mutual fund redemption request submission by client and acceptance/rejection of the same by RTA.

SMS Alerts to Clients for Blocking/Debit of shares in demat account in respect of Tender Offer instruction.

Charges

No charge is levied by NSDL on Depository Participants (DPs) for providing this facility to investors.

Registration

This facility will be available to the investors provided they have given their mobile numbers to their DPs and the DPs have captured the numbers in the Local DPM System and have also enabled (ticked) the SMS flag in their Local DPM system.

Those investors who have provided their mobile numbers to their DPs but do not wish to avail this facility may inform their DPs to disable the SMS flag provided such accounts are not operated by Power of Attorney.

(iii) For change of address and registration & de registration of Power of Attorney in Local DPM System, SMS alerts will be sent to Client's mobile phone (captured in Local DPM System) irrespective of Client availing SMS Alert facility.

For further details / information investors may contact us at:

Investor Relationship Cell

National Securities Depository Limited

4th Floor, A Wing, Trade World, Kamala Mills Compound

Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

Tel.: (022) 2499 4200 / 4090 4200 Fax: (022) 2497 6351

Email: relations@nsdl.co.in

Circular No. NSDL/POLICY/ 2012/0133 Date: November 16, 2012	***Sub: SMS Alert Facility for credits arising out of transfers - TDSAT order*** All Participants are hereby informed that SMS Alerts facility with respect to credits to the depository accounts arising out of transfers has been discontinued with effect from Monday, November 12, 2012. The changes in the existing features is highlighted in track change mode at Annexure I and the revised list of features of SMS Alert facility is enclosed at Annexure II for information of Participants. Annexure Changes in the list of SMS Alert facility 1) All Debit transfers 2) Credits for IPO, sub-division and bonus 3) Failed instructions 4) Overdue instructions 5) Change of mobile number 6) Change of address 7) Debit of Mutual Fund units 8) Invocation of pledged securities 9) Registration and De-registration of Power of Attorney 10) Modification / Cancellation of nominee name **SMS Alert Facility for NSDL demat account holders** **Introduction** NSDL provides SMS Alert facility for demat account holders whereby they can receive SMS alerts directly from NSDL for following: 1) All Debit Transfers 2) Credits for IPO, sub-division and bonus 3) Failed instructions 4) Overdue instructions 5) Change of mobile number 6) Change of address 7) Debit of Mutual Fund units 8) Invocation of pledged securities 9) Registration and De-registration of Power of Attorney 10) Modification / Cancellation of nominee name **Charges** No charge is levied by NSDL on Depository Participants (DPs) for providing this facility to investors. **Registration** (i) This facility will be available to the investors provided they have given their mobile numbers to their DPs and the DPs have captured the numbers in the Local DPM System and have also enabled (ticked) the SMS flag in their Local DPM system. (ii) Those investors who have provided their mobile numbers to their DPs but do not wish to avail this facility may inform their DPs to disable the SMS flag provided such accounts are not operated by Power of Attorney.

	(iii) For change of address and registration & de-registration of Power of Attorney in Local DPM System, SMS alerts will be sent to Client's mobile phone (captured in Local DPM System) irrespective of Client availing SMS Alert facility. **For further details / information investors may contact us at:** Investor Relationship Cell National Securities Depository Limited 4th Floor, A Wing, Trade World, Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Tel.: (022) 2499 4200 / 4090 4200 Fax: (022) 2497 6351 Email: relations@nsdl.co.in
Circular No. NSDL/POLICY/ 2012/0025 Date: February 22, 2012	***Sub: SMS Alert facility enhanced – SMS Alerts to Clients upon modification cancellation of nominee name*** As Participants are aware, SMS Alert facility provides important updates to Clients on their mobile phones about their depository accounts, which facilitates risk mitigation and provides value added services. Clients and Participants have widely appreciated this facility. Participants are aware that nominee details is an important information in a depository account as it facilitates transmission of securities to the nominee in a hassle free manner i.e., with minimum documentation and cost, in case of unfortunate event of death of account holder(s). In this regard, changes in the name of the nominee have been included under the scope of SMS Alert facility All Participants are hereby informed that SMS Alert facility has been enhanced whereby Clients (*whose mobile numbers are captured in the Local DPM System irrespective of availing SMS Alert facility*) will receive SMS Alerts in their mobile phones upon modification / cancellation of nominee name in their depository accounts in the Local DPM System. The text of the SMS will be as follows: 1) Modification of nominee name in the Local DPM System : "On _____ (date, dd/mm/yy), as per your instruction, name of _____ has been recorded as a nominee in ur demat a/c no xxxx4086..NSDL" 2) Cancellation / deletion of nominee name in the Local DPM System : "On _____ (date, dd/mm/yy), as per your instruction, name of _____ has been cancelled as a nominee in ur demat a/c no xxxx4086..NSDL" Further, the first 25 characters of the nominee name would be considered in the SMS message.

	A list of features of SMS Alert facility is enclosed for information of Participants. **SMS Alert Facility for NSDL demat account holders** **Introduction** NSDL provides SMS Alert facility for demat account holders whereby they can receive SMS alerts directly from NSDL for following: 1) All Debits and Credits (transfers) 2) Credits for IPO, sub-division and bonus 3) Failed instructions 4) Overdue instructions 5) Change of mobile number 6) Change of address 7) Credit/debit of Mutual Fund units 8) Invocation of pledged securities 9) Registration and De-registration of Power of Attorney 10) Modification / Cancellation of nominee name **Charges** No charge is levied by NSDL on Depository Participants (DPs) for providing this facility to investors. **Registration** (i) This facility will be available to the investors provided they have given their mobile numbers to their DPs and the DPs have captured the numbers in the Local DPM System and have also enabled (ticked) the SMS flag in their Local DPM system. (ii) Those investors who have provided their mobile numbers to their DPs but do not wish to avail this facility may inform their DPs to disable the SMS flag provided such accounts are not operated by Power of Attorney. (iii) For change of address and registration & de-registration of Power of Attorney in Local DPM System, SMS alerts will be sent to Client's mobile phone (*captured in Local DPM System*) irrespective of Client availing SMS Alert facility. **For further details / information investors may contact us at:** Investor Relationship Cell National Securities Depository Limited 4th Floor, A Wing, Trade World, Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Tel.: (022) 2499 4200 / 4090 4200 Fax: (022) 2497 6351 Email: relations@nsdl.co.in
Circular No. NSDL/POLICY/ 2011/0028 Date : March 29, 2011	***Sub: SMS Alert facility enhanced – registration / de-registration of Power of Attorney*** As Participants are aware, SMS Alert facility provides important updates to Clients on their mobile phones about their depository accounts, which facilitates risk mitigation and provides value added services. Clients and Participants have widely appreciated this facility. Participants are hereby informed that with effect from March 31, 2011, SMS Alert facility will be enhanced whereby Clients (*whose mobile numbers are captured in the Local DPM System irrespective of availing SMS Alert facility*) will receive SMS Alerts in their mobile phones upon registration / de-registration of Power

of Attorney (POA) in their depository accounts in DPM System. Any registration / de-registration made to POA after seven calendar days of activation of depository accounts will be considered for SMS Alert facility. The text of the SMS will be as follows:

(i) In case POA is registered:

"On <*dd/mm/yy*>, < *name of the POA Holder / Corporate POA*> was registered as Power of Attorney in your demat a/c no. XXXX4086.. NSDL"

(ii) In case POA is de-registered:

"On <*dd/mm/yy*>, < *name of the POA Holder / Corporate POA*> was de-registered as Power of Attorney in your demat a/c no. XXXX4086.. NSDL"

Participants are requested to note that change of authorised signatories in a Corporate POA will not be considered for SMS Alert facility.

A list of features of SMS Alert facility is enclosed for information of Participants.

SMS Alert Facility for NSDL demat account holders

Introduction

NSDL provides SMS Alert facility for demat account holders whereby they can receive SMS alerts directly from NSDL for following:

1) All Debits and Credits (transfers)
2) Credits for IPO, sub-division and bonus
3) Failed instructions
4) Overdue instructions
5) Change of mobile number
6) Change of address
7) Credit/debit of Mutual Fund units
8) Invocation of pledged securities
9) Registration and De-registration of Power of Attorney

Charges

No charge is levied by NSDL on Depository Participants (DPs) for providing this facility to investors.

Registration

(i) This facility will be available to the investors provided they have given their mobile numbers to their DPs and the DPs have captured the numbers in the Local DPM System and have also enabled (ticked) the SMS flag in their Local DPM system.

(ii) Those investors who have provided their mobile numbers to their DPs but do not wish to avail this facility may inform their DPs to disable the SMS flag provided such accounts are not operated by Power of Attorney.

(iii) For change of address and registration & de-registration of Power of Attorney in Local DPM System, SMS alerts will be sent to Client's mobile phone (*captured in Local DPM System*) irrespective of Client availing SMS Alert facility.

For further details / information investors may contact us at:

Investor Relationship Cell
National Securities Depository Limited
4th Floor, A Wing, Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
Tel.: (022) 2499 4200 / 4090 4200 Fax: (022) 2497 6351
Email: relations@nsdl.co.in

Circular No. NSDL/POLICY/ 2010/0088 Date: August 3, 2010	***Sub: SMS Alert facility enhanced – Alerts to Pledgor Clients upon invocation of pledged securities*** All Participants are hereby informed that with effect from August 6, 2010, SMS Alert facility will be enhanced whereby Pledgor Clients will receive alerts upon invocation of pledged securities in their demat accounts. For pledged securities invoked upto 7.00 pm, SMS Alerts will be sent on the same day. In case pledged securities are invoked after 7.00 pm, SMS Alerts will be sent on the following day. Sample text message of SMS Alert is given below: *On _____ (date, dd/mm/yy), ___ (Quantity) _____ (Company Name), debited due to invocation of pledged securities from ur demat a/c no xxxx4086.. NSDL* A list of features of SMS Alert facility is enclosed for information of Participants.
Circular No. NSDL/POLICY/ 2010/0021 Date: March 4, 2010	***Sub: SMS Alert facility enhanced – Alerts for Credits*** All Participants are hereby informed that with effect from March 5, 2010, SMS Alert facility will be enhanced whereby Clients will receive alerts for credits (transfers) received in their demat accounts. These SMS Alerts will be sent on the same day for credits received upto 7.00 pm. In respect of credits received after 7.00 pm, SMS Alerts will be sent on the following day.
	Sample text message of SMS Alert is given below : (a) If the Client receives credit upto five ISINs in his/her demat account, the text message of the SMS alert would be as follows : *On _____ (date, dd/mm/yy), ___ (Quantity) _____ (Company Name), credited to your demat a/c no xxxx4086..NSDL* (b) If the Client receives credit of more than five ISINs in his/her demat account, the text message of the SMS alert would be as follows : *"Securities of more than 5 companies (ISINs) credited to ur demat a/c no xxxx5678 on _____ (date, dd/mm/yy). Check details with ur DP or on IDeAS website if subscribed..NSDL"* A list of features of SMS Alert facility is enclosed for information of Participants.
Circular No. NSDL/POLICY/ 2010/0003 Date: January 6, 2010	***Sub: SMS Alert Facility for credit/debit of Mutual Fund units.*** All Participants are hereby informed that with effect from January 7, 2010, SMS will be sent to the depository account holders for credits/debits of Mutual Fund units. A sample text of the SMS is as follows: **Credit of Mutual Fund Units** "_____ units of _____ (Scheme Name / ISIN as the case may be) credited on "……." (date, dd-mm-yy) to your demat a/c no xxxx5678 – NSDL" **Debit of Mutual Fund Units** "_____ units of _____ (Scheme Name / ISIN as the case may be) debited on "……." (date, dd-mm-yy) from your demat a/c no xxxx5678 – NSDL" The list of features of SMS alert facility is enclosed for information of Participants.
Circular No. NSDL/POLICY/ 2009/0077 Date: August 29, 2009	***Sub: SMS Alert Facility enhanced with change in address alerts.*** All Participants are hereby informed that with effect from September 1, 2009, an SMS will be sent to the client in case there is any change in address of the client recorded by the Participant in DPM system. In case two addresses of a client are recorded in the DPM system, SMS will be sent only when the address

	where the transaction statements are sent, is changed in the DPM system. Further, in case the indicator for address is changed based on the request of the client, an SMS will be sent. A sample text of the SMS is as follows: "As per ur request, address in ur demat account _____ (Client ID) is recorded as B-7102, Meera CHS, M. G. Road, Opp. Shoppers' Stop, Andheri (E), Mumbai - 400069" (message to show first 80 characters of new address) The list of features of SMS alert facility is enclosed for information of Participants. Accordingly, the terms and conditions are revised and displayed on our website www.nsdl.co.in **SMS Alert facility for NSDL demat account holders** **Introduction** NSDL provides SMS Alert facility for demat account holders whereby they can receive alerts directly from NSDL for following: 1) All Debits (transfers) 2) Credits for IPO, sub-division and bonus. 3) Failed instructions 4) Overdue instructions 5) Change of mobile number 6) Change of address **Charges** No charge is levied by NSDL on Depository Participants (DPs) for providing this facility to investors. **Registration** This facility will be available to the investors provided they have given their mobile numbers to their DPs and the DPs have captured the numbers in the DPM system and have also enabled (ticked) the SMS flag in their DPM system. **Contact** The investors may contact their respective DPs in case they do not receive SMS alert inspite of registering for this facility. Those investors who have provided their mobile numbers to their DPs but do not wish to avail this facility may also inform their DPs. **For further details / information investors may contact us at:** Investor Relationship Cell National Securities Depository Limited 4th Floor, A Wing, Trade World, Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Tel.: (022) 2499 4200 / 4090 4200 Fax: (022) 2497 6351 Email: relations@nsdl.co.in
Circular No. NSDL/POLICY/ 2009/0033 Date: May 6, 2009	***Sub : SMS Alert Facility for pay-in related instructions (from Client to CM Pool account) remaining in overdue status due to insufficient balance.*** As all Participants are aware, after introduction of partial settlement of pay in instructions from client account to the CM Pool Account, the instructions to debit the account of the client where there are insufficient balances will remain in "Overdue" status and will be carried forward till the pay-in deadline for execution. For such instructions which remain in "Overdue" status, SMS will

be sent to the client about the instruction remaining in "Overdue" status w.e.f. May 8, 2009. The schedule for sending the SMS is explained with an example as follows:

Condition	SMS Alert
Monday as Execution date & insufficient balance in the account	SMS for overdue status will be sent on **Tuesday morning**
Insufficient balance continues on **Tuesday**	SMS for overdue status will be sent on **Wednesday morning**

Further, for those instructions which get executed (either fully or partially) at pay-in deadline, an SMS in the regular course for debiting the account of the client will be sent.

The text of SMS alerts for instruction remaining in overdue status due to insufficient balance after the execution date is as follows:

"Insufficient qty in your demat a/c _____ (*Client ID*) for transfer of _____ (*number of shares*) shares of _____ (*Company Name/ISIN as the case may be*). Available qty will get transferred by pay-in date _____ (*date, dd/mm/yy*)"

The revised terms & conditions are given in the Annexure and displayed on our website www.nsdl.co.in

Participants may inform their clients suitably.

Annexure

SMS Alert facility for NSDL demat account holders

Introduction

NSDL has launched SMS Alert facility for demat account holders whereby investors can receive alerts for debits (transfers) to their demat accounts, credits for IPO and offer for sale allotment, sub-division and bonus. Alerts are also sent in case the instructions given by investors for debiting their demat accounts fail or pay-in related instructions remain pending for execution due to insufficient balance. These alerts are sent to those account holders who have provided their mobile numbers to their Depository Participants (DPs). Alerts for debits are sent, if the debits (transfers) are up to five ISINs in a day. In case debits (transfers) are for more than five ISINs, alerts are sent with a message that debits for more than five ISINs have taken place and that the investor can check the details with the DP or on ***IDeAS*** website, if the investor is an ***IDeAS*** subscriber.

Benefits

1. Investors will get to know about debits and credits for IPO and offer for sale allotment, sub-division, bonus and failed debit instructions & pay-in related instructions remaining pending for execution due to insufficient balance without having to call-up their DPs.
2. Investors need not wait for receiving Transaction Statements from DPs to know about such debits and credits.
3. In case of any discrepancy, the investor can approach its DP for clarification sooner.

Charges

No charge is levied by NSDL on DPs for providing this facility to investors.

Registration

This facility is available to investors who request for such a facility and provide their mobile numbers to the DPs. In case mobile numbers already given have changed, investors need to inform their DPs about the new numbers by way of written requests. Investors who have not yet provided their mobile numbers to their DPs can also avail this facility by intimating their mobile numbers to their DPs and submit a written request for this facility. This facility is not available to investors who have registered mobile numbers originating outside India.

Thus, this facility will be available to the investors provided they have given their mobile numbers to their DPs and the DPs have captured the numbers in the computer system and have also enabled (ticked) the SMS flag in their system.

Contact

The investors may contact their respective DPs in case they do not receive SMS alert inspite of registering for this facility. Those investors who have provided their mobile numbers to their DPs but do not wish to avail this facility may also inform their DPs.

For further details / information investors may contact us at:

Investor Relationship Cell
National Securities Depository Limited
4th Floor, A Wing, Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
Tel.: (022) 2499 4200 / 4090 4200 Fax: (022) 2497 6351
Email: relations@nsdl.co.in

Terms and Conditions

1.1 Definition

In these Terms and Conditions, the following terms shall have the following meanings:

"Alerts" or "Facility" means the customized messages with respect to specific events/transactions relating to an Investor's Account sent as Short Messaging Service ("SMS") over mobile phone to the Investor;

"Investor" means the person who holds an Account;

"Account" means the demat account of the Investor with NSDL maintained through its Depository Participant;

"ISIN" means an International Securities Identification Number assigned to a security;

"CSP" means the cellular service provider through whom the Investor or NSDL receives the mobile services.

1.2 Availability

1.2.1 NSDL at its sole discretion may discontinue the Facility at any time by providing a prior intimation through its website or any other medium of communication. NSDL may at its discretion extend the Facility to investors who register mobile phones originating outside India.

1.2.2 The Alerts would be generated by NSDL and will be sent to the investors on the mobile number provided by the investor and the delivery of the Alert would be entirely based on the service availability of the service provider and connectivity with other cellular circles of the CSPs or in circles forming part of the roaming GSM network agreement between such CSPs. The Alerts are dependent on various factors including connectivity and, therefore, NSDL cannot assure final and timely delivery of the Alerts.

1.2.3 The investor will be responsible for the security and confidentiality of his/her Mobile Phone and mobile phone number to be used for this Facility.

1.3 Process

1.3.1 This Facility provides Alerts to investors over mobile phones for the debits (transfers), credits for IPO and offer for sale allotment, sub-division and bonus that have taken place in their accounts. Alerts are also sent in case the instructions given by investors for debiting their demat accounts fail or pay-in related instructions remain pending for execution due to insufficient balance. These Alerts will be sent to those investors who have requested for such a Facility and have provided their mobile numbers to their Depository Participants. Alerts will be sent for debits, if the debits (transfers) are up to five ISINs in a day. In case debits (transfers) are for more than five ISINs, Alerts will be sent with a message that debits for more than five ISINs have taken place and that the investor can check the details with the Depository Participant or on IDeAS website, if the investor is an IDeAS subscriber. Investors who have provided their mobile numbers to Depository Participants but do not wish to avail of this Facility may do so by informing their Depository Participants accordingly.

1.3.2 The investor is duty bound to acquaint himself/herself with the detailed process for using the Facility and interpreting the Alerts for which NSDL is not responsible for any error/omissions by the investor.

1.3.3 The investor acknowledges that the Alerts will be implemented in a phased manner and NSDL may at a later stage; as and when feasible, add more Alerts. NSDL may, at its discretion, from time to time change the features of any Alert. The investor will be solely responsible for keeping himself/herself updated of the available Alerts, which shall, on best-effort basis, be notified by NSDL through its website or any other medium of communication.

1.4 Receiving Alerts

1.4.1 The investor is solely responsible for intimating in writing to his/her Depository Participant any change in his/her mobile phone number and NSDL will not be liable for sending Alerts or other information over his/her mobile phone number recorded with NSDL.

1.4.2 The investor acknowledges that to receive Alerts, his/her mobile phone must be in an 'on' mode. If his/her mobile is kept 'off' for a specified period from the time of delivery of an Alert message by NSDL, that particular message may not be received by the investor.

1.4.3 The investor acknowledges that the Facility is dependent on the infrastructure, connectivity and services provided by the CSPs within India. The investor accepts that timeliness, accuracy and readability of Alerts sent by NSDL will depend on factors affecting the CSPs and other service providers. NSDL shall not be liable for non-delivery or delayed delivery of Alerts, error, loss or distortion in transmission of Alerts to the investor.

1.4.4 NSDL will endeavor to provide the Facility on a best effort basis and the investor shall not hold NSDL responsible/liable for non-

availability of the Facility or non performance by any CSPs or other service providers or any loss or damage caused to the investor as a result of use of the Facility (including relying on the Alerts for his/her investment or business or any other purposes) for causes which are attributable to /and are beyond the control of NSDL. NSDL shall not be held liable in any manner to the investor in connection with the use of the Facility.

1.4.5 The investor accepts that each Alert may contain certain account information relating to the investor. The investor authorizes NSDL to send any other account related information, though not specifically requested, if NSDL deems that the same is relevant.

1.5 Withdrawal or Termination

1.5.1 NSDL may, in its discretion, withdraw temporarily or terminate the Facility, either wholly or in part, at any time. NSDL may suspend temporarily the Facility at any time during which any maintenance work or repair is required to be carried out or incase of any emergency or for security reasons, which require the temporary suspension of the Facility.

1.5.2 Not withstanding the terms laid down in clause 1.5.1 above, either the investor or NSDL may, for any reason whatsoever, terminate this Facility at any time. In case the investor wishes to terminate this Facility, he/she will have to intimate his/her Depository Participant accordingly.

1.6 Fees

1.6.1 At present, NSDL is levying no charge for this Facility on the Depository Participants. The investor shall be liable for payment of airtime or other charges, which may be levied by the CSPs in connection with the receiving of the Alerts, as per the terms and conditions between the CSPs and investors, and NSDL is in no way concerned with the same.

1.7 Disclaimer

1.7.1 This Facility is only an Alert mechanism for the investors and is not in lieu of the Transaction Statements required to be provided by the Depository Participant to its clients.

1.7.2 NSDL shall not be concerned with any dispute that may arise between the investor and his/her CSP and makes no representation or gives no warranty with respect to the quality of the service provided by the CSP or guarantee for timely delivery or accuracy of the contents of each Alert.

1.7.3 The investor shall verify the transactions and the balances in his/her account from his/her Depository Participant and not rely solely on Alerts for any purpose.

1.7.4 NSDL will not be liable for any delay or inability of NSDL to send the Alert or for loss of any information in the Alerts in transmission.

1.8 Liability

1.8.1 NSDL shall not be liable for any losses, claims and damages arising from negligence, fraud, collusion or violation of the terms herein on the part of the investor and/ or a third party.

Circular No. NSDL/ POLICY/2009/0030 Date: April 22, 2009	***Sub : Intra day SMS Alert Facility*** All Participants are hereby informed that the SMS alert facility has been enhanced for sending the alerts in respect of transfer of securities (i.e. debit to client account) on the same day for delivery instructions effected upto 7.00 p.m. In respect of delivery instructions effected after 7.00 p.m., SMS alerts will be sent on the following day. Accordingly, the terms and conditions are revised. The same are given in the Annexure and displayed on our website www.nsdl.co.in Participants may inform their clients suitably.
Circular No. NSDL/POLICY/ 2008/0042 Date: June 5, 2008	***Sub : Launch of SMS Alert Facility for Investors for Bonus and Sub-divison.*** As all Depository Participants (DPs) are aware, NSDL's SMS Alert facility for demat account holders enables investors to receive alerts for debits (transfers to their demat accounts, credits in respect of IPO & offer for sale allotment and for failed instructions due to insufficient balance. With effect from June 5, 2008, SMS Alert facility for demat account holders has been further enhanced. Investors can now receive alerts in respect of credits pursuant to sub-division and bonus. The text of SMS alerts being sent to the account holders is as follows: Sub-division "___ sub-divided shares of _____ (Company Name/ISIN as the case may be) credited on "Execution date" to your demat a/c no xxxx5678. Check with your DP or on IDEAS website if subscribed - NSDL" Bonus "___ shares of _____ (Company Name/ISIN as the case may be) credited on "Execution date" to your demat a/c no xxxx5678 in respect of Bonus. Check with your DP or on IDEAS website if subscribed - NSDL" The revised details of this facility and the terms & conditions thereof are given in the enclosed annexure.
Circular No. NSDL/POLICY/ 2008/0026 Date: April 22, 2008	***Sub : Launch of SMS Alert Facility for Investors for failed debit instructions*** As all Depository Participants (DPs) are aware, NSDL's SMS Alert facility for demat account holders enables investors to receive alerts for debits (transfers to their demat accounts and credits in respect of corporate actions for IPO and offer for sale. With effect from April 15, 2008, SMS Alert facility for demat account holders has been further enhanced. Investors can now receive alerts in respect of debit instructions failed on account of insufficient balance (Rejection code 3166E i.e. Cancelled Overdue Status). The text of SMS alerts being sent to the account holders is as follows: "Ur reqst for transfer of _____ (number of shares) shares of _____ (Company Name/ISIN as the case may be) from demat a/c no_____ (Client ID) on _____ (date, dd/mm/yy) has failed due to insuff bal. Contact ur DP for details.NSDL" The revised details of this facility and the terms & conditions thereof are given in the enclosed annexure.
Circular No. NSDL/POLICY/ 2007/0058 Date: September 29, 2007	***Sub : Regarding launch of SMS Alert Facility for Investors for credits*** As all Depository Participants (DPs) are aware, NSDL has launched SMS Alert facility for demat account holders whereby investors can receive alerts for debits (transfers) to their demat accounts. In continuation of NSDL Circular Nos. NSDL/ POLICY/2007/0046 dated August 10, 2007 and NSDL/POLICY/2007/0053 dated September 21, 2007, all DPs are requested to note that SMS Alert facility for demat account holders has been further enhanced wherein investors can receive alerts for credits that have taken place in their demat accounts in respect of corporate actions for IPO and offer for sale. In such cases, the following message is being sent to the account holders:

	" _____ (number of shares) shares of _____ (Company Name) credited to your demat a/c no_____ (Client ID) on _____ (date, dd/mm/yy) in respect of Public Offer…NSDL" The revised details of this facility and the terms & conditions thereof are given in the enclosed annexure.
Circular No. NSDL/POLICY/ 2007/0053 Date: September 21, 2007	***Sub : Communication to investors -Regarding launch of SMS Alert Facility for Investors*** As all Depository Participants (DPs) are aware, NSDL has launched SMS Alert facility for demat account holders whereby investors can receive alerts for debits (transfers) to their demat accounts. In continuation of NSDL Circular No. NSDL/ POLICY/2007/0046 dated August 10, 2007, all DPs are hereby advised to note that SMS alert facility for demat account holders has further been enhanced wherein cases of debits (transfers) for more than five ISINs, alerts are being sent with a message that debits for more than five ISINs have taken place and that the investor can check the details with the DP or on IDeAS website, if the investor is an IDeAS subscriber. In such cases, the following message is being sent to the account holders : "Securities of more than 5 companies (ISINs) debited from ur demat a/c No _____ (Client ID) on _____ (date, dd/mm/yy). Check details with ur DP or on IDeAS website if subscribed..NSDL" In order to create Client awareness and facilitate Clients to enroll for the SMS Alert facility, all DPs are advised to communicate the following message alongwith the transaction statement sent to their Client accounts (Active or Frozen) for the month / quarter ended September 2007: "NSDL has launched SMS Alert facility for demat account holders whereby investors can receive alerts for debits (transfers) to their demat accounts. Under this facility, investors can receive alerts for the debits (transfers) that have taken place in their demat accounts, a day after the debit (transfer). The alerts are sent to those account holders who have provided their mobile numbers to their Depository Participants (DPs) and DPs have activated such a facility in the computer system. These alerts are sent giving details, if the debits (transfers) are up to five ISINs in a day. In case debits (transfers) are for more than five ISINs, alerts are sent with a message that debits for more than five ISINs have taken place and that the investor can check the details with the DP or on IDeAS website, if the investor is an IDeAS subscriber. Please contact us for more information and enrollment for SMS Alert facility"
Circular No. NSDL/POLICY/ 2007/0046 Date: August 10, 2007	***Sub : Launch of SMS Alert Facility for Investors*** All Participants are hereby informed that NSDL is making a soft launch of SMS Alert Facility from August 10, 2007 whereby a few investors on a pilot basis will be able to receive alerts for debits (transfers) taking place in their demat accounts. The full fledged roll out of this facility for all investors will commence on September 1, 2007. The details of this facility and the terms & conditions thereof are given in the enclosed annexure. For those demat accounts where investors have intimated their mobile numbers to their Participants with a request for activating the SMS facility and the Participant has accordingly captured the mobile number and enabled the SMS flag (ticked) in the DPM system, the SMS Alert Facility will be activated. Participants are requested to note that the mobile number captured in the DPM system should be a ten digit number with the first digit as "9". Participants are advised to maintain records of those Clients who have opted for this facility. Those Clients who have given their mobile numbers to their Participants and do not wish to avail this facility may inform their Participants. Accordingly, the Participants should disable the SMS flag (untick).

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NOTES

6. Internal Controls/Reporting to NSDL/SEBI

a. General

Regulation 64A	(1) If an issuer or its agent - (a) contravenes any of the provisions of the Depositories Act, the bye-laws, agreements, these regulations and directions issued thereunder; (b) fails to furnish any information relating to its activity as an issuer as required under these regulations; (c) does not furnish the information called for by the Board under clause (a) of sub-section (1) of section 18 of the Depositories Act or furnishes information which is false or misleading in any material particular; (d) does not co-operate in any inspection or investigation or enquiry conducted by the Board; (e) fails to comply with any direction of the Board issued under section 18 of the Depositories Act, the Board may, without prejudice to any other action which it may take under the Act, take any action against such issuer or its agent under the Depositories Act. (2) The depository shall conduct inspection of the records of the issuers or agents, as the case may be to ensure that the records of dematerialised securities are reconciled with all the securities issued by the issuer and submit its report to the Board if there is failure by the issuers or agents in such reconciliation of records."
Regulation 46	Every participant shall have adequate mechanism for the purposes of reviewing, monitoring and evaluating the participant's internal accounting controls and systems.
Regulation 48	Every participant shall submit periodic returns to the Board and to every depository in which it is a participant in the format specified by the Board or the bye-laws of the depository, as the case may be.
Bye Law 6.3.6	The Participant shall submit the following returns to the Depository: i. net worth certificate computed in a manner laid down in the Business Rules duly certified by a Chartered Accountant on the annual audited accounts of the Participant; ii. In case the Participant is a clearing member of the clearing corporation of any exchange, the details regarding any suspension/termination or defaults or any disputes in relation to its dealings with such clearing corporation within two working days of such an event; iii. number of complaints received from Clients, their nature, status and manner of redressal once every month; iv. number of transfers effected for off-market settlement of trades once every month.
Bye Law 10.2.1.	Each Participant shall furnish to the Depository every year, a copy of its audited financial statement within six months from the end of the Participant's financial year. Provided that when the Depository is satisfied that circumstances warrant an extension of time to furnish such report, it may grant such extension to the Participant.
Clause 16 of NSDL-DP Agreement	The Participant shall comply with such accounting, audit, financial requirements including requirements for submission of periodic returns on its activities in relation to NSDL, in such form and manner and within such time period as may be specified in the Bye Laws and Business Rules.
Rule 5.2.3	Each Participant shall conduct a review, at least annually, of its business relating to the operations of the Depository, which shall be reasonably designed to assist in detecting and preventing violation of and achieving compliance of the Bye Laws and Business Rules of the Depository.

Circular No.: NSDL/ POLICY/2020/0069 May 15, 2020	***Subject: Facility to submit Quarterly Report of Cyber Incidents on e-Pass system.*** Participants were informed about the format for reporting cyber incidents on quarterly basis vide Circular no. NSDL/POLICY/2019/0076 dated November 13, 2019. In this context, Participants are requested to take note that NSDL has developed a facility to submit quarterly report of Cyber Incidents through online portal i.e. e-PASS (https://www.epass.nsdl.com/). The procedure for submission of the report on e-PASS is enclosed at Annexure. Participants are requested to take note to submit the quarterly report of cyber incidents on e-PASS system from the quarter ended June 2020 onwards. For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in. For and on behalf of National Securities Depository Limited Chirag Shah Senior Manager Enclosed: One

Annexure

<u>Procedure of submission of Quarterly Report of Cyber Incidents through e-PASS</u>

Participants are hereby informed that a new feature has been incorporated on e-Pass portal to facilitate participants to submit the quarterly report of cyber incidents. We have introduced new option viz., 'Quarterly Report of Cyber Incidents' under menu viz., 'Transaction'. On clicking this option, it will display two sub-menus as under:

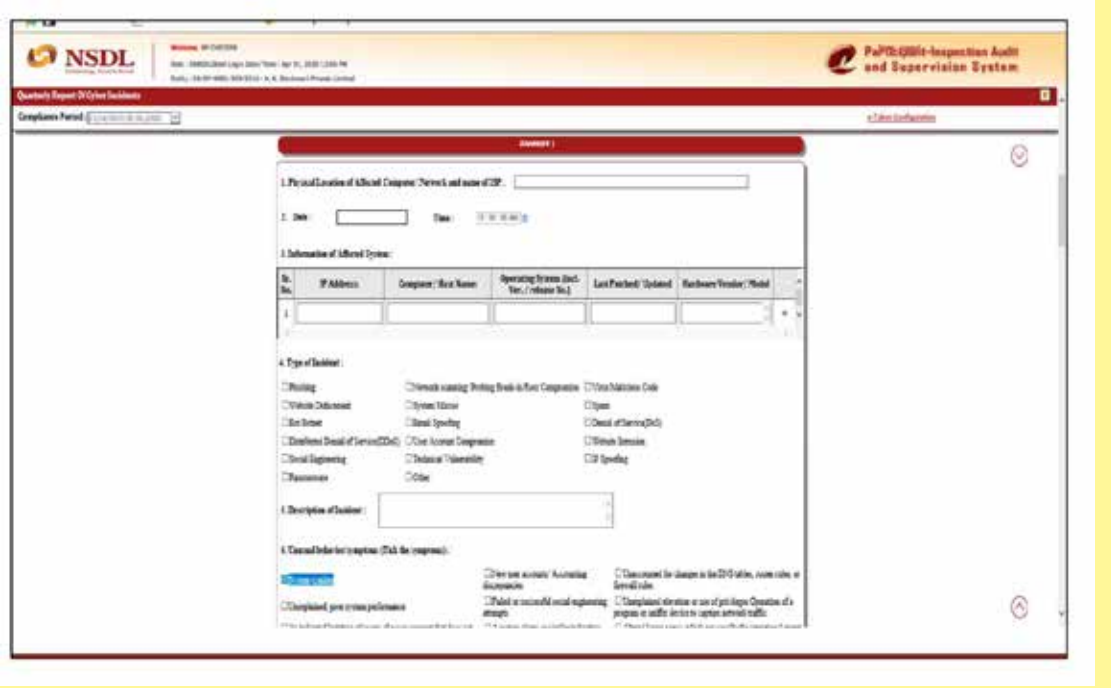
Submit Quarterly Report of Cyber Incidents: This section will enable user to capture/submit the Report.

View/Search Quarterly Report of Cyber Incidents: This section will populate all reports submitted by the Participant.

The quarterly report of Cyber Incidents can be submitted by Checker user. Checker user shall fill the report and submit the report by clicking on sub menu 'Submit Quarterly Report of Cyber Incidents' under the option viz., 'Quarterly Report of Cyber Incidents' as exhibited below.

On clicking on the sub menu viz., Submit Quarterly Report of Cyber Incidents, the system will be redirected into capture screen as exhibited below wherein User will be required to enter designated officer details and at point no. 2 Participant have to select 'Yes' or 'No' whether cyber attacks/breached observed in that quarter.

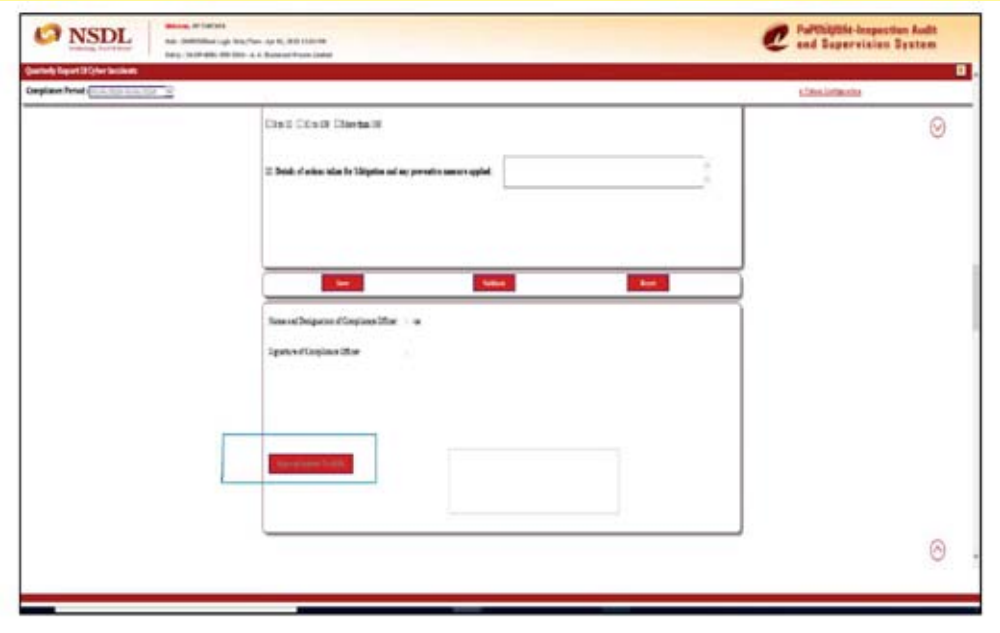
If User select 'Yes' in above Point 2, he will be required to enter Cyber Incident details as exhibited below:



User can click “Save” button to save the draft at any point in time while filling the report. The user can view the saved quarterly report under ‘view/search reports’ option. Further, user can click “Reset” button to reset the filled quarterly report [as exhibited below].

Once the report is filled completely, the user will need to click on 'validate' button. If there are any error/s the same would be highlighted which are required to be corrected by the user and once again click on button 'validate'.

Once Quarterly Report of Cyber Incidents is validated successfully then the user is required to digitally sign the same and submit the Quarterly Report of Cyber Incidents to NSDL by clicking on "Sign and submit to NSDL" button.



Once the report get submitted, user will be able to view the report on link 'View/Search Quarterly Report of Cyber Incidents' provided under option viz., 'Quarterly Report of Cyber Incidents' as exhibited below.

Circular No.: NSDL/ POLICY/2019/0076 November 13, 2019	***Subject: Cyber Security & Cyber Resilience framework for Depository Participants - Clarifications.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MIRSD/ CIR/PB/2018/147 dated December 03, 2018 (NSDL Circular nos. NSDL/ POLICY/2018/0069 & NSDL/POLICY/2019/0039 dated December 06, 2018 and July 09, 2019 respectively) regarding Cyber Security & Cyber Resilience framework of Depository Participants. In this context, SEBI has vide its Circular no. SEBI/HO/MIRSD/DOP/CIR/P/2019/109 dated October 15, 2019 issued clarification on the aforesaid SEBI circular. Copy of the same is enclosed. In this context, Participants are requested to take note of the following and ensure compliance: 1. With regar1ds to Paragraph 52 of Annexure 1 of the SEBI circular dated December 03, 2018, the quarterly report format as prescribed at **Annexure A** needs to be filled and submitted to NSDL on email ID **dpinfosec@nsdl.co.in.** 2. For the quarter ended on September 30, 2019, quarterly reports shall be submitted by Participants not later than November 30, 2019 as per the format specified. 3. Effective from quarter ending on December 31, 2019, the time period for submission of the report shall be 15 days after the end of the quarter. 4. Participants who have not faced any cyber-attack/breach would also be required to submit quarterly report with nil observation in the prescribed format enclosed at **Annexure A.** 5. With regard to periodic audit as specified in paragraph 58 of Annexure 1 of the SEBI circular dated December 03, 2018, auditors qualified in following certifications can audit the systems of Participants to check the compliance of Cyber Security and Cyber Resilience provisions: CERT-IN empanelled auditor, an independent DISA (ICAI) Qualification, CISA (Certified Information System Auditor) from ISACA, CISM (Certified Information Securities Manager) from ISACA, CISSP (Certified Information Systems Security Professional) from International Information Systems Security Certification Consortium (commonly known as (ISC)2). 6. Participants are requested to take note of the compliance schedule enclosed at **Annexure B.** In view of the above, NSDL circular No. NSDL/POLICY/2019/0039 dated December 06, 2018 on the quarterly report of Cyber Security & Cyber Resilience framework of Depository Participants shall stands superseded and all Participants shall submit the report in the revised format enclosed at **Annexure A.**

CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2019/109

October 15, 2019

To

All Recognised Stock Exchanges Depositories - NSDL and CDSL

Dear Sir / Madam,

Subject: Cyber Security & Cyber Resilience framework for Stock Brokers / Depository Participants - Clarifications

1. SEBI, vide circular SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018, prescribed the framework for Cyber Security & Cyber Resilience for Stock Brokers / Depository Participants.
2. Paragraph 52 of Annexure 1 of the SEBI circular dated December 03, 2018 specifies the following regarding sharing of information:

   Quarterly reports containing information on cyber-attacks and threats experienced by Stock Brokers / Depository Participants and measures taken to mitigate vulnerabilities, threats and attacks including information on bugs / vulnerabilities / threats that may be useful for other Stock Brokers / Depository Participants should be submitted to Stock Exchanges / Depositories.
3. In this regard, following guidelines are being issued for submission of report / information and the timelines:

   3.1 A format for submitting the reports is attached as Annexure.

   3.2 For the quarter ended on September 30, 2019, quarterly reports shall be submitted by stock brokers / depository participants not later than November 30, 2019 as per the format specified.

   3. Effective from quarter ending on December 31, 2019, the time period for submission of the report shall be 15 days after the end of the quarter.

   3.4 The mode of submission of such reports by the stock brokers / depository participants may be prescribed by Stock Exchanges / Depositories.
4. With regard to periodic audit as specified in paragraph 58 of Annexure 1 of the SEBI circular dated December 03, 2018, it has been decided that auditors qualified in following certifications can audit the systems of depository participants and stock brokers to check the compliance of Cyber Security and Cyber Resilience provisions:

   CERT-IN empanelled auditor, an independent DISA (ICAI) Qualification, CISA (Certified Information System Auditor) from ISACA, CISM (Certified Information Securities Manager) from ISACA, CISSP (Certified Information Systems Security

   Professional) from International Information Systems Security Certification Consortium (commonly known as (ISC)²).
5. The periodicity of audit for the purpose of compliance with Cyber Security and Cyber Resilience provisions for depository participants shall be annual. The periodicity of audit for the compliance with the provisions of Cyber Security and Cyber Resilience provisions for stock brokers, irrespective of number of terminals and location presence, shall be as under:

Type of stock broker as specified in SEBI circular CIR/MRD/DMS/34/2013 dated November 06, 2013	Periodicity
Type I	Annual
Type II	Annual
Type III	Half-yearly

Paragraph 58 of Annexure 1 of the SEBI circular dated December 03, 2018 stands modified accordingly.

6. Stock Exchanges and Depositories shall
   a) make necessary amendments to the relevant byelaws, rules and regulations for the implementation of the above direction;
   b) bring the provisions of this circular to the notice of their members and depository participants respectively and also disseminate the same on their websites; and
   c) communicate to SEBI, the status of implementation of the provisions of this circular in their Monthly Report.
7. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and Section 19 of the Depositories Act to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Annexure

Incident Reporting Form		
1. Letter / Report Subject -		
Name of the Member / Depository Participant - Name of the Stock Exchange / Depository -Member ID / DP ID -		
2. Reporting Periodicity		
Year-		
□ Quarter 1 (Apr-Jun) □ Quarter 2 (Jul-Sep)	□ Quarter 3 (Oct-Dec) □ Quarter 4 (Jan-Mar)	
3. Designated Officer (Reporting Officer details) -		
Name:	Organization:	Title:
Phone / Fax No:	Mobile:	Email:
Address:		
Cyber-attack / breach observed in Quarter: (If yes, please fill Annexure I) (If no, please submit the NIL report)		
Date & Time	Brief information on the Cyber-attack / breached observed	
Annexure I		
1. Physical location of affected computer / network and name of ISP -		
2. Date and time incident occurred -		
Date:	Time:	

3. Information of affected system -

IP Address:	Computer / Host Name:	Operating System (incl. Ver. / release No.):	Last Patched/ Updated:	Hardware Vendor/ Model:

4. Type of incident -

□ Phishing □ Network scanning /Probing Break-in/Root Compromise □ Virus/Malicious Code □ Website Defacement □ System Misuse	□ Spam □ Bot/Botnet □ Email Spoofing □ Denial of Service(DoS) □ Distributed Denial of Service(DDoS) □ User Account Compromise	□ Website Intrusion □ Social Engineering □ Technical Vulnerability □ IP Spoofing □ Ransomware □ Other

5. Description of incident -

6. Unusual behavior/symptoms (Tick the symptoms) -

□ System crashes □ New user accounts/ Accounting discrepancies □ Failed or successful social engineering attempts □ Unexplained, poor system performance □ Unaccounted for changes in the DNS tables, router rules, or firewall rules □ Unexplained elevation or use of privileges Operation of a program or sniffer device to capture network traffic; □ An indicated last time of usage of a user account that does not correspond to the actual last time of usage for that user □ A system alarm or similar indication from an intrusion detection tool □ Altered home pages, which are usuallythe intentional target for visibility, or other pages on the Web server	□ Anomalies □ Suspicious probes □ Suspicious browsing New files □ Changes in file lengths or dates □ Attempts to write to system □ Data modification or deletion □ Denial of service □ Door knob rattling □ Unusual time of usage □ Unusual usage patterns □ Unusual log file entries □ Presence of new setuid or setgid files Changes in system directories and files □ Presence of cracking utilities □ Activity during non-working hours or holidays □ Other (Please specify)

	7. Details of unusual behavior/symptoms -
	8. Has this problem been experienced earlier? If yes, details -
	9. Agencies notified -
	Law Enforcement / Private Agency / Affected Product Vendor / Other
	10. IP Address of apparent or suspected source -
	Source IP address: / Other information available:
	11. How many host(s) are affected -
	1 to 10 / 10 to 100 / More than 100
	12. Details of actions taken for mitigation and any preventive measure applied -

Compliance Schedule

Sr. No.	Periodic compliance requirement	Frequency of submission	Deadline for submission	Manner of sending	Reference
1	Investor Grievance Report	Monthly	By 10th of the following month.	Through e-PASS	Circular No. NSDL/ POLICY/2015/00 96 dated October 29, 2015
2	Artificial Intelligence I/Machine Learning Reporting Form (if offering or using such technologies as defined)	Quarterly	By 15th of the following month.	By email at Participant-Interface@nsdl.co.in	Circular No. NSDL/ POLICY/2019/00 16 dated March 27, 2019
3	Cyber Security & Cyber Resilience framework of Depository Participants	Quarterly	By 15th of the following month.	By email at dpinfosec@nsdl.co.in	Circular No. NSDL/ POLICY/2019/00 76 dated November 13, 2019.
4 (A)	Compliance Certificate July - December	Half Yearly	January 31st	Digitally signed compliance certificate by email at nsdl-bp-inspection@nsdl.co.in. Alternatively, by hard copy to Inspection Department	Circular No. NSDL/ POLICY/2010/00 17 dated February 22, 2010 and Circular No. NSDL/POLICY/2018/00 28 dated May 21, 2018
(B)	January - June		July 31st		
5 (A)	Risk Assessment Template April - September		October 31st	Through e-PASS	Circular No. NSDL/ POLICY/2015/00 46 dated April 30, 2015
(B)	October - March	Half Yearly	April 30th		
6 (A)	Internal/ Concurrent Audit Report April - September	Half Yearly	November 15th	Through e-PASS	Circular No. NSDL/ POLICY/2018/00 16 dated March 16, 2018
(B)	October - March		May 15th		
7	Tariff Sheet	Yearly	April 30th	By email at dpfees@nsdl.co.in	Circular No. NSDL/ POLICY/2007/00 03 dated January 8, 2007
8	Networth Certificate and Audited Financial Statements.	Yearly	September 30th	By hard copy to Participant Interface Department.	Circular No. NSDL/ PI/98/414 dated September 1, 1998

Circular No.: NSDL/ POLICY/2019/0039 July 9, 2019	***Subject: SEBI Circular on Cyber Security & Cyber Resilience framework of Depository Participants.*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2018/0069 dated December 06, 2018 regarding SEBI Circular on Cyber Security & Cyber Resilience framework of Depository Participants. In terms of clause 52 of the Framework for Cyber Security and Cyber Resilience of the said SEBI Circular, Participants are required to submit quarterly reports containing information on cyber-attacks and threats experienced by Participants and measures taken to mitigate vulnerabilities, threats and attacks including information on bugs / vulnerabilities / threats that may be useful for other Participants. Accordingly, Participants shall be required to submit the report of the cyber-attacks and threats experienced and measures taken to mitigate vulnerabilities, threats and attacks including information on bugs / vulnerabilities / threats that may be useful for other Participants, for the said quarter, as per below details: The quarterly report (excel format) as prescribed at Annexure 1 needs to be filled and submitted to NSDL on email ID dpinfosec@nsdl.co.in. The schedule to be followed for the submission of the quarterly report on cyber-attacks and threats, to NSDL is as under: Quarter | Due date for submission of form to NSDL January - March | April 15 April - June | July 15 July - September | October 15 October - December | January 15 In view of the above, Participants are requested to take note of the revised compliance schedule enclosed at Annexure 2.

Compliance Schedule

Sr. No.	Periodic compliance requirement	Frequency of submission	Deadline for submission	Manner of sending	Reference
1	Investor Grievance Report	Monthly	By 10th of the following month.	Through e-PASS	Circular No. NSDL/ POLICY/2015/00 96 dated October 29, 2015
2	Artificial Intelligence I/Machine Learning Reporting Form (if offering or using such technologies as defined)	Quarterly	By 15th of the following month.	By email at Participant-Interface@nsdl.co.in	Circular No. NSDL/ POLICY/2019/00 16 dated March 27, 2019
3	Cyber Security & Cyber Resilience framework of Depository Participants	Quarterly	By 15th of the following month.	By email at dpinfosec@nsdl.co.in	Circular No. NSDL/ POLICY/2019/00 39 dated July 9, 2019.
4 (A)	Compliance Certificate July - December	Half Yearly	January 31st	Digitally signed compliance certificate by email at nsdl-bp-inspection@nsdl.co.in. Alternatively, by hard copy to Inspection Department	Circular No. NSDL/ POLICY/2010/00 17 dated February 22, 2010 and Circular No. NSDL/ POLICY/2018/00 28 dated May 21, 2018
(B)	January - June		July 31st		
5 (A)	Risk Assessment Template April - September	Half Yearly	October 31st	Through e-PASS	Circular No. NSDL/ POLICY/2015/00 46 dated April 30, 2015
(B)	October - March		April 30th		
6 (A)	Internal/ Concurrent Audit Report April - September	Half Yearly	November 15th	Through e-PASS	Circular No. NSDL/ POLICY/2018/00 16 dated March 16, 2018
(B)	October - March		May 15th		
7	Tariff Sheet	Yearly	April 30th	By email at dpfees@nsdl.co.in	Circular No. NSDL/ POLICY/2007/00 03 dated January 8, 2007
8	Networth Certificate and Audited Financial Statements.	Yearly	September 30th	By hard copy to Participant Interface Department.	Circular No. NSDL/ PI/98/414 dated September 1, 1998

Circular No.: NSDL/ POLICY/2019/0016 March 27, 2019	***Subject: SEBI Circular on reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used by market intermediaries.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MIRSD/DOS2/CIR/P/2019/10 dated January 04, 2019 (copy enclosed) regarding reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used by market intermediaries. In view of the aforesaid, Participants are requested to note the following and ensure compliance: 1. Participants who are offering or using applications or systems as defined in Annexure B to aforesaid SEBI Circular should participate in the reporting process by completing the AI/ML Reporting Form. Consequently, Participants who are not offering or using the applications or systems as defined in Annexure B need not submit the AI/ML Reporting Form. 2. Participants offering or using the defined applications or systems are requested to fill in the AI/ML Reporting Form (in excel format) and submit the same to NSDL on a quarterly basis within 15 days of the end of the quarter. 3. The AI/ML Reporting Form (excel format) as prescribed at ***Annexure 1*** needs to be filled and submitted to NSDL on email ID Participant-Interface@nsdl.co.in. 4. Accordingly, the schedule to be followed for the submission of the AI and ML related reporting to NSDL is as under: <table><tr><td>Quarter</td><td>Due date for submission of form to NSDL</td></tr><tr><td>January - March</td><td>April 15</td></tr><tr><td>April - June</td><td>July 15</td></tr><tr><td>July - September</td><td>October 15</td></tr><tr><td>October - December</td><td>January 15</td></tr></table>In view of the above, Participants are requested to take note of the revised compliance schedule enclosed at Annexure 2.
	CIRCULAR **SEBI/HO/MIRSD/DOS2/CIR/P/2019/10** **January 04, 2019** **To** **Stock Brokers and Depository Participants Recognized Stock Exchanges and Depositories** **Subject: Reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used by market intermediaries** **Dear Sir / Madam, Background** 1. **There is increasing usage of AI (Artificial Intelligence) and ML (Machine Learning) as product offerings by market intermediaries and participants (eg: "robo advisors") in investor and consumer facing products. SEBI is conducting a survey and creating an inventory of the AI / ML landscape in the Indian financial markets to gain an in-depth understanding of the adoption of such technologies in the markets and to ensure preparedness for any AI / ML policies that may arise in the future.** 2. **As most AI / ML systems are black boxes and their behavior cannot be easily quantified, it is imperative to ensure that any advertised financial benefit owing to these technologies in investor facing financial products offered by intermediaries should not constitute to misrepresentation Scope definition**

3. Any set of applications / software / programs / executable / systems (computer systems) - cumulatively called application and systems,

   a. that are offered to investors (individuals and institutions) by market intermediaries to facilitate investing and trading,

   OR

   b. to disseminate investments strategies and advice,

   OR

   c. to carry out compliance operations / activities,

   where AI / ML is portrayed as a part of the public product offering or under usage for compliance or management purposes, is included in the scope of this circular. Here, "AI" / "ML" refers to the terms "Artificial Intelligence" and "Machine Learning" used as a part of the product offerings. In order to make the scope of this circular inclusive of various AI and ML technologies in use, the scope also covers Fin-Tech and Reg-Tech initiatives undertaken by market participants that involves AI and ML

4. Technologies that are considered to be categorized as AI and ML technologies in the scope of this circular, are explained in Annexure B.

Regulatory requirements

5. All registered Stock Brokers / Depository Participant offering or using applications or systems as defined in Annexure B, should participate in the reporting process by completing the AI / ML reporting form (see Annexure A).

6. With effect from quarter ending March 2019, registered Stock Brokers / Depository Participant using AI / ML based application or system as defined in Annexure B, are required to fill in the form (Annexure A) and make submissions on quarterly basis within 15 calendar days of the expiry of the quarter.

7. Stock Exchanges and Depositories have to consolidate and compile a report, on AI / ML applications and systems reported by registered Stock Brokers / Depository Participants in the reporting format (Annexure C) on quarterly basis. The said report (Annexure C) shall be submitted in soft copy only at AI_SE@sebi.gov.in (for Stock Exchange) / AI_DEP@sebi.gov.in (for Depositories) to SEBI within 30 calendar days of the expiry of the quarter, starting from quarter ending March 2019.

8. Stock Exchanges and Depositories shall;

   a) make necessary amendments to the relevant byelaws, rules and regulations for the implementation of the above direction;

   b) bring the provisions of this circular to the notice of their members/ participants and also disseminate the same on their websites; and

   c) communicate to SEBI, the status of implementation of the provisions of this circular in their Monthly Development Report.

9. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully

Debashis Bandyopadhyay
General Manager
Market Intermediaries Regulations and Supervision Department

Annexure A - Form to report on AI and ML technologies - To be submitted quarterly
Intimation to Stock Exchange / Depository for the use of the AI and ML application and systems.

SNo.	Head	Value
1	Entity SEBI registration number	
2	Registered entity category	
3	Entity name	
4	Entity PAN no.	
5	Application / System name	
6	Date from when the Application / System was used	
7	Type of area where AI or ML is used	<order execution / Advisory services / KYC / AML / Surveillance / compliance/others (please specify in 256 characters)>
7.a	Does the system involve order initiation, routing and execution?	<Yes / NO>
7.b	Does the system fall under discretionary investment or Portfolio management activities?	<Yes / NO>
7.c	Does the system disseminate investment or trading advice or strategies?	<Yes / NO>
7.d	Is the application/system used in area of Cyber Security to detect attacks	<Yes / NO>
7.e	What claims have been made regarding AI and ML Application / System - if any?	<free text field>
8	What is the name of the Tool / Technology that is categorized as AI and ML system / Application and submissions are declared vide this response	<free text field>
9	How was the AI or ML project implemented	<Internally / through solution provider / Jointly with a solution provider or third party>
10	Are the key controls and control points in your AI or ML application or systems in accordance to circular of SEBI that mandate cyber security control requirements	<free text field>
11	Is the AI / ML system included in the system audit, if applicable?	<Yes / NO / NA>
12	Describe the application / system and how it uses AI / ML as portrayed in the product offering	<free text field>
13	What safeguards are in place to prevent abnormal behavior of the AI or ML application / System	<free text field>

Annexure B - Systems deemed to be based on AI and ML technology

Applications and Systems belonging but not limited to following categories or a combination of these:

1. Natural Language Processing (NLP), sentiment analysis or text mining systems that gather intelligence from unstructured data. - In this case, Voice to text, text to intelligence systems in any natural language will be considered in scope. Eg: robo chat bots, big data intelligence gathering systems.
2. Neural Networks or a modified form of it. - In this case, any systems that uses a number of nodes (physical or software simulated nodes) mimicking natural neural networks of any scale, so as to carry out learning from previous firing of the nodes will be considered in scope. Eg: Recurrent Neural networks and Deep learning Neural Networks
3. Machine learning through supervised, unsupervised learning or a combination of both. - In this case, any application or systems that carry out knowledge representation to form a knowledge base of domain, by learning and creating its outputs with real world input data and deciding future outputs based upon the knowledge base. Eg: System based on Decision tree, random forest, K mean, Markov decision process, Gradient boosting Algorithms.
4. A system that uses statistical heuristics method instead of procedural algorithms or the system / application applies clustering or categorization algorithms to categorize data without a predefined set of categories
5. A system that uses a feedback mechanism to improve its parameters and bases it subsequent execution steps on these parameters.
6. A system that does knowledge representation and maintains a knowledge base.

Annexure C - Consolidated Quarterly Reporting Form

Consolidated Quarterly report to SEBI of all registered intermediaries with Stock Exchange / Depositories using AI and ML application and systems for the Quarter Ended DD/MM/YYYY

Entity registration number	Entity name	Entity PAN no.	Application / System name	Date used from	Type of area where AI or ML is used	To be filled if System Audit is applicable			
						If system audit report is submitted by entity later than "date used from"		If system audit report is submitted with adverse remarks and Stock Exchange/Depositories is entitled to inspect the entity	
						Does system audit report comply to circular no SEBI/HO/MIRS D/DOS2/CIR/P /2019/10 dated January 4, 2019 of SEBI	Is there any adverse comment in the System audit report	Was the entity inspected in past 1 year	If inspected was any irregularity noted
					<order execution / Advisory services / KYC / AML / Surveillance / compliance others (please specify in 256 characters)>	<Yes / NO/>	<Yes / NO/>	<Yes / NO>	<Yes / NO>

Add separate rows for each system or application.

Annexure 2

Compliance Schedule

Sr. No.	Periodic compliance requirement	Frequency of submission	Deadline for submission	Manner of sending	Reference
1	Investor Grievance Report	Monthly	By 10th of the following month.	Through e-PASS	Circular No. NSDL/ POLICY/2015/00 96 dated October 29, 2015
2	Artificial Intelligence /Machine Learning Reporting Form (if offering or using such technologies as defined)	Quarterly	By 15th of the following month.	By email at Participant-Interface@nsdl.co.in	Circular No. NSDL/ POLICY/2019/00 16 dated March 27, 2019
3 (A)	Compliance Certificate July - December	Half Yearly	January 31st	Digitally signed compliance certificate by email at nsdl-bp-inspection@nsdl.co.in. Alternatively, by hard copy to Inspection Department	Circular No. NSDL/ POLICY/2010/00 17 dated February 22, 2010 and Circular No. NSDL/ POLICY/2018/00 28 dated May 21, 2018
(B)	January - June		July 31st		
4 (A)	Risk Assessment Template April - September	Half Yearly	October 31st	Through e-PASS	Circular No. NSDL/ POLICY/2015/00 46 dated April 30, 2015
(B)	October - March		April 30th		
5 (A)	Internal/ Concurrent Audit Report April - September	Half Yearly	November 15th	Through e-PASS	Circular No. NSDL/ POLICY/2019/00 17 dated March 27, 2019
(B)	October - March		May 15th		
6	Tariff Sheet	Yearly	April 30th	By email at dpfees@nsdl.co.in	Circular No. NSDL/ POLICY/2007/00 03 dated January 8, 2007
7	Networth Certificate and Audited Financial Statements.	Yearly	September 30th	By hard copy to Participant Interface Department.	Circular No. NSDL/ PI/98/414 dated September 1, 1998

Circular No.: NSDL/POLICY 2019/0015 March 19, 2019	***Subject: SEBI Circular on Clarification to Cyber Security & Cyber Resilience framework for Depository Participants.*** Attention of Participants is invited to SEBI Circular no. CIR/HO/MIRSD/DOS2/CIR/PB/2019/038 dated March 15, 2019 regarding clarification to Cyber Security & Cyber Resilience framework for Depository Participants. Copy of the same is enclosed. Participants are requested to take note of the above and ensure compliance. **CIRCULAR** **CIR/HO/MIRSD/DOS2/CIR/PB/2019/038** **March 15, 2019** **To,** **The Managing Directors of all Recognized Stock Exchanges and Depositories** Dear Sir/Madam, **Sub: Clarification to Cyber Security & Cyber Resilience framework for Stock Brokers / Depository Participants** 1. SEBI vide circular no. SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018, has issued compliance norms for Cyber Security & Cyber Resilience framework for Stock Brokers / Depository Participants. 2. Subsequently, SEBI has received representations from the stock brokers with respect to para 7 of Annexure- 1 to the aforesaid circular. Accordingly, it is clarified that in Para 7, the words "Internal Technology Committee" stands replaced as "Technology Committee". 3. The Stock Exchanges/Depositories are directed to bring the contents of this circular to the notice of the Stock Brokers/Depository Participants and also disseminate the same on their websites. 4. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets. 5. This Circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework". Yours faithfully, Debashis Bandyopadhyay Chief General Manager Market Intermediaries Regulations and Supervision Department

Circular No.: NSDL/ POLICY/2018/0069 December 6, 2018	***Subject: SEBI Circular on Cyber Security & Cyber Resilience framework for Depository Participants.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MIRSD/ CIR/PB/2018/147 dated December 03, 2018 regarding Cyber Security & Cyber Resilience framework for Depository Participants. Copy of the same is enclosed. Participants are requested to take note of the above and ensure compliance.
	CIRCULAR SEBI/HO/MIRSD/CIR/PB/2018/147 December 03, 2018 To, **The Managing Directors of all Recognized Stock Exchanges and Depositories** Dear Sir / Madam, **Subject: Cyber Security & Cyber Resilience framework for Stock Brokers / Depository Participants** 1. Rapid technological developments in securities market have highlighted the need for maintaining robust cyber security and cyber resilience framework to protect the integrity of data and guard against breaches of privacy. 2. Since stock brokers and depository participants perform significant functions in providing services to holders of securities, it is desirable that these entities have robust cyber security and cyber resilience framework in order to provide essential facilities and perform systemically critical functions relating to securities market. 3. Accordingly, after discussions with Exchanges, Depositories and Stock Brokers' and Depository Participants' associations, a framework on cyber security and cyber resilience has been designed, which is placed at Annexure 1. The framework would be required to be complied by all Stock Brokers and Depository Participants registered with SEBI. 4. The guidelines annexed with this circular shall be effective from April 1, 2019. 5. Stock Exchanges and Depositories shall; a) make necessary amendments to the relevant byelaws, rules and regulations for the implementation of the above direction; b) bring the provisions of this circular to the notice of their members/ participants and also disseminate the same on their websites; and c) communicate to SEBI, the status of implementation of the provisions of this circular in their Monthly Report. 6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market. Yours faithfully **Debashis Bandyopadhyay** **General Manager**

Market Intermediaries Regulations and Supervision Department

Annexure - 1

1. Cyber-attacks and threats attempt to compromise the Confidentiality, Integrity and Availability (CIA) of the computer systems, networks and databases (Confidentiality refers to limiting access of systems and information to authorized users, Integrity is the assurance that the information is reliable and accurate, and Availability refers to guarantee of reliable access to the systems and information by authorized users). Cyber security framework includes measures, tools and processes that are intended to prevent cyber-attacks and improve cyber resilience. Cyber Resilience is an organization's ability to prepare and respond to a cyber-attack and to continue operation during, and recover from, a cyber-attack.

2. Governance

As part of the operational risk management framework to manage risk to systems, networks and databases from cyber-attacks and threats, Stock Brokers / Depository Participants should formulate a comprehensive Cyber Security and Cyber Resilience policy document encompassing the framework mentioned hereunder. In case of deviations from the suggested framework, reasons for such deviations, technical or otherwise, should be provided in the policy document.

The policy document should be approved by the Board / Partners / Proprietor of the Stock Broker / Depository Participants. The policy document should be reviewed by the aforementioned group at least annually with the view to strengthen and improve its Cyber Security and Cyber Resilience framework.

3. The Cyber Security Policy should include the following process to identify, assess, and manage Cyber Security risk associated with processes, information, networks and systems:

a) 'Identify' critical IT assets and risks associated with such assets.

b) 'Protect' assets by deploying suitable controls, tools and measures.

c) 'Detect' incidents, anomalies and attacks through appropriate monitoring tools/processes.

d) 'Respond' by taking immediate steps after identification of the incident, anomaly or attack.

e) 'Recover' from incident through incident management and other appropriate recovery mechanisms.

4. The Cyber Security Policy of Stock Brokers trading through APIs based terminal / Depository Participants should consider the principles prescribed by National Critical Information Infrastructure Protection Centre (NCIIPC) of National Technical Research Organization (NTRO), Government of India (titled 'Guidelines for Protection of National Critical Information Infrastructure') and subsequent revisions, if any, from time to time.

5. Stock Brokers trading through APIs based terminal / Depository Participants may refer to best practices from international standards like ISO 27001, COBIT 5, etc., or their subsequent revisions, if any, from time to time.

6. Stock Brokers / Depository Participants should designate a senior official or management personnel (henceforth, referred to as the "Designated Officer") whose function would be to assess, identify, and reduce security and Cyber Security risks, respond to incidents, establish appropriate standards and controls, and direct the establishment and implementation of processes and procedures as per the Cyber Security Policy.

	7. The Board / Partners / Proprietor of the Stock Brokers / Depository Participants shall constitute an internal Technology Committee comprising experts. This Technology Committee should on a half yearly basis review the implementation of the Cyber Security and Cyber Resilience policy approved by their Board / Partners / Proprietor, and such review should include review of their current IT and Cyber Security and Cyber Resilience capabilities, set goals for a target level of Cyber Resilience, and establish plans to improve and strengthen Cyber Security and Cyber Resilience. The review shall be placed before the Board / Partners / Proprietor of the Stock Brokers / Depository Participants for appropriate action. 8. Stock Brokers / Depository Participants should establish a reporting procedure to facilitate communication of unusual activities and events to the Designated Officer in a timely manner. 9. The Designated officer and the technology committee of the Stock Brokers / Depository Participants should periodically review instances of cyber-attacks, if any, domestically and globally, and take steps to strengthen Cyber Security and cyber resilience framework. 10. Stock Brokers / Depository Participants should define responsibilities of its employees, outsourced staff, and employees of vendors, members or participants and other entities, who may have privileged access or use systems / networks of Stock Brokers / Depository Participants towards ensuring the goal of Cyber Security. **Identification** 11. Stock Brokers / Depository Participants should identify critical assets based on their sensitivity and criticality for business operations, services and data management. To this end, Stock Brokers / Depository Participants should maintain up-to-date inventory of its hardware and systems and the personnel to whom these have been issued, software and information assets (internal and external), details of its network resources, connections to its network and data flows. 12. Stock Brokers / Depository Participants should accordingly identify cyber risks (threats and vulnerabilities) that it may face, along with the likelihood of such threats and impact on the business and thereby, deploy controls commensurate to the criticality. **Protection** **Access controls** 13. No person by virtue of rank or position should have any intrinsic right to access confidential data, applications, system resources or facilities. 14. Any access to Stock Brokers / Depository Participants systems, applications, networks, databases, etc., should be for a defined purpose and for a defined period. Stock Brokers / Depository Participants should grant access to IT systems, applications, databases and networks on a need-to-use basis and based on the principle of least privilege. Such access should be for the period when the access is required and should be authorized using strong authentication mechanisms. 15. Stock Brokers / Depository Participants should implement an access policy which addresses strong password controls for users' access to systems, applications, networks and databases. Illustrative examples for this are given in Annexure C.

	16. All critical systems of the Stock Broker / Depository Participant accessible over the internet should have two-factor security (such as VPNs, Firewall controls etc.) 17. Stock Brokers / Depository Participants should ensure that records of user access to critical systems, wherever possible, are uniquely identified and logged for audit and review purposes. Such logs should be maintained and stored in a secure location for a time period not less than two (2) years. 18. Stock Brokers / Depository Participants should deploy controls and security measures to supervise staff with elevated system access entitlements (such as admin or privileged users) to Stock Broker / Depository Participant's critical systems. Such controls and measures should inter-alia include restricting the number of privileged users, periodic review of privileged users' activities, disallow privileged users from accessing systems logs in which their activities are being captured, strong controls over remote access by privileged users, etc. 19. Employees and outsourced staff such as employees of vendors or service providers, who may be given authorized access to the Stock Brokers / Depository Participants critical systems, networks and other computer resources, should be subject to stringent supervision, monitoring and access restrictions. 20. Stock Brokers / Depository Participants should formulate an Internet access policy to monitor and regulate the use of internet and internet based services such as social media sites, cloud-based internet storage sites, etc. within the Stock Broker / Depository Participant's critical IT infrastructure. 21. User Management must address deactivation of access of privileges of users who are leaving the organization or whose access privileges have been withdrawn. **Physical Security** 22. Physical access to the critical systems should be restricted to minimum and only to authorized officials. Physical access of outsourced staff/visitors should be properly supervised by ensuring at the minimum that outsourced staff/visitors are accompanied at all times by authorized employees. 23. Physical access to the critical systems should be revoked immediately if the same is no longer required. 24. Stock Brokers / Depository Participants should ensure that the perimeter of the critical equipments room, if any, are physically secured and monitored by employing physical, human and procedural controls such as the use of security guards, CCTVs, card access systems, mantraps, bollards, etc. where appropriate. **Network Security Management** 25. Stock Brokers / Depository Participants should establish baseline standards to facilitate consistent application of security configurations to operating systems, databases, network devices and enterprise mobile devices within their IT environment. The LAN and wireless networks should be secured within the Stock Brokers / Depository Participants' premises with proper access controls. 26. For algorithmic trading facilities, adequate measures should be taken to isolate and secure the perimeter and connectivity to the servers running algorithmic trading applications.

	For algorithmic trading facilities, adequate measures should be taken to isolate and secure the perimeter and connectivity to the servers running algorithmic trading applications. 27. Stock Brokers / Depository Participants should install network security devices, such as firewalls, proxy servers, intrusion detection and prevention systems (IDS) to protect their IT infrastructure which is exposed to the internet, from security exposures originating from internal and external sources. 28. Adequate controls must be deployed to address virus / malware / ransomware attacks. These controls may include host / network / application based IDS systems, customized kernels for Linux, anti-virus and anti-malware software etc. **Data security** 29. Critical data must be identified and encrypted in motion and at rest by using strong encryption methods. Illustrative measures in this regard are given in Annexure A and B. 30. Stock Brokers / Depository Participants should implement measures to prevent unauthorized access or copying or transmission of data / information held in contractual or fiduciary capacity. It should be ensured that confidentiality of information is not compromised during the process of exchanging and transferring information with external parties. Illustrative measures to ensure security during transportation of data over the internet are given in Annexure B. 31. The information security policy should also cover use of devices such as mobile phones, faxes, photocopiers, scanners, etc., within their critical IT infrastructure, that can be used for capturing and transmission of sensitive data. For instance, defining access policies for personnel, and network connectivity for such devices etc. 32. Stock Brokers / Depository Participants should allow only authorized data storage devices within their IT infrastructure through appropriate validation processes. **<u>Hardening of Hardware and Software</u>** 33. Stock Brokers / Depository Participants should only deploy hardened hardware / software, including replacing default passwords with strong passwords and disabling or removing services identified as unnecessary for the functioning of the system. 34. Open ports on networks and systems which are not in use or that can be potentially used for exploitation of data should be blocked and measures taken to secure them. **35. Application Security in Customer Facing Applications** Application security for Customer facing applications offered over the Internet such as IBTs (Internet Based Trading applications), portals containing sensitive or private information and Back office applications (repository of financial and personal information offered by Brokers to Customers) are paramount as they carry significant attack surfaces by virtue of being available publicly over the Internet for mass use. An illustrative list of measures for ensuring security in such applications is provided in Annexure C.

	Certification of off-the-shelf products 36. Stock Brokers / Depository Participants should ensure that off the shelf products being used for core business functionality (such as Back office applications) should bear Indian Common criteria certification of Evaluation Assurance Level 4. The Common criteria certification in India is being provided by (STQC) Standardisation Testing and Quality Certification (Ministry of Electronics and Information Technology). Custom developed / in-house software and components need not obtain the certification, but have to undergo intensive regression testing, configuration testing etc. The scope of tests should include business logic and security controls. **Patch management** 37. Stock Brokers / Depository Participants should establish and ensure that the patch management procedures include the identification, categorization and prioritization of patches and updates. An implementation timeframe for each category of patches should be established to apply them in a timely manner. 38. Stock Brokers / Depository Participants should perform rigorous testing of security patches and updates, where possible, before deployment into the production environment so as to ensure that the application of patches do not impact other systems. **Disposal of data, systems and storage devices** 39. Stock Brokers / Depository Participants should frame suitable policy for disposal of storage media and systems. The critical data / Information on such devices and systems should be removed by using methods such as crypto shredding / degauss / Physical destruction as applicable. 40. Stock Brokers / Depository Participants should formulate a data-disposal and data-retention policy to identify the value and lifetime of various parcels of data. **Vulnerability Assessment and Penetration Testing (VAPT)** 41. Stock Brokers / Depository Participants should regularly conduct vulnerability assessment to detect security vulnerabilities in their IT environments exposed to the internet. 42. Stock Brokers / Depository Participants with systems publicly available over the internet should also carry out penetration tests, at-least once a year, in order to conduct an in-depth evaluation of the security posture of the system through simulations of actual attacks on its systems and networks that are exposed to the internet. In addition, Stock Brokers / Depository Participants should perform vulnerability scanning and conduct penetration testing prior to the commissioning of a new system that is accessible over the internet. 43. In case of vulnerabilities discovered in off-the-shelf products (used for core business) or applications provided by exchange empanelled vendors, Stock Brokers / Depository Participants should report them to the vendors and the exchanges in a timely manner. 44. Remedial actions should be immediately taken to address gaps that are identified during vulnerability assessment and penetration testing.

	Monitoring and Detection 45. Stock Brokers / Depository Participants should establish appropriate security monitoring systems and processes to facilitate continuous monitoring of security events / alerts and timely detection of unauthorised or malicious activities, unauthorised changes, unauthorised access and unauthorised copying or transmission of data / information held in contractual or fiduciary capacity, by internal and external parties. The security logs of systems, applications and network devices exposed to the internet should also be monitored for anomalies. 46. Further, to ensure high resilience, high availability and timely detection of attacks on systems and networks exposed to the internet, Stock Brokers / Depository Participants should implement suitable mechanisms to monitor capacity utilization of its critical systems and networks that are exposed to the internet, for example, controls such as firewalls to monitor bandwidth usage. **Response and Recovery** 47. Alerts generated from monitoring and detection systems should be suitably investigated in order to determine activities that are to be performed to prevent expansion of such incident of cyber attack or breach, mitigate its effect and eradicate the incident. 48. The response and recovery plan of the Stock Brokers / Depository Participants should have plans for the timely restoration of systems affected by incidents of cyber-attacks or breaches, for instance, offering alternate services or systems to Customers. Stock Brokers / Depository Participants should have the same Recovery Time Objective (RTO) and Recovery Point Objective (RPO) as specified by SEBI for Market Infrastructure Institutions vide SEBI circular CIR/MRD/DMS/17/20 dated June 22, 2012 as amended from time to time 49. The response plan should define responsibilities and actions to be performed by its employees and support / outsourced staff in the event of cyber-attacks or breach of Cyber Security mechanism. 50. Any incident of loss or destruction of data or systems should be thoroughly analyzed and lessons learned from such incidents should be incorporated to strengthen the security mechanism and improve recovery planning and processes. 51. Stock Brokers / Depository Participants should also conduct suitable periodic drills to test the adequacy and effectiveness of the aforementioned response and recovery plan. **Sharing of Information** 52. Quarterly reports containing information on cyber-attacks and threats experienced by Stock Brokers / Depository Participants and measures taken to mitigate vulnerabilities, threats and attacks including information on bugs / vulnerabilities / threats that may be useful for other Stock Brokers / Depository Participants should be submitted to Stock Exchanges / Depositories. Training and Education 53. Stock Brokers / Depository Participants should work on building Cyber Security and basic system hygiene awareness of staff (with a focus on staff from non-technical disciplines).

54. Stock Brokers / Depository Participants should conduct periodic training programs to enhance knowledge of IT / Cyber Security Policy and standards among the employees incorporating up-to-date Cyber Security threat alerts. Where possible, this should be extended to outsourced staff, vendors etc.

55. The training programs should be reviewed and updated to ensure that the contents of the program remain current and relevant.

Systems managed by vendors

56. Where the systems (IBT, Back office and other Customer facing applications, IT infrastructure, etc.) of a Stock Brokers / Depository Participants are managed by vendors and the Stock Brokers / Depository Participants may not be able to implement some of the aforementioned guidelines directly, the Stock Brokers / Depository Participants should instruct the vendors to adhere to the applicable guidelines in the Cyber Security and Cyber Resilience policy and obtain the necessary self-certifications from them to ensure compliance with the policy guidelines.

Systems managed by MIIs

57. Where applications are offered to customers over the internet by MIIs (Market Infrastructure Institutions), for eg.: NSE's NOW, BSE's BEST etc., the responsibility of ensuring Cyber Resilience on those applications reside with the MIIs and not with the Stock Broker / Depository Participant. The Stock Broker / Depository Participant is exempted from applying the aforementioned guidelines to such systems offered by MIIs such as NOW, BEST, etc.

Periodic Audit

58. The Terms of Reference for the System Audit of Stock Brokers specified vide circular no. CIR/MRD/DMS/34/2013 dated November 06, 2013, shall accordingly stand modified to include audit of implementation of the aforementioned areas.

The Depository Participants and Type I Stock Brokers (as defined in CIR/MRD/DMS/34/2013 dated November 06, 2013) shall arrange to have their systems audited on an annual basis by a CERT-IN empanelled auditor or an independent CISA/CISM qualified auditor to check compliance with the above areas and shall submit the report to Stock Exchanges / Depositories along with the comments of the Board / Partners / Proprietor of Stock Broker/ Depository Participant within three months of the end of the financial year.

Annexure A

Illustrative Measures for Data Security on Customer Facing Applications

1. Analyse the different kinds of sensitive data shown to the Customer on the frontend application to ensure that only what is deemed absolutely necessary is transmitted and displayed.

2. Wherever possible, mask portions of sensitive data. For instance, rather than displaying the full phone number or a bank account number, display only a portion of it, enough for the Customer to identify, but useless to an unscrupulous party who may obtain covertly obtain it from the Customer's screen. For instance, if a bank account number is "123 456 789", consider displaying something akin to "XXX XXX 789" instead of the whole number. This also has the added benefit of not having to transmit the full piece of data over various networks.

3. Analyse data and databases holistically and draw out meaningful and "silos" (physical or virtual) into which different kinds of data can be isolated and cordoned off. For instance, a database with personal financial information need not be a part of the system or network that houses the public facing websites of the Stock Broker. They should ideally be in discrete silos or DMZs.

4. Implement strict data access controls amongst personnel, irrespective of their responsibilities, technical or otherwise. It is infeasible for certain personnel such as System Administrators and developers to not have privileged access to databases. For such cases, take strict measures to limit the number of personnel with direct access, and monitor, log, and audit their activities. Take measures to ensure that the confidentiality of data is not compromised under any of these scenarios.

5. Use industry standard, strong encryption algorithms (eg: RSA, AES etc.) wherever encryption is implemented. It is important to identify data that warrants encryption as encrypting all data is infeasible and may open up additional attack vectors. In addition, it is critical to identify the right personnel to be in charge of, and the right methodologies for storing the encryption keys, as any compromise to either will render the encryption useless.

6. Ensure that all critical and sensitive data is adequately backed up, and that the backup locations are adequately secured. For instance, on servers on isolated networks that have no public access endpoints, or on-premise servers or disk drives that are off-limits to unauthorized personnel. Without up-to-date backups, a meaningful recovery from a disaster or cyber-attack scenario becomes increasingly difficult.

Annexure B

Illustrative Measures for Data Transport Security

1. When an Application transmitting sensitive data communicates over the Internet with the Stock Brokers' systems, it should be over a secure, encrypted channel to prevent Man-In-The-Middle (MITM) attacks, for instance, an IBT or a Back office communicating from a Customer's web browser or Desktop with the Stock Brokers' systems over the internet, or intra or inter organizational communications. Strong transport encryption mechanisms such as TLS (Transport Layer Security, also referred to as SSL) should be used.

2. For Applications carrying sensitive data that are served as web pages over the internet, a valid, properly configured TLS (SSL) certificate on the web server is mandatory, making the transport channel HTTP(S).

3. Avoid the use of insecure protocols such as FTP (File Transfer Protocol) that can be easily compromised with MITM attacks. Instead, adopt secure protocols such as FTP(S), SSH and VPN tunnels, RDP (with TLS) etc.

Annexure C

Illustrative Measures for Application Authentication Security

1. Any Application offered by Stock Brokers to Customers containing sensitive, private, or critical data such as IBTs, SWSTs, Back office etc. referred to as "Application" hereafter) over the Internet should be password protected. A reasonable minimum length (and no arbitrary maximum length cap or character class requirements) should be enforced. While it is difficult to quantify password "complexity", longer passphrases have more entropy and offer better security in general. Stock Brokers should attempt to educate Customers of these best practices.

	2. Passwords, security PINs etc. should never be stored in plain text and should be one-way hashed using strong cryptographic hash functions (e.g.: bcrypt, PBKDF2) before being committed to storage. It is important to use one-way cryptographic hashes to ensure that stored password hashes are never transformed into the original plaintext values under any circumstances. 3. For added security, a multi-factor (e.g.: two-factor) authentication scheme may be used (hardware or software cryptographic tokens, VPNs, biometric devices, PKI etc.). In case of IBTs and SWSTs, a minimum of two-factors in the authentication flow are mandatory. 4. In case of Applications installed on mobile devices (such as smartphones and tablets), a cryptographically secure biometric two-factor authentication mechanism may be used. 5. After a reasonable number of failed login attempts into Applications, the Customer's account can be set to a "locked" state where further logins are not possible until a password and authentication reset is performed via an out-of-band channel validation, for instance, a cryptographically secure unique link that is sent to the Customer's registered e-mail, a random OTP (One Time Password) that is sent as an SMS to the Customer's registered mobile number, or manually by the Broker after verification of the Customer's identity etc. 6. Avoid forcing Customers to change passwords at frequent intervals which may result in successive, similar, and enumerated passwords. Instead, focus on strong multi-factor authentication for security and educate Customers to choose strong passphrases. Customers may be reminded within reasonable intervals to update their password and multi-factor credentials, and to ensure that their out-of-band authentication reset information (such as e-mail and phone number) are up-to-date. 7. Both successful and failed login attempts against a Customer's account may be logged for a reasonable period of time. After successive login failures, it is recommended that measures such as CAPTCHAs or rate-limiting be used in Applications to thwart manual and automated brute force and enumeration attacks against logins.
Circular No.: NSDL POLICY/ 2018/0014 \ Date: March 13, 2018	***Subject: Interest and Dividend Information.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2017/0035 dated June 22, 2017 and Circular No. NSDL/POLICY/2017/0049 dated August 14, 2017 regarding SEBI Circular dated June 15, 2017 on Interest and Dividend information reporting in case of Custodial Accounts-Rule 114G (1) (e) of the Income Tax Rules, 1962. In this context, all Participants are hereby informed that the Issuers/Registrar and Transfer Agents have provided information related to dividend/interest per unit of security in rupee terms in respect of calendar years 2015, 2016 and 2017. The said information is made available on as is where is basis to Participants on i-Assist under the head of 'Interest Dividend CA Details'. The aforesaid information is provided to Participants to facilitate compliance with aforesaid SEBI circular dated June 15, 2017.

Circular No.: NSDL/POLICY/ 2017/0049 Date: August 14, 2017	***Subject: Interest and Dividend Information*** Attention of Participants is invited to Circular No. NSDL POLICY/2017/0035 dated June 22, 2017 forwarding SEBI Circular dated June 15, 2017 on Interest and Dividend information reporting in case of Custodial Accounts-Rule 114G (1) (e) of the Income Tax Rules, 1962. In this context, the file formats in which aforesaid information will be made available to Participants is enclosed as **Annexure I**. Participants are requested to note that yearly cumulative file for calendar year with respect to the aforesaid details will be provided on i-Assist on yearly basis under the head **'Interest Dividend CA Details'** on home page of i-Assist by 31st January of next calendar year. The dates on which the files will be made available for the calendar years 2015 and 2016 will be intimated separately.
Circular No.: NSDL/POLICY/ 2017/0035 Date: June 22, 2017	***Subject: SEBI Circular on Interest and Dividend information reporting in case of Custodial Accounts-Rule 114G (1) (e) of the Income Tax Rules, 1962*** Attention of Participants is invited to SEBI Circular No. CIR/HO/MIRSD/MIRSD2/CIR/P/2017/59 dated June 15, 2017 (copy enclosed) regarding Interest and Dividend information reporting in case of Custodial Accounts-Rule 114G (1) (e) of the Income Tax Rules, 1962. Participants are requested to take note of the same and ensure compliance. Necessary system enhancements will be notified separately.
Circular No.: NSDL/POLICY/ 2017/0028 Date: May 16, 2017	***Subject: SEBI Circular on Online Registration Mechanism for Securities Market Intermediaries.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38 dated May 2, 2017 regarding Capacity Planning Framework for the Depositories. The copy of the same is enclosed. Participants are requested to take note of the above. **CIRCULAR** **SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38 May 02, 2017** **1. All Recognized Stock Exchanges / Clearing Corporations** **2. Stock Brokers and sub-brokers through Recognized Stock Exchanges** **3. All recognised Depositories** **4. Depository Participants through Depositories** **5. Merchant Bankers** **6. Underwriters** **7. Registrar to an Issue and Share Transfer Agents** **8. Debenture Trustees** **9. Bankers To An Issue** **10. Credit Rating Agencies** **Sub: Online Registration Mechanism for Securities Market Intermediaries** **Dear Sir/Madam,** 1. Hon'ble Minister of Finance, Government of India, in his speech while presenting the Budget for FY 2017-18 on February 01, 2017, announced that the process of registration of financial market intermediaries will be made fully online by SEBI. 2. As you are aware, SEBI had already started development of Enterprise SEBI Portal with various custom applications, including online registration modules for various intermediaries and in this regard, had various rounds of consultation with the market participants and received feedback.

3. It has now been decided to operationalize SEBI Intermediary Portal (**https://siportal.sebi.gov.in**) for the intermediaries to submit all the registration applications online. The SEBI Intermediary Portal shall include online application for registration, processing of application, grant of final registration, application for surrender / cancellation, submission of periodical reports, requests for change of name/address/ other details, etc., Link for SEBI Intermediary Portal is also available on SEBI website - www.sebi.gov.in.

4. SEBI Intermediary Portal is made operational for following intermediaries:

   i. Stock Brokers
   ii. Sub-brokers
   iii. Merchant Bankers (MB)
   iv. Underwriters (UW)
   v. Registrar to an Issue and Share Transfer Agents (RTA)
   vi. Debenture Trustees (DT)
   vii. Bankers To An Issue (BTI)
   viii. Credit Rating Agency (CRA)

5. Further, SEBI Intermediary Portal will be operational for depository participants from May 31, 2017.

6. Henceforth, all applications for registration/ surrender/other requests shall be made through SEBI Intermediary Portal only. The applications in respect of stock brokers/ sub-broker and depository participants shall continue to be made through the stock exchanges and depositories respectively.

7. The applicants will be separately required to submit relevant documents viz. declarations/ undertakings required as a part of application forms prescribed in relevant regulations, in physical form, only for records without impacting the online processing of applications for registration.

8. Where applications are made through the stock exchanges / depositories, the hard copy of the applications made by their members shall be preserved by them and shall be made available to SEBI, as and when called for.

9. In case of any queries and clarifications with regard to the SEBI Intermediary Portal, intermediaries may contact on 022-26449364 or may write at portalhelp@sebi.gov.in.

10. Stock exchanges / clearing corporations and Depositories are directed to:

    a. take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;

    b. bring the provisions of this circular to the notice of their members and also disseminate the same on their websites;

11. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of and to regulate the securities market.

Yours faithfully,
D Rajesh Kumar
Deputy General Manager
022-26449242
Email: rajeshkd@sebi.gov.in

Circular No. NSDL/POLICY/ 2016/0105 Date: December 29, 2016	***Subject: Enhanced Supervision of Stock Brokers.*** Attention of Participants is invited to NSDL circular no. NSDL/POLICY/2016/0101 dated December 16, 2016 regarding Enhanced supervision of stock brokers. SEBI has issued circular No. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/138 dated December 20, 2016 on captioned subject wherein SEBI has extended the timelines for the implementation of provisions of the earlier circular. The copy of the said SEBI circular is enclosed. Further, SEBI has vide email dated clarified that the revised timeline for para 9.1 of the aforesaid SEBI Circular would be July 1, 2017. Accordingly, dates mentioned in the aforesaid NSDL circular will stand revised as below:

Point no. of NSDL Circular	Details	Timeline
Point no. 7	For the Stock Broker-Client account and Stock Broker-Collateral account where tagging is carried out by NSDL, NSDL will facilitate further modification based on the request received from stock broker through its Participants	Till June 30, 2017
Point no.10	Additional reason codes for off-market and Inter Depository Transfers will be made operational	w.e.f. July 1, 2017
	System validation for transfer of securities from 'Stock Broker-Client' account to 'Stock Broker-Proprietary' account as mentioned in the SEBI Circular dated September 26, 2016 will be made operational.	w.e.f. July 1, 2017

Participants are requested to take note of the same.

CIRCULAR

SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/138 December 20, 2016

The Managing Directors of all Recognized Stock Exchanges and Depositories

Dear Sir/Madam

Sub: Enhanced Supervision of Stock Brokers / Depository Participants

Please refer to SEBI Circular No. SEBI/HO/MIRSD/MIRSD2/CIR/2016/95 dated September 26, 2016 regarding the captioned subject. Following representations from Exchanges as well as market participants, it has been decided that the aforesaid Circular would be made effective from April 1, 2017. Various timelines mentioned in the circular for the different activities will consequently get postponed. Accordingly, the timeline indicated in the relevant paragraphs would stand revised as per Annexure.

Yours faithfully,

Debashis Bandyopadhyay
General Manager
Market Intermediaries Regulation and Supervision Department

Encl. : Annexure

Annexure

Revised Time Line for implementing various provisions of SEBI Circular No. SEBI/HO/MIRSD/MIRSD2/CIR/2016/95 dated September 26, 2016.

Paragraph Numbers	Revised Timeline
2.3.1	July 01, 2017
2.3.2	October 01, 2017
2.7	July 01, 2017
3.5	July 01, 2017
4.3.1	April 01, 2017
4.7	Half year beginning from April 01, 2017
5.7	April 01, 2017
6.1.4	July 01, 2017
7.3	July 01, 2017
8.2	July 01, 2017

Circular No. NSDL/POLICY/ 2016/0101
Date: December 16, 2016

Subject: Enhanced Supervision of Stock Brokers.

Attention of Participants is invited to Circular No. NSDL/POLICY/2016/0083 dated October 4, 2016 regarding SEBI Circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 with respect to implementation of recommendations of the SEBI constituted Committee on "Enhanced Supervision of Stock Brokers/Depository Participants".

In this context, all Participants are hereby requested to take note of the following:

Tagging of account of stock broker

1. A facility will be provided to appropriately tag various accounts of stock brokers opened for different purposes by using separate sub-types. The list of such sub-types along with the purpose for which the account can be used is given below:

Sr. No.	Account opened in the name of	Account Type	Category/ Type Description	Sub-Type Description	Purpose of Account
1.	Stock Broker	Pool Account	Clearing Member	NA	For settlement of market trades.
2.	Stock Broker	Client Account	Body corporate	Stock Broker – Client	For holding client's securities
			Resident	Stock Broker – Client	
3.	Stock Broker	Proprietary Account	Body corporate	Stock Broker - Proprietary	For holding own securities of the stock broker entity
			Resident	Stock Broker - Proprietary	
4.	Stock Broker	Collateral Account	Body corporate	Stock Broker – Collateral	For depositing securities in respect of collateral with the clearing corporation
			Resident	Stock Broker – Collateral	

2. No changes are required for tagging of existing Clearing Member accounts opened by stock broker for the purpose of settlement of market trades.

3. The nomenclature of all existing accounts opened under sub-type 'Margin' will be converted to sub-type 'Stock Broker - Client' by NSDL. [*Please refer to point no. 2 of Annexure 1*]. Participants are **not** required to obtain any modification request from stock broker for such updation to be carried out by NSDL.

4. For those Participants who are maintaining collateral accounts of stock brokers for depositing securities in respect of collateral with the clearing corporation, a separate communication will be sent to them for the procedure for conversion of existing accounts to the sub-type 'stock broker – collateral'.

5. For stock brokers who are maintaining accounts with Participants in sub-type other than 'margin', a facility will be provided to Participants to modify the existing demat account of stock broker based on the modification request received from stock broker to new sub-type 'Stock Broker-Client', 'Stock Broker – Proprietary' and 'Stock Broker-Collateral' (*Please refer Annexure 1 for screen based modification facility*). The procedure for the same is given below:

   a. Participants are requested to obtain request from stock broker in the enclosed format [*Ref. Annexure 2*] in physical or electronic form (*through email ID registered in DPM system*).

   b. Participants are also requested to update the PAN of stock broker in its CM account as per request received from stock broker [Ref. point no. 2 of Annexure 2].

   c. This screen based facility will be available to accounts opened in non-individual category.

   d. For accounts of stock brokers opened in individual category (i..e Resident type) , Participant may send the request to NSDL on email Participant-Interface@nsdl.co.in for necessary modification and provide the copy of request received from stock broker alongwith the following information in excel format:

Sr. No.	***Account Number***		***New Sub-type (any one from the below list)***	***Reason for change***
	DP ID	*Client ID*	*- Stock Broker - Proprietary* *- Stock Broker - Client* *- Stock Broker - Collateral*	

6. Participant should note that as advised by SEBI vide aforesaid Circular dated September 26, 2016, after the sub-type of the account is changed to 'stock broker – proprietary', 'stock broker – client' and 'stock broker – collateral', no further changes in the type/sub-type will be permitted.

7. For the Stock Broker-Client account and Stock Broker-Collateral account where tagging is carried out by NSDL, NSDL will facilitate further modification based on the request received from stock broker through its Participants till Friday, December 23, 2016. Participant may send the request to NSDL on email Participant-Interface@nsdl.co.in for necessary modification and provide the copy of request received from stock broker alongwith the following information in excel format:

Sr. No.	*Account Number*		*New Sub-type (any one from the below list)*	*Reason for change*
	DP ID	*Client ID*	*- Stock Broker - Proprietary* *- Stock Broker - Client* *- Stock Broker - Collateral*	

8. Participant should note that the appropriate nomenclature as mentioned in the aforesaid SEBI Circular dated September 26, 2016 are facilitated by separate type and sub-type of account to implement the guidelines mentioned in SEBI Circular. Therefore, there is no need to do any change in the name of account holder.

9. **DPM System Version 6.3** for aforesaid features [Please refer Annexure 1] will be released with effect from EOD of Friday, **December 16, 2016**. Further, the Local DPM Version release will made available to Participants on Monday, **December 19, 2016** and NSDL helpdesk will send Local DPM release schedule to Participants separately.

Transfer between 'Stock Broker-Client' to 'Stock Broker-Proprietary'

10. As per aforesaid SEBI Circular dated September 26, 2016, transfer of securities from 'Stock Broker-Client' account to 'Stock Broker-Proprietary' account is permitted only for legitimate purpose such as implementation of any Government / Regulatory directions or orders, in case of reversal of erroneous transfers pertaining to Client's securities, for meeting legitimate dues of the stock broker. Accordingly, additional reasons codes are added for off market and inter depository transfers. The details of the same is given below:

    a. The list of new reason codes is given below:

Reason code	**Reasons / purpose to be selected**
96	Govt. / Regulatory directions or orders
97	Reversal of Erroneous Transfers
98	Legitimate Dues of the stock broker

b. The aforesaid reason codes 96 and 97 will be made applicable for all off-market and inter-depository transfers.

c. For off market transfers, reason code '98' i.e. 'Legitimate Dues of the stock broker' will be available only in case of transfer of securities from 'Stock Broker-Client' account to 'Stock Broker-Proprietary' account.

d. For inter depository transfer, reason code '98' i.e. 'Legitimate Dues of the stock broker' will be available only if sub-type of source account is 'Stock Broker-Client'.

e. Participants are requested to inform their stock broker Clients to mention appropriate reason code in the DIS as specified above.

f. System validation for the same will be implemented with effect from BOD of Saturday, **December 24, 2016**

Transfer of securities by stock broker on the basis of Power of Attorney (POA)

11. For POA based transfers where POA is in favor of stock broker, in addition to Clearing Member Account, Margin Account [*New nomenclature of sub-type is Stock Broker-Client*] and accounts opened with other depository, DPM system will also facilitate mapping of Stock Broker-collateral account as target account in POA in favor of stock broker with effect from Wednesday, **February 1, 2017.** Participants may note that such mapping of accounts can be done only if the POA authorizes the same. However, if there is any existing account of stock brokers under 'margin' sub-type which is converted to stock broker-collateral and already mapped under POA ID, it will continue to be mapped.

SPICE facility

12. For debiting the Client account (i.e. beneficial owner account of the client) and crediting the stock broker-collateral account by Clearing Member (CM) using SPICE facility, CM has to register its stock broker-collateral account for SPICE facility. This facility for registration of stock broker-collateral account in SPICE will be available with effect from Monday, **December 19, 2016**.

For and on behalf of
National Securities Depository Limited

Ravindra Sahu
Senior Manager

Annexure 1

1. **Incorporation of New Client Sub Types in DPM system:**

Following new client sub-types will be incorporated in the Client Maintenance Module of DPM System:

Client Type Code	Existing Client Type	New Client Sub-type Code	Description of Sub-type
1	Resident	8	Stock Broker - Proprietary
		9	Stock Broker - Collateral
5	Body Corporate	33	Stock Broker - Proprietary
		34	Stock Broker - Collateral

2. **Renaming of existing sub type viz., 'Margin' Account**

Following existing client sub-types will be renamed in the Client Maintenance Module of DPM System:

Client Type Code	Client Type	Client Sub-Type Code	Existing Description of Sub-type	New Description of Sub-type
1	Resident	4	Margin Account	Stock Broker - Client
5	Body Corporate	16	Margin Account	Stock Broker - Client

3. **Facility to modify existing demat accounts of Stock Brokers**

A new facility is provided in DPM system whereby Participant can convert/modify [only through screen based) existing demat accounts of Stock Brokers (held under non-house category) opened under Type viz. , Body Corporate through modification module of Local DPM system as under:

Existing (From)		New (To)	
Type	**Sub-type**	**Type**	**Sub-type**
Body Corporate	Broker	Body Corporate	Stock Broker - Client Or Stock Broker - Proprietary Or Stock Broker - Collateral
	Domestic		
	Non-NBFC		
	Group Company		
	Others		
	Limited Liability Partnership		

This facility shall not be available through client modification file upload mechanism.

4. Sub-type 'Stock Broker' under type 'Body corporate' will not be available for opening of new account after this release.

5. Participant will able to open accounts under aforesaid new sub-types after this release.

Annexure 2

Application for Tagging of Demat Accounts maintained by Stock Brokers

Date D D M M Y Y Y Y

To,

_____

(write name of Depository Participant here)

Dear Sir /Madam,

As advised by SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, we wish to inform you that we are holding beneficial owner accounts with you and request you to tag them as follows:

1. Name of the stock broker : _____

2. PAN of Stock Broker - _____. We request you to update our PAN in the following CM accounts:

Sr. No.	*CM BP ID*

3. Details of beneficial owner accounts held with the Depository Participant:

Sr. No.	*Account Number*																*New Sub-type (any one)* *- Stock Broker - Proprietary* *- Stock Broker - Client* *- Stock Broker - Collateral*
	DP ID									*Client ID*							
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	

4. We further agree and understand that:

   a. The Clearing Member Account is held for settlement and is tagged as Pool Account.

   b. The above details are correct and once the accounts are tagged, the same cannot be modified under any circumstances.

For (Name of Stock Broker)

Name, Designation and Signature of Authorised Signatory

Circular No. NSDL/POLICY/ 2016/0083 Date: October 4, 2016	***Subject: SEBI circular on enhanced supervision of Depository Participants.*** Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD/MIRSD2/ CIR/P/2016/95 dated September 26, 2016 *(copy enclosed)* regarding enhanced Supervision of Depository Participants. Participants are requested to take note of the same and ensure compliance. The operational procedure, systems enhancements and the amendment to Business Rules related to the above will be notified separately.
Circular No. NSDL/POLICY/ 2015/0078 Date: August 28, 2015	***Subject: Implementation of the Multilateral Competant Authority Agreement and Foreign Account Tax Compliance Act.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0083 dated July 22, 2014 regarding Inter-Governmental Agreement with United States of America under Foreign Accounts Tax Compliance Act (FATCA) – Registration and Circular No.: NSDL/POLICY/2015/0002 dated January 1, 2015 regarding Registration for the purpose of Foreign Accounts Tax Compliance Act (FATCA). In this context, Participants are requested to take note of the SEBI Circular No. CIR/MIRSD/2/2015 dated August 26, 2015 regarding implementation of the Multilateral Competent Authority Agreement and FATCA (copy enclosed) and ensure compliance.

CIRCULAR

CIR/MIRSD/ 2/2015 August 26, 2015

To,

All Intermediaries registered with SEBI

Dear Sir/Madam,

Sub: Implementation of the Multilateral Competent Authority Agreement and Foreign Account Tax Compliance Act

It is brought to the attention of all the intermediaries that India has joined the Multilateral Competent Authority Agreement (MCAA) on Automatic Exchange of Financial Account Information on June 3, 2015. In terms of the MCAA, all countries which are a signatory to the MCAA, are obliged to exchange a wide range of financial information after collecting the same from financial institutions in their country/ jurisdiction.

Further, on July 9, 2015, the Governments of India and United States of America (USA) have signed an agreement to improve international tax compliance and to implement the Foreign Account Tax Compliance Act (FATCA) in India. The USA has enacted FATCA in 2010 to obtain information on accounts held by U.S. taxpayers in other countries. As per the aforesaid agreement, foreign financial institutions (FFIs) in India will be required to report tax information about U.S. account holders/taxpayers directly to the Indian Government which will, in turn, relay that information to the U.S. Internal Revenue Service (IRS).

For implementation of the MCAA and agreement with USA, the Government of India has made necessary legislative changes to Section 285BA of the Income-tax Act, 1961. Further, the Government of India has notified Rules 114F to 114H (herein after referred as "the Rules") under the Income Tax Rules, 1962 and form No. 61B for furnishing of statement of reportable account as specified in the Rules. The Rule is available at http://www.incometaxindia.gov.in/communications/notification/notification%20no.%2Q62%20dated%2007-08-2015.pdf.

All registered intermediaries are advised to take necessary steps to ensure compliance with the requirements specified in the aforesaid Rules after carrying out necessary due diligence.

The Stock Exchanges and Depositories are directed to bring the contents of this circular to the notice of the Stock Brokers and Depository Participants respectively and also disseminate the same on their websites.

This Circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 (SEBI Act).

This Circular is available on the SEBI website (www.sebi.gov.in) under the section **SEBI Home > Legal Framework > Circulars.**

Debashis Bandyopadhyay

Deputy General Manager

Circular No. NSDL/POLICY/ 2015/0066 Date: July 28, 2015	***Subject: Cyber Security and Cyber Resilience framework issued by SEBI.*** Attention of Participants is invited to SEBI circular no. CIR/MRD/DP/13/2015 dated July 06, 2015 (Copy enclosed) regarding necessary guidance in the area of cyber security and cyber resilience which depositories shall be required to comply within six months from the date of the circular. In this context, as advised by SEBI under point no. 13 of Annexure A of aforesaid SEBI Circular dated July 6, 2015, Participants are encouraged to have similar standards of Information Security. Participants are requested to take note that the implementation of the same is optional at the choice of the Participant.

g. Internal controls - Risk Based Super Vision	
Circular No.: NSDL/POLICY/ 2018/0019 Date: March 30, 2018	***Subject: Risk based supervision of Participants.*** As Participants are aware, SEBI had formulated a Risk Assessment Template for risk assessment of Participants in which information needs to be provided to SEBI on half-yearly basis. Accordingly, information related the Participants is required to be provided by Participant in Risk Assessment template on half-yearly basis to depositories. In this regard, Participants are requested to take note of the following: 1. The Participants can fill and submit the RAT through e-PASS platform with their login credentials. The procedure for submission of RAT through e-PASS is enclosed at Annexure 1. 2. The information for the half-year ended March 31, 2018 must be provided in RAT on or before April 20, 2018. 3. RAT is required to be submitted to NSDL through the online platform e-PASS using login credentials. In case there is any change in Compliance Officer's name, email ID and mobile number, Participants are requested to inform the same as per procedure communicated vide Circular no. NSDL/PI/2005/2550 dated December 29, 2005. 4. The information being provided by the Participant would have to be digitally signed by Compliance Officer and Internal Auditor of the Participant. In case of change in digital signature certificate of compliance officer, inform the same to NSDL as per the format given in Circular No. NSDL/POLICY/2015/0007 dated January 13, 2015. 5. The information which is provided by NSDL on behalf of the Participant will be made available on the e-PASS separately and intimation about the same will be sent by email. 6. Submission of information for risk assessment after due date will be treated as non-submission of information. Accordingly, Participants are requested to ensure that the information is submitted on or before April 20, 2018. 7. The Participants will be responsible for accuracy of all the information which will be provided in Risk Assessment Template. Therefore, Participants should ensure that correct information is provided and verify the information being provided by NSDL on behalf of the Participant. Participants are requested to take note of the above and ensure compliance. For and on behalf of National Securities Depository Limited Ravindra Sahu Senior Manager Enclosed: Two

Annexure A

Procedure for addition/modification/deactivation of auditor's user login for submission of IAR /CAR through e-PASS

NSDL has developed a new facility for Participants in e-PASS for creation of users of their auditor. These users will able to submit the reports which require auditor certification such as IAR/CAR.

A. For addition of user for auditor, Participant is required to follow the below mentioned steps:

1. After login on e-PASS with Participant's login credentials, Participant will able to add new user for auditor under head of 'Masters' -> 'Auditor Master' [as exhibited be/ow].This will display auditor master screen, where Participants can add auditor user IDs.

2. Addition of Auditor User ID:

a) In order to add Auditor user ID for making necessary submission to NSDL, Participant needs to select "Add" button and enter the email ID of the Auditor in the field "Email ID". Participant need to click on 'Check' button to search for whether the email ID is already registered with NSDL. If the email ID is not registered, Participant will enter all the required details of auditor. In auditor type, the Participant has to select whether the auditor is for internal or concurrent audit or for both internal and concurrent audit. The Participant will have to click its relevant DP IDs which need to be mapped with the auditor. The Auditor will be able to submit the IAR/CAR only for the mapped DP IDs. Auditor details with such mapping will be added once Participant will save the details by clicking 'Save' button provided on the screen. Once the Auditor User is created, an Auditor ID will be created, which can be used by the Participant as an additional criteria for conducting search.

b) There is a possibility that the same Auditor is also acting as "auditor" for other Participant/s and the email ID of the Auditor is already registered with NSDL. In this case, the Auditor details will reflect on the screen. Participant will need to select whether the auditor is for internal and concurrent audit or for both internal and concurrent audit. The Participant will have to click its relevant DP IDs which need to be mapped with the auditor. On clicking the 'Save' button; the Auditor details will be saved. The relevant screenshot is exhibited below:

3. Email ID of the auditor will be used as user ID for login by auditor. At the time of first login, the default Password to be entered is "Nsdl@123". Upon clicking on "Generate OTP", a One Time Password (OTP) will be sent on registered mobile number and email ID of Auditor as entered by the Participant in auditor details at the time of addition of auditor. The OTP and default password has to be used by the auditor for first login. On first login, e-PASS portal will prompt the auditor to change the password. The password has to be alpha numeric with at least one special character, one alphabet in Capital & one number. Upon successfully changing the password, the auditor needs to re-login with new password to get access to e-PASS.

B. For modification of details of auditor, Participant is required to follow the below mentioned steps:

1. After login on e-PASS with Participants login credentials, Participant will able to modify the details of auditor under head of 'Masters' -> 'Auditor Master' [as exhibited below]. This will display auditor master screen, where Participants can modify details of the auditor.

2. Modification of auditor details can be done in either of the following two methods:

   i) Participant can select the auditor ID from drop down in which modification is required. On selection of the auditor ID to be modified, details of the auditor will be

displayed on the screen. Participant is required to select “modify” radio button and modify the details of the auditor. The email ID of the auditor cannot be modified.

ii) Alternatively, Participant can do a search on email ID by entering the email id of the auditor in the Email ID field and then click on “Check” button. The details of auditor will be displayed on the screen. Participant is required to select “modify” radio button and modify the details of the auditor except for the email ID of the auditor.

3. Participant will be able to make necessary changes in the existing details of auditor and then save the details of auditor by clicking on save button. The relevant screen is exhibited below.

C. For deactivation of Auditor User ID/s, Participant is required to follow the below mentioned steps:

1. After login on e-PASS with Participants login credentials, Participant will able to deactivate the user ID of auditor under head of ‘Masters’ -> ‘Auditor Master’ [as exhibited below]. This will display auditor master screen, where Participants can deactivate auditor user IDs.

2. Deactivation of auditor user ID can be done in either of the following two methods:

   i) Participant can select the auditor ID from drop down. On selection of the auditor ID to be deactivated, details of the auditor will be displayed on the screen. Participant is required to select “deactivate” radio button and then save the same by clicking on save button pursuant to which the user ID of the auditor will be deactivated.

   ii) Participant can also search the auditor ID by entering the email id of the auditor in the Email ID field and then click on “Check” button. The details of auditor will be displayed on the screen. Participant is required to select “deactivate” radio button and then save the same by clicking on save button pursuant to which the user ID of the auditor will be deactivated. The relevant screen is exhibited below.

Annexure 1

Procedure for submission of Risk Assessment Template (RAT) through Screen

A. User IDs Auditors

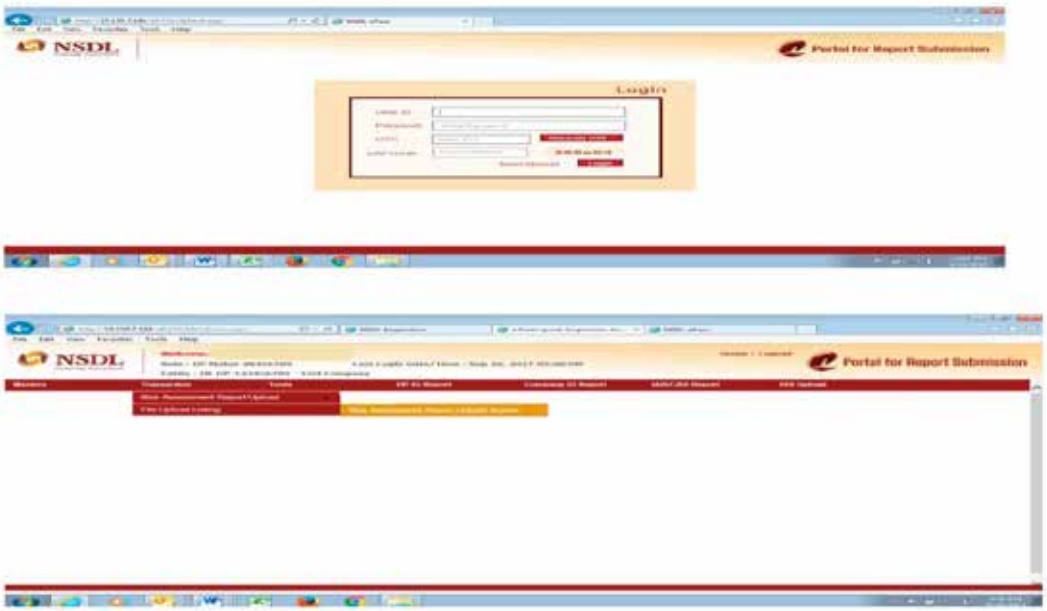
1. Participants are requested to note that auditors whose user IDs is already created for submission of IAR/CAR through ePASS platform can also certify the RAT for submission to NSDL.

2. In case Participants wish to appoint a new auditors for submission of RAT or wish to modify the existing user id of auditors they may do so.

3. For creation / modification of auditor's User ID, please refer the procedure given at Annexure A (copy is enclosed) of NSDL Circular No. NSDL/POLICY/2016/0091 dated November 9, 2016.

B. Submission of RAT by Participant

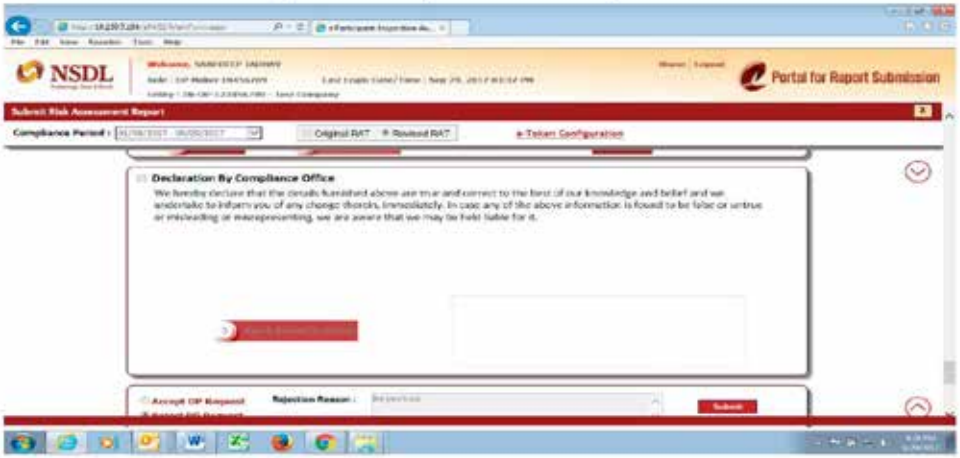
4. Once the user ID of Auditor is created, Participants can fill and submit screen based risk assessment report which will be made available in menu "Risk Assessment Report" under "Transaction" option. Old option of "Risk assessment File upload" will be removed from this compliance period.



5. Participants can use "Save Draft" button which is available on bottom of screen to save the information periodically while filling the data from screen.

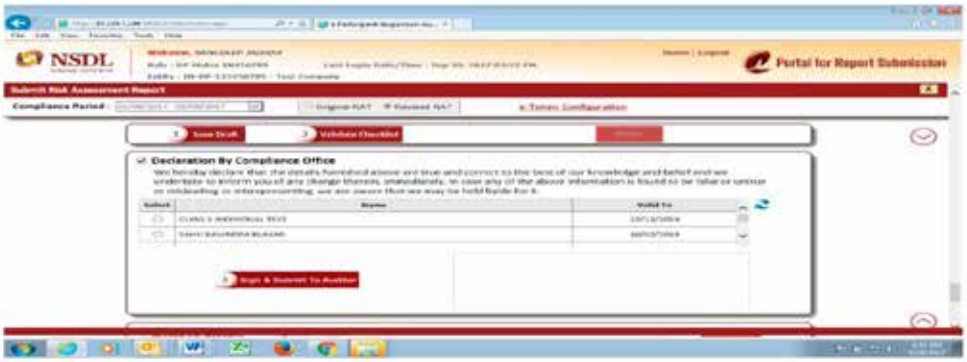
6. Once the complete information is filled in RAT, Participants are required to save draft by click on "Save Draft" button and then click on "Validate Checklist" [as exhibited below].

7. Once the cheklist is validated, Participants are required to tick “Declaration by Compliance Officer” check box and attach the digital certificate [as exhibited below].



8. Click on Refresh button to load digital signature. In case the signature is not detected in the box given below of report template, kindly follow the procedure of token configuration provided in the hyperlink “e-Token Configuration”.

9. Click Refresh button once again and check if digital signatures is appearing on screen [as exhibited below], Participants are required to select the Digital Signature by selecting appropriate radio button and click on “Sign & Submit To Auditor”.

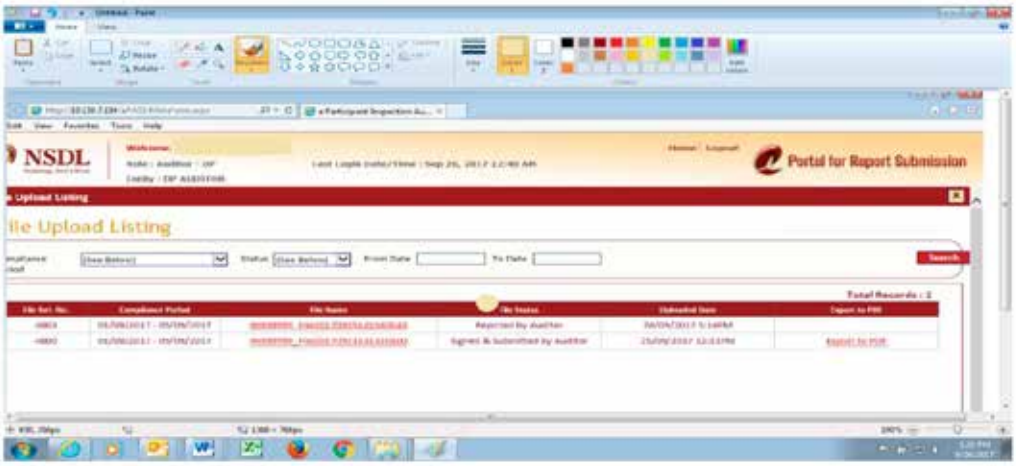


10. Once the report is Signed & Submit to Auditor, an alert email will be sent to Auditor for verification of Risk Assessment Report.

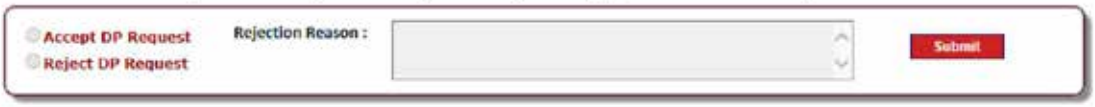
C. Verification of RAT by Auditor

11. Auditors are required to login on e-PASS with their login credentials. Once logged-in into the system, Auditor needs to select “File Upload Listing” menu under “Transaction” option. [as exhibited below].

12. After selection of File Upload Listing, Auditors are required to select file submitted by Participants [as exhibited below].



13. Auditors can Accept or Reject the risk assessment report submitted by DP by clicking on “Accept DP Request” or “Reject DP Request” respectively [as exhibited below].



14. Auditors are required to provide Rejection Reason in case the request is rejected and click on Submit button.

15. An alert email will be sent to the Participants once the request is rejected by Auditor to check and clarify the observation raised by auditor.

16. In case auditor has rejected the risk assessment report, Participants are required to re-submit the RAT after necessary modification in the information as suggested by Auditor. Participant will able to modify the details which they have provided in RAT. The steps for signing the report with digital signature is same as mentioned for Compliance Officer.

17. After Participant has re-submitted the report, if Auditor is satisfied, Auditor must accept the DP request and affix its digital signature for certifying the report.

Circular No. NSDL/POLICY/ 2017/0057 Date: Sept. 29, 2017	***Subject: Risk based supervision of Participants.*** As Participants are aware, SEBI had formulated a Risk Assessment Template for risk assessment of Participants in which information needs to be provided to SEBI on half-yearly basis. Accordingly, information related the Participants is required to be provided by Participant in Risk Assessment template on half-yearly basis to depositories. In this context, Participants are hereby informed that NSDL has developed a facility for screen based submission of Risk Assessment Template (RAT) through e-PASS platform. Accordingly, Participants can submit RAT for half year ended September 30, 2017 through screen based module. In this regard, Participants are requested to take note of the following: 1. The Participants can fill and submit the RAT using screen based module through e-PASS platform with their login credentials. The procedure for submission of RAT through e-PASS is enclosed at Annexure 1. 2. The information for the half-year ended September 30, 2017 must be provided in RAT **on or before October 23, 2017**. 3. RAT is required to be submitted to NSDL through the online platform e-PASS using login credentials. In case there is any change in Compliance Officer's name, email ID and mobile number, Participants are requested to inform the same as per procedure communicated vide Circular no. NSDL/PI/2005/2550 dated December 29, 2005 (copy enclosed). 4. The information being provided by the Participant would have to be digitally signed by Compliance Officer and Internal Auditor of the Participant. In case of change in digital signature certificate of compliance officer, inform the same to NSDL as per the format given in Circular No. NSDL/POLICY/2015/0007 dated January 13, 2015 (copy enclosed). 5. The information which is provided by NSDL on behalf of the Participant will be made available on the e-PASS separately and intimation about the same will be sent by email. 6. Submission of information for risk assessment after due date will be treated as non-submission of information. Accordingly, Participants are requested to ensure that the information is submitted on or before October 23, 2017. The Participants will be responsible for accuracy of all the information which will be provided in Risk Assessment Template. Therefore, Participants should ensure that correct information is provided and verify the information being provided by NSDL on behalf of the Participant. Participants are requested to take note of the above and ensure compliance. For and on behalf of **National Securities Depository Limited** **Ravindra Sahu** **Senior Manager**

Circular No. NSDL/POLICY/ 2015/0007 Date: January 13, 2015

Subject: Risk based supervision of Participants.

Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0129 dated December 26, 2014 regarding information to be provided by Depositories to SEBI periodically for risk assessment of Participants. Participants were informed that NSDL is in process of developing a mechanism for submission of information by the Participants. Details of such platform, process of submission and timelines would be communicated shortly.

In this context, Participants are requested to note that information to be provided for risk assessment will have to be digitally signed by Compliance Officer and Internal Auditor of the Participant. If Compliance Officer and / or Internal Auditor of Participant is / are not having a Class 2 or Class 3 Digital Signature Certificate (DSC) issued by a licensed Certifying Authority (CA) *(list of approved CAs is available at www.cca.Qov.in),* they are requested to obtain the same.

Participants are requested to submit the following details to NSDL by email to participant-interface@nsdl.co.in on or before January 20, 2015:

For and on behalf of
National Securities Depository Limited

Samar Banwat
Senior Vice President

NATIONAL SECURITIES DEPOSITORY LIMITED
Participant Interface
Circular

Circular No. NSDL/PI/2005/2550
Date : December 29, 2005

Sub :Compliance Officer details

All Participants are hereby informed that NSDL is in the process of updating the details pertaining to compliance officers of Participants. In this regard, Participants are advised to provide the details alongwith their specimen signatures, as per the enclosed format, latest by **January 7, 2006** as well as send a soft copy of the same at participant-interface@nsdl.co.in

In case of change of Compliance Officer, Participants are advised to inform NSDL by submitting the enclosed form alongwith a letter signed by the existing Compliance Officer of the Participant or by any other senior official (e.g. Director of the company, Head of the Depository operations, etc.).

For and on behalf of

National Securities Depository Limited

sd/-

Vaishali Vaidya
Manager

Annexure 1

Procedure for submission of Risk Assessment Template (RAT) through Screen

A. **User IDs Auditors**

1. Participants are requested to note that auditors whose user IDs is already created for submission of IAR/CAR through ePASS platform can also certify the RAT for submission to NSDL.

2. In case Participants wish to appoint a new auditors for submission of RAT or wish to modify the existing user id of auditors they may do so.

3. For creation / modification of auditor's User ID, please refer the procedure given at Annexure A (copy is enclosed) of NSDL Circular No. NSDL/POLICY/2016/0091 dated November 9, 2016.

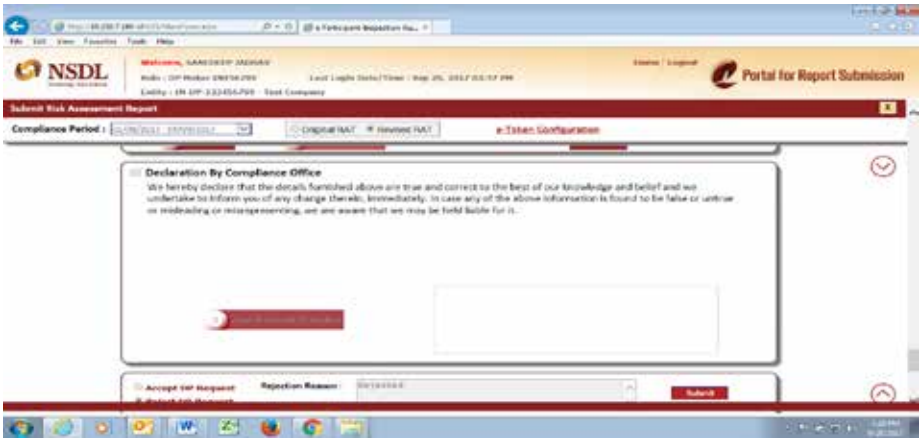
B. **Submission of RAT by Participant**

4. Once the user ID of Auditor is created, Participants can fill and submit screen based risk assessment report which will be made available in menu "Risk Assessment Report" under "Transaction" option. Old option of "Risk assessment File upload" will be removed from this compliance period.

5. Participants can use "Save Draft" button which is available on bottom of screen to save the information periodically while filling the data from screen.

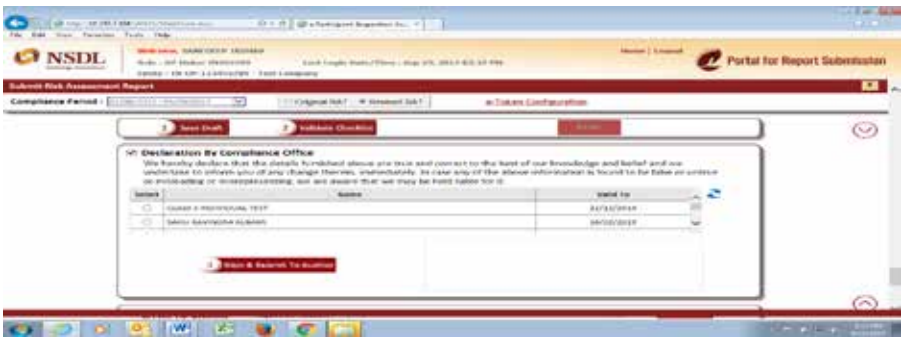
6. Once the complete information is filled in RAT, Participants are required to save draft by click on "Save Draft" button and then click on "Validate Checklist" [as exhibited below].

7. Once the cheklist is validated, Participants are required to tick “Declaration by Compliance Officer” check box and attach the digital certificate [as exhibited below].



8. Click on Refresh button to load digital signature. In case the signature is not detected in the box given below of report template, kindly follow the procedure of token configuration provided in the hyperlink “e-Token Configuration”.

9. Click Refresh button once again and check if digital signatures is appearing on screen [as exhibited below], Participants are required to select the Digital Signature by selecting appropriate radio button and click on “Sign & Submit To Auditor”.

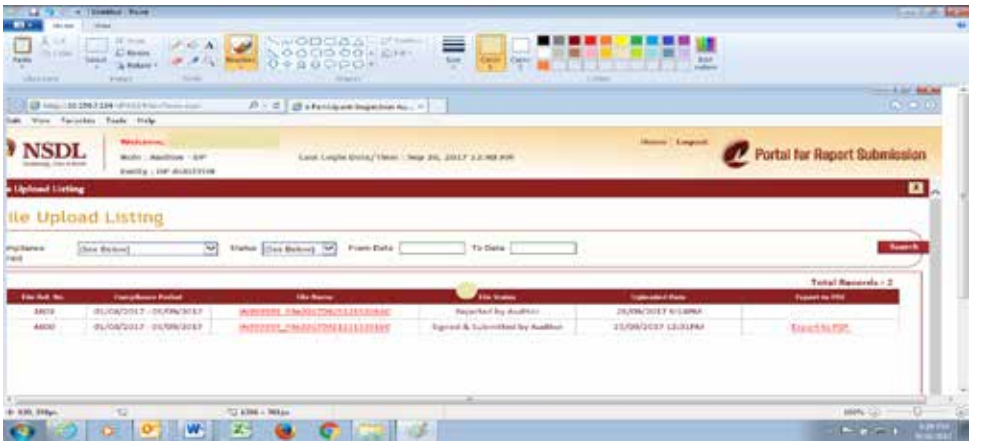


10. Once the report is Signed & Submit to Auditor, an alert email will be sent to Auditor for verification of Risk Assessment Report.

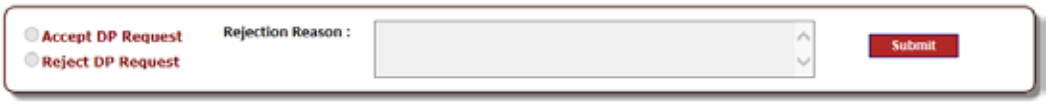
C. Verification of RAT by Auditor

11. Auditors are required to login on e-PASS with their login credentials. Once logged-in into the system, Auditor needs to select “File Upload Listing” menu under “Transaction” option. [as exhibited below].

12. After selection of File Upload Listing, Auditors are required to select file submitted by Participants [as exhibited below].



13. Auditors can Accept or Reject the risk assessment report submitted by DP by clicking on "Accept DP Request" or "Reject DP Request" respectively [as exhibited below].



14. Auditors are required to provide Rejection Reason in case the request is rejected and click on Submit button.
15. An alert email will be sent to the Participants once the request is rejected by Auditor to check and clarify the observation raised by auditor.
16. In case auditor has rejected the risk assessment report, Participants are required to re-submit the RAT after necessary modification in the information as suggested by Auditor. Participant will able to modify the details which they have provided in RAT. The steps for signing the report with digital signature is same as mentioned for Compliance Officer.
17. After Participant has re-submitted the report, if Auditor is satisfied, Auditor must accept the DP request and affix its digital signature for certifying the report. Once the user ID of Auditor is created, Participants can fill and submit screen based risk assessment report which will be made available in menu "Risk Assessment Report" under "Transaction" option. Old option of "Risk assessment File upload" will be removed from this compliance period.

Annexure A

Procedure for addition/modification/deactivation of auditor's user login for submission of IAR /CAR through e-PASS

NSDL has developed a new facility for Participants in e-PASS for creation of users of their auditor. These users will able to submit the reports which require auditor certification such as IAR/CAR.

A. For addition of user for auditor, Participant is required to follow the below mentioned steps:

1. After login on e-PASS with Participant's login credentials, Participant will able to add new user for auditor under head of 'Masters' -> 'Auditor Master' [as *exhibited* be/ow].This will display auditor master screen, where Participants can add auditor user IDs.

2. Addition of Auditor User ID:

   a) In order to add Auditor user ID for making necessary submission to NSDL, Participant needs to select "Add" button and enter the email ID of the Auditor in the field "Email ID". Participant need to click on 'Check' button to search for whether the email ID is already registered with NSDL. If the email ID is not registered, Participant will enter all the required details of auditor. In auditor type, the Participant has to select whether the auditor is for internal or concurrent audit or for both internal and concurrent audit. The Participant will have to click its relevant DP IDs which need to be mapped with the auditor. The Auditor will be able to submit the IAR/CAR only for the mapped DP IDs. Auditor details with such mapping will be added once Participant will save the details by clicking 'Save' button provided on the screen. Once the Auditor User is created, an Auditor ID will be created, which can be used by the Participant as an additional criteria for conducting search.

   b) There is a possibility that the same Auditor is also acting as "auditor" for other Participant/s and the email ID of the Auditor is already registered with NSDL. In this case, the Auditor details will reflect on the screen. Participant will need to select whether the auditor is for internal and concurrent audit or for both internal and concurrent audit. The Participant will have to click its relevant DP IDs which need to be mapped with the auditor. On clicking the 'Save' button; the Auditor details will be saved. The relevant screenshot is exhibited below:

3. Email ID of the auditor will be used as user ID for login by auditor. At the time of first login, the default Password to be entered is "Nsdl@123". Upon clicking on "Generate OTP", a One Time Password (OTP) will be sent on registered mobile number and email ID of Auditor as entered by

the Participant in auditor details at the time of addition of auditor. The OTP and default password has to be used by the auditor for first login. On first login, e-PASS portal will prompt the auditor to change the password. The password has to be alpha numeric with at least one special character, one alphabet in Capital & one number. Upon successfully changing the password, the auditor needs to re-login with new password to get access to e-PASS.

B. For modification of details of auditor, Participant is required to follow the below mentioned steps:

1. After login on e-PASS with Participants login credentials, Participant will able to modify the details of auditor under head of 'Masters' -> 'Auditor Master' [as exhibited below]. This will display auditor master screen, where Participants can modify details of the auditor.

2. Modification of auditor details can be done in either of the following two methods:

i) Participant can select the auditor ID from drop down in which modification is required. On selection of the auditor ID to be modified, details of the auditor will be displayed on the screen. Participant is required to select "modify" radio button and modify the details of the auditor. The email ID of the auditor cannot be modified.

ii) Alternatively, Participant can do a search on email ID by entering the email id of the auditor in the Email ID field and then click on "Check" button. The details of auditor will be displayed on the screen. Participant is required to select "modify" radio button and modify the details of the auditor except for the email ID of the auditor.

3. Participant will be able to make necessary changes in the existing details of auditor and then save the details of auditor by clicking on save button. The relevant screen is exhibited below.

C. For deactivation of Auditor User ID/s, Participant is required to follow the below mentioned steps:

1. After login on e-PASS with Participants login credentials, Participant will able to deactivate the user ID of auditor under head of 'Masters' -> 'Auditor Master' [as exhibited below]. This will display auditor master screen, where Participants can deactivate auditor user IDs.

2. Deactivation of auditor user ID can be done in either of the following two methods:
   i) Participant can select the auditor ID from drop down. On selection of the auditor ID to be deactivated, details of the auditor will be displayed on the screen. Participant is required to select “deactivate” radio button and then save the same by clicking on save button pursuant to which the user ID of the auditor will be deactivated.
   ii) Participant can also search the auditor ID by entering the email id of the auditor in the Email ID field and then click on “Check” button. The details of auditor will be displayed on the screen. Participant is required to select “deactivate” radio button and then save the same by clicking on save button pursuant to which the user ID of the auditor will be deactivated. The relevant screen is exhibited below.

Circular No. NSDL/POLICY/ 2016/0079 Date: September 30, 2016	***Subject: Risk based supervision of Participants.*** As Participants are aware, SEBI had formulated a Risk Assessment Template for risk assessment of Participants in which information needs to be provided to SEBI on half-yearly basis. Accordingly, information related the Participants is required to be provided by Participant in Risk Assessment template on half-yearly basis to depositories. In this regard, Participants are requested to take note of the following: 1. The information for the half-year ended September 30, 2016 must be provided in Risk Assessment Template (RAT) **on or before October 20, 2016**. 2. RAT is required to be submitted to NSDL through the online platform e-PASS using login credentials. In case there is any change in Compliance Officer's name, email ID and mobile number, Participants are requested to inform the same as per procedure communicated vide Circular no. NSDL/PI/2005/2550 dated December 29, 2005 (copy enclosed). 3. A .pdf template containing information to be provided by Participant to NSDL now made available in menu "Risk Assessment File Upload" under "Transaction" option, instead of separately providing .pdf template through email as done previously. 4. The information being provided by the Participant would have to be digitally signed by Compliance Officer and Internal Auditor of the Participant. In case of change in digital signature certificate of compliance officer or auditors, inform the same to NSDL as per the format given in Circular No. NSDL/POLICY/2015/0007 dated January 13, 2015 (copy enclosed). 5. The information which is provided by NSDL on behalf of the Participant will be made available on the e-PASS separately and an intimation about the same will be sent by email. 6. Submission of information for risk assessment after due date will be treated as non submission of information. Accordingly, Participants are requested to ensure that the information is submitted on or before October 20, 2016. 7. The Participants will be responsible for accuracy of all the information which will be provided in Risk Assessment Template. Therefore, Participants should ensure that correct information is provided and verify the information being provided by NSDL on behalf of the Participant. Participants are requested to take note of the above and ensure compliance. For and on behalf of **National Securities Depository Limited** **Prashant Prachand** **Assistant Vice President**

Participant Interface Circular

Circular No. NSDL/POLICY/2015/0007

Date : January 13, 2015

Sub : Risk based supervision of Participants.

Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0129 dated December 26, 2014 regarding information to be provided by Depositories to SEBI periodically for risk assessment of Participants. Participants were informed that NSDL is in process of developing a mechanism for submission of information by the Participants. Details of such platform, process of submission and timelines would be communicated shortly.

In this context, Participants are requested to note that information to be provided for risk assessment will have to be digitally signed by Compliance Officer and Internal Auditor of the Participant. If Compliance Officer and / or Internal Auditor of Participant is / are not having a Class 2 or Class 3 Digital Signature Certificate (DSC) issued by a licensed Certifying Authority (CA) *(list of approved CAs is available at www.cca.Qov.in,* they are requested to obtain the same.

Participants are requested to submit the following details to NSDL by email to participant-interface@ nsdl.co.in on or before January 20, 2015:

Sr.No.	Details required	Compliance Officer	Internal Auditor
1	Name of DSC holder		
2	Name of certifying authority		
3	Serial no. of DSC		
4	Class of DSC (2 or 3 only)		

NATIONAL SECURITIES DEPOSITORY LIMITED

Participant Interface

Circular

Circular No. NSDL/PI/2005/2550

Date : December 29, 2005

Sub :Compliance Officer details

All Participants are hereby informed that NSDL is in the process of updating the details pertaining to compliance officers of Participants. In this regard, Participants are advised to provide the details alongwith their specimen signatures, as per the enclosed format, latest by **January 7, 2006** as well as send a soft copy of the same at participant-interface@nsdl.co.in

In case of change of Compliance Officer, Participants are advised to inform NSDL by submitting the enclosed form alongwith a letter signed by the existing Compliance Officer of the Participant or by any other senior official (e.g. Director of the company, Head of the Depository operations, etc.).

Details of the Compliance Officer	
Date	
Name of the Participant	
DP Id	
Address - Row 1 -Building/Tower/Chamber/Mansion	
Address Row 2 - Street/Road	
Address Row 3 - Area Name	
Address - City Name	
Address - Pin Code	
Telephone Code	
Board Tel Nos	
Board Fax Nos	
Name of Compliance Officer	
Designation	
Specimen Signature	
Direct Tel No	
Extension no	
Mobile number	
Email Address of compliance officer	
Alternate Compliance Officer (if any)	
Designation	
Specimen Signature	
Direct Tel No	
Extension no	
Mobile number	
Email Address of alternate compliance officer	
Please note that all fields are mandatory	
Participant Seal	

Circular No. NSDL/POLICY/ 2016/0037 Date: April 1, 2016	***Subject: Risk based supervision of Participants.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0129 dated December 26, 2014, Circular no. NSDL/POLICY/2015/0007 dated January 13, 2015 and Circular no. NSDL/POLICY/2015/0012 dated January 21, 2015 regarding information to be provided by Depositories to SEBI periodically for risk assessment of Participants. In this context, as Participants are aware that SEBI has advised that the information on risk assessment of Participants must be provided on half-yearly basis. Accordingly, Participants are requested to take note of the following: 1. The information for Risk Assessment of Participants for the half year ended as on March 31, 2016 must be provided. 2. Participants will be required to provide the information in the RAT to NSDL through the online platform named "e-Participant-Inspection Audit and Supervision System (e-PASS)" which was developed to facilitate Participants to provide the required information, which will be made available to SEBI. 3. In order to access the e-PASS system, Participants may use the same URL of e-PASS and login credential as was informed during the previous cycle of RAT upload. In case there is any change in Compliance Officer's name, email ID and mobile number, Participants are requested to inform the same as per procedure communicated vide Circular no. NSDL/PI/2005/2550 dated December 29, 2005 (copy enclosed). 4. A .pdf template containing information to be provided by Participant to NSDL would be emailed to Compliance Officer of each Participant along with guidelines for submission. As informed earlier, information being provided by Participant, would have to be digitally signed by Compliance Officer and Internal Auditor of the Participant. In case of change in digital signature certificate of compliance officer or auditors, same to be communicated to NSDL as per the format indicated in Circular no. NSDL/ POLICY/2015/0007 dated January 13, 2015. Participants are requested to take note that the exercise may be completed by April 20, 2016.

Circular No. NSDL/POLICY/ 2015/0088 Date: October 5, 2015	***Subject: Risk based supervision of Participants.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0129 dated December 26, 2014, Circular no. NSDL/POLICY/2015/0007 dated January 13, 2015 and Circular no. NSDL/POLICY/2015/0012 dated January 21, 2015 regarding information to be provided by Depositories to SEBI periodically for risk assessment of Participants. In this context, as Participants are aware that SEBI has advised that the information on risk assessment of Participants must be provided on half-yearly basis. Accordingly, Participants are requested to take note of the following: 1. The information for Risk Assessment of Participants for the half year ended as on September 30, 2015 must be provided. 2. Participants will be required to provide the information in the Risk Assessment Template(RAT) to NSDL through the online platform named "e-Participant-Inspection Audit and Supervision System (e-PASS)" which was developed to facilitate Participants to provide the required information, which will be made available to SEBI. 3. In order to access the e-PASS system, Participants may use the same URL of e-PASS and login credential as was informed during the previous cycle of RAT upload. In case there is any change in Compliance Officer's name, email ID and mobile number, Participants are requested to inform the same as per procedure communicated vide Circular no. NSDL/PI/2005/2550 dated December 29, 2005 (copy enclosed). 4. A .pdf template containing information to be provided by Participant to NSDL would be emailed to Compliance Officer of each Participant along with guidelines for submission. As informed earlier, information being provided by Participant, would have to be digitally signed by Compliance Officer and Internal Auditor of the Participant. In case of change in digital signature certificate of compliance officer or auditors, same to be communicated to NSDL as per the format indicated in Circular no. NSDL/ POLICY/2015/0007 dated January 13, 2015. Participants are requested to take note that the exercise may be completed by October 20, 2015.
Circular No. NSDL/POLICY/ 2015/0082 Date: September 14, 2015	***Subject: Reporting requirement under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)-Guidance Note*** All Participants are hereby informed that SEBI has vide its circular No: CIR/MIRSD/3/2015 dated September 10, 2015 (Copy enclosed) directed to inform all Participants that the a "Guidance Note on implementation of Reporting Requirements under Rules 114F to 114H of the Income Tax Rules" as issued by the Department of Revenue, Ministry of Finance vide F.No.500/137/2011-FTTR-III dated August 31, 2015 is available at http://www.incometaxindia.gov.in/communications/notification/guidance_notes_on_implementation_31_08_2015.pdf, for information and necessary action. Participants are requested to take note of the above.

Circular No. NSDL/POLICY/ 2015/0046 Date: April 30, 2015	***Subject: Risk based supervision of Participants.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0129 dated December 26, 2014, Circular no. NSDL/POLICY/2015/0007 dated January 13, 2015 and Circular no. NSDL/POLICY/2015/0012 dated January 21, 2015 regarding information to be provided by Depositories to SEBI periodically for risk assessment of Participants. In this context, SEBI has advised vide its email dated April 15, 2015 that the information on risk assessment of Participants must be provided on half-yearly basis. Accordingly, Participants are requested to take note of the following: 1. The information for Risk Assessment of Participants for the half year ended as on March 31, 2015 must be provided. 2. Participants will be required to provide the information in the RAT to NSDL through the online platform named "e-Participant-Inspection Audit and Supervision System (e-PASS)" which was developed to facilitate Participants to provide the required information, which will be made available to SEBI. 3. In order to access the e-PASS system, Participants may use the same URL of e-PASS and login credential as was informed during the previous cycle of RAT upload. In case there is any change in Compliance Officer's name, email ID and mobile number, Participants are requested to inform the same as per procedure communicated vide Circular no. NSDL/PI/2005/2550 dated December 29, 2005 (copy enclosed). 4. A .pdf template containing information to be provided by Participant to NSDL would be emailed to Compliance Officer of each Participant along with guidelines for submission. As informed earlier, information being provided by Participant, would have to be digitally signed by Compliance Officer and Internal Auditor of the Participant. Participants are requested to take note that the exercise may be completed by May 11, 2015.
Circular No. NSDL/POLICY/ 2015/0017 Date: January 30, 2015	***Subject: Update of mobile number in demat account for SMS alerts to Clients.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0094 dated August 28, 2014 advising Participants having their own website to display a ticker on their websites for update of mobile numbers by clients to receive alerts for all debits and other important transactions in their demat account directly from the Depositories. In this context, SEBI has vide its email dated January 2, 2015 advised as follows: 1. Participants must report the clients mobile numbers to Depositories as soon as possible. **NSDL clarification:** Participants must continue to ensure that the mobile numbers provided by the Client while opening demat account or subsequently must be updated in the DPM system. In addition, in case the Participant has the mobile number of the client in its back-office, trading account or in the bank account which is provided by the client, then the Participant may update (not mandatory) the mobile number and SMS flag in the demat account and intimate the client about the updation. Participants must ensure that correct mobile number as provided by the Client is updated in DPM system. After updation of the same, the Participant must send the Client Master Report and a communication informing the benefits of availing SMS alert facility. 2. Promote registration of mobile numbers among investors through investors' education highlighting the benefits. Participants are requested to take note of above and ensure compliance.

Circular No. NSDL/POLICY/ 2015/0012 Date: January 21, 2015	***Subject: Risk based supervision of Participants.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0129 dated December 26, 2014 and Circular no. NSDL/POLICY/2015/0007 dated January 13, 2015 regarding information to be provided by Depositories to SEBI periodically for risk assessment of Participants. In this context, Participants are requested to take note of the following: 1. SEBI has provided the revised 'Risk Assessment Template' (RAT) (enclosed as Annexure A for information). The RAT contains information about Participants which needs to be provided to SEBI. 2. An online platform named "e-Participant-Inspection Audit and Supervision System (e-PASS)" is developed to facilitate Participants to provide the information required in the RAT to NSDL, which will be made available to SEBI. 3. In order to facilitate Participants to access e-PASS, a separate communication would be sent to the Compliance Officer of each Participant containing information about URL of e-PASS and login credentials at the email ID of Compliance Officer of Participant, as available in NSDL records. In case there is any change in Compliance Officer's name, email ID and mobile number, In view of the above, Participants are requested to inform the same as per procedure communicated vide Circular no. NSDL/PI/2005/2550 dated December 29, 2005 (copy enclosed). 4. A .pdf template containing information to be provided by Participant to NSDL would be emailed to Compliance Officer of each Participant along with guidelines for submission. As informed earlier, information being provided by Participant, would have to be digitally signed by Compliance Officer and Internal Auditor of the Participant. The enclosed Annexure A indicates the information which is required to be provided by the Participant and the information which NSDL will provide on behalf of the Participant. Participants are requested to take note of the same and ensure compliance.

Annexure A

Sr. No.	Profile of DP	Data Source	Input Type
A.1	Name of the DP	NSDL	Text
A.2	SEBI Registration No.	NSDL	Text
A.3	Date of Registration	NSDL	Date
A.4	Type of registration-Initial or Permanent	NSDL	Initial/Permanent

Sr. No.	Profile of DP	Data Source	Input Type
A.5	Status of DP (Operational, Under Closure, Under Omnibus OR All accounts closed after closure)	NSDL	Text
A.6	Nature of entity (Category under which entity is registered as DP) (Public Financial Institution, Bank, Foreign Bank, State Financial Corporation, Institution engaged in providing financial services, Custodian of securities, Clearing Corporation, Stock Broker, NBFC, Registrar to Issue or Share Transfer Agent)	NSDL	Text
A.7	Networth as at the end of the Previous Year		
A.7.1	Amount (Rs. In Crore)	NSDL	Number
A.7.2	Date	NSDL	Date
A.7.3	Percentage change in Networth Over Previous Year	NSDL	Number
A.8	Whether DP hold more than 5 % of equity capital of Depository	NSDL	Yes / No
A.9	Size of operations		
A.9.1	Number of Service Centres	NSDL	Number
A.9.2	Total Number of demat accounts with DP	NSDL	Number
A.9.3	Number of demat account in the beginning of the year	NSDL	Number
A.9.4	Number of demat accounts opened during the year	NSDL	Number
A.9.5	Number of demat accounts closed during the year	NSDL	Number
A.9.6	Number of demat accounts at the end of year	NSDL	Number
A.9.7	Value of holdings in the beginning of the year with DP	NSDL	Number
A.9.8	Value of holdings at end of year with DP	NSDL	Number
A.9.9	Number of demat accounts having mobile number registered with DP	NSDL	Number
A.9.10	Percentage of demat accounts having mobile number registered with DP	NSDL	Number

Sr. No.	Profile of DP	Data Source	Input Type
A.9.11	Number of Demat accounts where client has opted for SMS alerts	NSDL	Number
A.9.12	Percentage of demat accounts where client has opted for SMS alerts	NSDL	Number
A.9.13	Number of demat accounts for which email ID registered with DP	NSDL	Number
A.9.14	Percentage of demat account for which email ID is registered with DP	NSDL	Number
A.9.15	Number of POA accounts to total number of accounts	NSDL	Number
A.9.16	Percentage of POA accounts to total number of accounts	NSDL	Number
A.9.17	Total number of Non PoA accounts	NSDL	Number
A.9.18	Percentage of Non POA accounts to total number of accounts	NSDL	Number
A.9.19	Percentage of Delivery Instruction transactions processed electronically out of the total Delivery Instructions Transactions (i.e. delivery instructions and not delivery instruction slips)	DP	Number
A.9.20	Total number of BSDA accounts with the DP	NSDL	Number
A.10	Details of clients as on date (following categorywise)		
A.10.1	a) Resident	NSDL	Number
A.10.2	b) Non Resident Indian	NSDL	Number
A.10.3	c) Foreign National	NSDL	Number
A.10.4	d) Qualified Foreign Investor – Individual	NSDL	Number
A.10.5	e) Foreign Portfolio Investor – Individual	NSDL	Number
A.10.6	f) HUF	NSDL	Number
A.10.7	g) Body Corporate	NSDL	Number
A.10.8	h) Mutual Fund	NSDL	Number
A.10.9	i) Trust	NSDL	Number
A.10.10	j) Bank	NSDL	Number
A.10.11	k) Financial Institution	NSDL	Number
A.10.12	l) Foreign Institutional Investor	NSDL	Number
A.10.13	m) Qualified Foreign Investor – Non Individual	NSDL	Number
A.10.14	n) Foreign Portfolio Investor – Non Individual	NSDL	Number

Sr. No.	Profile of DP	Data Source	Input Type
A.10.15	0) Clearing Member	NSDL	Number
A.11	Individual Clients (Sum of a, b, c, d, e)	NSDL	Number
A.12	Value of Holdings of Individual clients (Sum of value of holdings of a, b, c, d, e)	NSDL	Number
A.13	Institutional Clients (Sum of g, h, i, j, k, l)	NSDL	Number
A.14	Value of Holdings of Institutional Clients (Sum of value of holdings of g, h, i, j, k, l)	NSDL	Number
A.15	Non-Individual Clients (Sum of f, m, n)	NSDL	Number
A.16	Value of Holdings of Non-Individual Clients (Sum of value of holdings of f, m, n)	NSDL	Number
A.17	Total Clients (Sum of 10a to 10n)	NSDL	Number
A.18	Value of Holdings of total clients	NSDL	Number
A.19	Value of Holdings of CM/ Pool account	NSDL	Number
A.20	Total number of Active Clients	NSDL	Number
A.21	Value of holdings of total number of active clients	NSDL	Number
A.22	Total number of Inactive clients (i.e. there are no debit transactions for continous period of last six months)	NSDL	Number
A.23	Value of Holdings of total number of Inactive clients (i.e. there are no debit transactions for continous period of last six months)	NSDL	Number
A.24	Number of clients categorized as high risk clients or clients in special category	DP	Number
A.25	Total Number of employees in DP activities	DP	Number
A.26	Name, address, contact details of Key Personnel	DP	As per Table 1
A.27	Educational qualifications, financial market experience, age of Key Personnel	DP	As per Table 1
A.28	Name of Internal Auditor (specify firm name)	DP	Text
A.29	Name of Concurrent Auditor (specify firm name)	DP	Text
A.30	Number of Investor Complaints		
A.30.1	Opening balance of grievances	NSDL	Number

Sr. No.	Profile of DP	Data Source	Input Type
A.30.2	Received	NSDL	Number
A.30.3	Redressed	NSDL	Number
A.30.4	Pending	NSDL	Number
A.31.1	Name of Outsourcing Agency	DP	Text
A.31.2	Types of activities outsourced	DP	Text
A.32	Ownership and Governance		
A.32.1	Whether listed/ unlisted	DP	Listed / Unlisted
A.32.2	Name and percentage of holdings for top 10 shareholders (wherever applicable)	DP	As per Table 2
A.32.3	Constitution of Board of Directors		
A.32.3.1	Number of Directors	DP	Number
A.32.3.2	Number of Independent Directors	DP	Number
A.32.3.3	Number of Government representatives	DP	Number

Annexure A

Sr. No.	Profile of DP	Data Source	Input Type
A.1	Name of the DP	NSDL	Text
A.2	SEBI Registration No.	NSDL	Text
A.3	Date of Registration	NSDL	Date
A.4	Type of registration-Initial or Permanent	NSDL	Initial/Permanent
A.5	Status of DP (Operational, Under Closure, Under Omnibus OR All accounts closed after closure)	NSDL	Text
A.6	Nature of entity (Category under which entity is registered as DP) (Public Financial Institution, Bank, Foreign Bank, State Financial Corporation, Institution engaged in providing financial services, Custodian of securities, Clearing Corporation, Stock Broker, NBFC, Registrar to Issue or Share Transfer Agent)	NSDL	Text
A.7	Networth as at the end of the Previous Year		
A.7.1	Amount (Rs. In Crore)	NSDL	Number
A.7.2	Date	NSDL	Date

Sr. No.	Profile of DP	Data Source	Input Type
A.7.3	Percentage change in Networth Over Previous Year	NSDL	Number
A.8	Whether DP hold more than 5 % of equity capital of Depository	NSDL	Yes / No
A.9	Size of operations		
A.9.1	Number of Service Centres	NSDL	Number
A.9.2	Total Number of demat accounts with DP	NSDL	Number
A.9.3	Number of demat account in the beginning of the year	NSDL	Number
A.9.4	Number of demat accounts opened during the year	NSDL	Number
A.9.5	Number of demat accounts closed during the year	NSDL	Number
A.9.6	Number of demat accounts at the end of year	NSDL	Number
A.9.7	Value of holdings in the beginning of the year with DP	NSDL	Number
A.9.8	Value of holdings at end of year with DP	NSDL	Number
A.9.9	Number of demat accounts having mobile number registered with DP	NSDL	Number
A.9.10	Percentage of demat accounts having mobile number registered with DP	NSDL	Number
A.9.11	Number of Demat accounts where client has opted for SMS alerts	NSDL	Number
A.9.12	Percentage of demat accounts where client has opted for SMS alerts	NSDL	Number
A.9.13	Number of demat accounts for which email ID registered with DP	NSDL	Number
A.9.14	Percentage of demat account for which email ID is registered with DP	NSDL	Number
A.9.15	Number of POA accounts to total number of accounts	NSDL	Number
A.9.16	Percentage of POA accounts to total number of accounts	NSDL	Number
A.9.17	Total number of Non PoA accounts	NSDL	Number
A.9.18	Percentage of Non POA accounts to total number of accounts	NSDL	Number

Sr. No.	Profile of DP	Data Source	Input Type
A.9.19	Percentage of Delivery Instruction transactions processed electronically out of the total Delivery Instructions Transactions (i.e. delivery instructions and not delivery instruction slips)	DP	Number
A.9.20	Total number of BSDA accounts with the DP	NSDL	Number
A.10	Details of clients as on date (following categorywise)		
A.10.1	a) Resident	NSDL	Number
A.10.2	b) Non Resident Indian	NSDL	Number
A.10.3	c) Foreign National	NSDL	Number
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A.10.5	e) Foreign Portfolio Investor – Individual	NSDL	Number
A.10.6	f) HUF	NSDL	Number
A.10.7	g) Body Corporate	NSDL	Number
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A.10.9	i) Trust	NSDL	Number
A.10.10	j) Bank	NSDL	Number
A.10.11	k) Financial Institution	NSDL	Number
A.10.12	l) Foreign Institutional Investor	NSDL	Number
A.10.13	m) Qualified Foreign Investor – Non Individual	NSDL	Number
A.10.14	n) Foreign Portfolio Investor – Non Individual	NSDL	Number
A.10.15	0) Clearing Member	NSDL	Number
A.11	Individual Clients (Sum of a, b, c, d, e)	NSDL	Number
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A.14	Value of Holdings of Institutional Clients (Sum of value of holdings of g, h, i, j, k, l)	NSDL	Number
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A.16	Value of Holdings of Non-Individual Clients (Sum of value of holdings of f, m, n)	NSDL	Number
A.17	Total Clients (Sum of 10a to 10n)	NSDL	Number
A.18	Value of Holdings of total clients	NSDL	Number
A.19	Value of Holdings of CM/ Pool account	NSDL	Number
A.20	Total number of Active Clients	NSDL	Number

Sr. No.	Profile of DP	Data Source	Input Type
A.21	Value of holdings of total number of active clients	NSDL	Number
A.22	Total number of Inactive clients (i.e. there are no debit transactions for continous period of last six months)	NSDL	Number
A.23	Value of Holdings of total number of Inactive clients (i.e. there are no debit transactions for continous period of last six months)	NSDL	Number
A.24	Number of clients categorized as high risk clients or clients in special category	DP	Number
A.25	Total Number of employees in DP activities	DP	Number
A.26	Name, address, contact details of Key Personnel	DP	As per Table 1
A.27	Educational qualifications, financial market experience, age of Key Personnel	DP	As per Table 1
A.28	Name of Internal Auditor (specify firm name)	DP	Text
A.29	Name of Concurrent Auditor (specify firm name)	DP	Text
A.30	Number of Investor Complaints		
A.30.1	Opening balance of grievances	NSDL	Number
A.30.2	Received	NSDL	Number
A.30.3	Redressed	NSDL	Number
A.30.4	Pending	NSDL	Number
A.31.1	Name of Outsourcing Agency	DP	Text
A.31.2	Types of activities outsourced	DP	Text
A.32	Ownership and Governance		
A.32.1	Whether listed/ unlisted	DP	Listed / Unlisted

Sr. No.	Profile of DP	Data Source	Input Type
A.32.2	Name and percentage of holdings for top 10 shareholders (wherever applicable)	DP	As per Table 2
A.32.3	Constitution of Board of Directors		
A.32.3.1	Number of Directors	DP	Number
A.32.3.2	Number of Independent Directors	DP	Number
A.32.3.3	Number of Government representatives	DP	Number

Table 1

Sr. No.	Role of key person	Name of key person	Office Address (including city and PIN code)	Contact Details (Direct Telephone Number and Mobile Number)	Age (in completed years)	Educational Qualification (specify highest qualification)	Experience in financial market (in completed years)
1	Head of DP operations	Text	Text	Number	Number	Text	Number
2	Compliance Officer	Text	Text	Number	Number	Text	Number
3	Principal Officer	Text	Text	Number	Number	Text	Number
4	Designated Director	Text	Text	Number	Number	Text	Number

Table 2		
Shareholding of top 10 shareholders		
Sr. No.	Name of Shareholder	% of holdings
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
	Total percentage holding of top 10 shareholders	

Sr. No.	Operational Risk	Data Source	Input Type
A	People Risk		

Sr. No.	Operational Risk	Data Source	Input Type
A.1	Number of instances where disciplinary actions initiated / pending against		
A.1.1	a) Key personnel	DP	Number
A.1.2	b) Employees engaged in DP operations of the DP by SEBI, Depository or any other regulatory authority	DP	Number
A.1.3	c) Total (a+b)		Number
A.2	Out of the total Number of people employed, percentage (%) of employees mandatorily to have NISM certification	DP	Number
A.3	Out of total number of employees mandatorily to have NISM certification, percentage (%) of employees not completed NISM certification	DP	Number
A.4	Number of instances when Participant or any of its Director, designated Director or Principal Officer or Compliance Officer or any other Key Personnel has at any time been convicted for any offence involving moral turpitude	DP	Number
A.5	Any criminal complaint was filed by investors against the Participant related to DP operations - Number of instances	DP	Number
B	**Process Risk**		
B.1	**House Keeping**		
B.1.1	Non compliance w.r.t. not following maker-checker system		
B.1.1.1	a) Number of instances	NSDL	Number
B.1.1.2	b) Sample Size	NSDL	Number
B.1.1.3	c) Percentage (a/b*100)		Number
B.1.2	Non compliance w.r.t. transaction related deviations including not taking due care while handling high value transactions or transactions in the dormant account		
B.1.2.1	a) Number of instances	NSDL	Number
B.1.2.2	b) Sample Size	NSDL	Number
B.1.2.3	c) Percentage (a/b*100)		Number
B.1.3	Non compliance w.r.t. DP is Accepting blank-signed DISs from the clients		
B.1.3.1	a) Number of instances	NSDL	Number
B.1.3.2	b) Sample Size	NSDL	Number
B.1.3.3	c) Percentage (a/b*100)		Number
B.1.4	Non compliance w.r.t. processing of DIS in case signature is not as per the demat records		

Sr. No.	Operational Risk	Data Source	Input Type
B.1.4.1	a) Number of instances	NSDL	Number
B.1.4.2	b) Sample Size	NSDL	Number
B.1.4.3	c) Percentage (a/b*100)		Number
B.1.5	Non compliance w.r.t. non- execution of DIS on or before execution date mentioned by client on DIS		
B.1.5.1	a) Number of instances	NSDL	Number
B.1.5.2	b) Sample Size	NSDL	Number
B.1.5.3	c) Percentage (a/b*100)		Number
B.1.6	Non compliance w.r.t. DIS executed for quantity different from that mentioned by client in DIS		
B.1.6.1	a) Number of instances	NSDL	Number
B.1.6.2	b) Sample Size	NSDL	Number
B.1.6.3	c) Percentage (a/b*100)		Number
B.1.7	Non compliance w.r.t. transfer of securities to wrong account or failure to execute DIS within time or partial execution of DIS		
B.1.7.1	a) Number of instances	NSDL	Number
B.1.7.2	b) Sample Size	NSDL	Number
B.1.7.3	c) Percentage		Number
B.1.8	Non compliance w.r.t. Delivery Instruction Slip (DIS) related deviation other than B.1.1 to B.1.7 above		
B.1.8.1	a) Number of instances	NSDL	Number
B.1.8.2	b) Sample Size	NSDL	Number
B.1.8.3	c) Percentage (a/b*100)		Number
B.1.9	Non compliance w.r.t. freeze/unfreeze related deviation		
B.1.9.1	a) Number of instances	NSDL	Number
B.1.9.2	b) Sample Size	NSDL	Number
B.1.9.3	c) Percentage (a/b*100)		Number
B.1.10	Non compliance w.r.t. Power of Attorney (POA) related deviation		
B.1.10.1	a) Number of instances	NSDL	Number
B.1.10.2	b) Sample Size	NSDL	Number
B.1.10.3	c) Percentage (a/b*100)		Number

Sr. No.	Operational Risk	Data Source	Input Type
B.1.11	Whether Participant has a computerized /automated system to process instructions received from POA holders to debit the client's account? (Yes / No)	DP	Yes/ No
B.1.12	Non compliance w.r.t. Account opening/KYC document related deviation		
B.1.12.1	a) Number of instances	NSDL	Number
B.1.12.2	b) Sample Size	NSDL	Number
B.1.12.3	c) Percentage (a/b*100)		Number
B.1.13	Non compliance w.r.t. BSDA related deviation		
B.1.13.1	a) Number of instances	NSDL	Number
B.1.13.2	b) Sample Size	NSDL	Number
B.1.13.3	c) Percentage (a/b*100)		Number
B.1.14	Non compliance w.r.t. Client Data Modification (CDM) related deviation		
B.1.14.1	a) Number of instances	NSDL	Number
B.1.14.2	b) Sample Size	NSDL	Number
B.1.14.3	c) Percentage (a/b*100)		Number
B.1.15	Non compliance w.r.t. Maintainence of record and document related deviation		
B.1.15.1	a) Number of instances	NSDL	Number
B.1.15.2	b) Sample Size	NSDL	Number
B.1.15.3	c) Percentage (a/b*100)		Number
B.1.16	Non compliance w.r.t. Demat/Remat/Conversion /Reconversion request related deviation		
B.1.16.1	a) Number of instances	NSDL	Number
B.1.16.2	b) Sample Size	NSDL	Number
B.1.16.3	c) Percentage (a/b*100)		Number
B.1.17	Non compliance w.r.t. Transaction statement related deviation		
B.1.17.1	a) Number of instances	NSDL	Number
B.1.17.2	b) Sample Size	NSDL	Number
B.1.17.3	c) Percentage (a/b*100)		Number
B.1.18	Non compliance w.r.t. opening and closing and modification of Service Centres deviations		
B.1.18.1	a) Number of instances	NSDL	Number
B.1.18.2	b) Sample Size	NSDL	Number
B.1.18.3	c) Percentage		Number

Sr. No.	Operational Risk	Data Source	Input Type
B.1.19	Non compliance w.r.t. Inter Depository Transfer (IDT) related deviation		
B.1.19.1	a) Number of instances	NSDL	Number
B.1.19.2	b) Sample Size	NSDL	Number
B.1.19.3	c) Percentage (a/b*100)		Number
B.1.20	Non compliance w.r.t. Account transfer related deviation		
B.1.20.1	a) Number of instances	NSDL	Number
B.1.20.2	b) Sample Size	NSDL	Number
B.1.20.3	c) Percentage (a/b*100)		Number
B.1.21	Non compliance w.r.t. Transmission related deviations		
B.1.21.1	a) Number of instances	NSDL	Number
B.1.21.2	b) Sample Size	NSDL	Number
B.1.21.3	c) Percentage (a/b*100)		Number
B.1.22	Non compliance w.r.t. Pledge/unpledge related deviation		
B.1.22.1	a) Number of instances	NSDL	Number
B.1.22.2	b) Sample Size	NSDL	Number
B.1.22.3	c) Percentage (a/b*100)		Number
B.1.23	Instances where compensation was paid to client due to errors of DP		
B.1.23.1	a) Number of instances	DP	Number
B.1.23.2	b) Amount (Rs. In Lacs)	DP	Number
B.1.24	Percentage of Instances out of total records checked - Accepting POAs which authorizes a broker to make off-market transfers in favour of third parties, flouting SEBI guidelines on POAs		
B.1.24.1	a) Number of instances	NSDL	Number
B.1.24.2	b) Sample Size	NSDL	Number
B.1.24.3	c) Percentage (a/b*100)		Number
B.2	**Fraud, Vigilance and Accountability**		
B.2.1	Non Compliance under Prevention of Money Laundering Act, 2002 (PMLA) related deviation		
B.2.1.1	a) Number of instances	NSDL	Number
B.2.1.2	b) Sample Size	NSDL	Number
B.2.1.3	c) Percentage (a/b*100)		Number
B.2.2	Number of STR filed	NSDL	Number

Sr. No.	Operational Risk	Data Source	Input Type
B.2.3	Number of fraud cases identified and/or reported related to DP operations	DP	Number
C	**Customer service and complaint redressal mechanism**		
C.1	Non compliance w.r.t. Complaints related deviation		
C.1.1	a) Number of instances	NSDL	Number
C.1.2	b) Sample Size	NSDL	Number
C.1.3	c) Percentage (a/b*100)		Number
C.2	Number of complaints received		
C.2.1	Direct	NSDL	Number
C.2.2	Indirect (through SEBI/Depository)	NSDL	Number
C.2.3	As a Percentage relative to the total number of clients		Number
C.3	Number of Complaints pending beyond 30 days	NSDL	Number
C.4	Number of complaints of unauthorised debit received	NSDL	Number
C.5	Number of arbitration matters initiated by		
C.5.1	a) DP	NSDL	Number
C.5.2	b) Client	NSDL	Number
C.5.3	c) Total (a+b)		Number
C.6	Number of Arbitration matters in favour of DP or against the DP. The amount claimed and awarded in the arbitration matter		
C.6.1	Awards against DP		
C.6.1.1	a) Number of instances	NSDL	Number
C.6.1.2	b) Amount claimed (Rs. In Lacs)	NSDL	Number
C.6.1.3	c) Amount Awarded (Rs. In Lacs)	NSDL	Number
C.6.2	Awards in favour of DP		
C.6.2.1	a) Number of instances	NSDL	Number
C.6.2.2	b) Amount claimed (Rs. In Lacs)	NSDL	Number
C.6.2.3	c) Amount awarded (Rs. In Lacs)	NSDL	Number
C.6.3	Awards dismissed (Number of instances)	NSDL	Number
C.7	Number of awards challenged		
C.7.1	a) by DP	NSDL	Number
C.7.2	b) by Client	NSDL	Number
C.7.3	c) Total (a+b)		Number
C.8	Number of Awards where any adverse remarks were made in Award	NSDL	

Sr. No.	Operational Risk	Data Source	Input Type
C.8.1	Insurance		
C.8.1.1	Number of Insurance claim filed by DP	NSDL	Number
C.8.1.2	Amount of Insurance claim (Rs. In Lacs)	NSDL	Number
D	**Technology Risk**		
D.1	Non Compliance w.r.t. Information Technology Area related deviation		
D.1.1	a) Number of instances	NSDL	Number
D.1.2	b) Sample Size	NSDL	Number
D.1.3	c) Percentage (a/b*100)		Number
E	**Compliance Risk**		
E.1	Number of instances of Non-compliance observed in submission of periodical reports		
E.1.1	a) Internal and Concurrent Audit Report	NSDL	Number
E.1.2	b) IG Report	NSDL	Number
E.1.3	c) Annual Financial Statement and Networth Certificate	NSDL	Number
E.1.4	d) Compliance Certificate	NSDL	Number
E.1.5	e) Any other report	NSDL	Number
E.1.6	g) Total (sum of a to e)	NSDL	Number
E.2	Non Compliance w.r.t. not uploading KYC details with KRA timely		
E.2.1	a) Number of instances	NSDL	Number
E.2.2	b) Sample Size	NSDL	Number
E.2.3	c) Percentage (a/b*100)		Number
E.3	Penalties Levied /advisory letter issued- Number of Instances	NSDL	Number
E.4	Monetary Penalty imposed by the Depository (Rs. In Lacs)	NSDL	Number
E.5	Any other action taken by the Depository- Number of instances	NSDL	Number
E.6	Monetary Penalty imposed by SEBI (Rs. In Lacs)	DP	Number
E.7	Any other action taken by SEBI-Number of instances		Number
E.7.1	Enquiry/ Prosecution	DP	Number
E.7.2	Adjudication	DP	Number
E.7.3	Warning/ Censure/ Administrative Warning	DP	Number
E.7.4	Deficiency	DP	Number
E.8	Monetary Penalty imposed by any other Agency/ court (Rs. In Lacs)		Number
E.8.1	Monetary Penalty (Rs. In Lacs)	DP	Number
E.8.2	Number of instances	DP	Number
E.9	Any other action taken by any other agency/ court-Number of instances	DP	Number

Sr. No.	Operational Risk	Data Source	Input Type
E.10	Regulatory non compliance (status of earlier Inspection observation compliance) - Number of Instances where not complied	NSDL	Number
E.11	Number of instances where the Participant did not conduct audits (excluding internal audits) as prescribed by SEBI/Depository	NSDL	Number
E.12	Suspension of registration - Number of Instances	NSDL	Number
E.13	Termination of registration - Number of Instances	NSDL	Number
E.14	Internal Audit conducted or not	DP	Yes / No
F	**Outsourcing Risk**		
F.1	Any DP related activity outsourced (excluding outsourced to Depository) - Number of DP activities	DP	Number
G	**Governance and Oversight**		
G.1	Review of audit and compliance function		
G.1.1	Whether Depository inspection report and corrective action taken have been put before the board?	DP	(Yes/ No/Not Applicable)
G.1.2	Whether SEBI inspection report and corrective action taken have been put before the board?	DP	(Yes/ No/Not Applicable)
G.1.3	Whether where Internal Audit report / Concurrent Audit report and corrective action taken have been put before the board?	DP	(Yes/ No/Not Applicable)
G.1.4	Whether board of the DP was satisfied with the corrective actions taken?	DP	(Yes/ No/Not Applicable)
Note	1. Please mention amount upto two decimal places wherever needed.		

Sr. Number	Factors to assess impact of failure	Parameters used to assess the impact of failure	Data Source
1	Size	a. Number of active BO accounts with DP as a % of total no of BO accounts in the NSDL system	NSDL
		b. Number of inactive BO accounts with DP as a % of total no of BO accounts in the NSDL system	NSDL
		c. Total number of BO accounts with DP as a % of total no of BO accounts in the NSDL system	NSDL
		d. Value of holding of active BO account with DP as a % of total value of holding in the NSDL system	NSDL
		e. Value of holding of inactive BO account with DP as a % of total value of holding in the NSDL system	NSDL
		f. Value of holding of total number of BO account with DP as a % of total value of holding in the NSDL system	NSDL

<table>
<tr><td>Circular No.
NSDL/POLICY/
2015/0007
Date: January 13, 2015</td><td>Subject: Risk based supervision of Participants.
Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0129 dated December 26, 2014 regarding information to be provided by Depositories to SEBI periodically for risk assessment of Participants. Participants were informed that NSDL is in process of developing a mechanism for submission of information by the Participants. Details of such platform, process of submission and timelines would be communicated shortly.
In this context, Participants are requested to note that information to be provided for risk assessment will have to be digitally signed by Compliance Officer and Internal Auditor of the Participant. If Compliance Officer and / or Internal Auditor of Participant is / are not having a Class 2 or Class 3 Digital Signature Certificate (DSC) issued by a licensed Certifying Authority (CA) (list of approved CAs is available at www.cca.gov.in), they are requested to obtain the same.
Participants are requested to submit the following details to NSDL by email to participant-interface@nsdl.co.in on or before January 20, 2015:
<table>
<tr><th>Sr. No.</th><th>Details required</th><th>Compliance Officer</th><th>Internal Auditor</th></tr>
<tr><td>1</td><td>Name of DSC holder</td><td></td><td></td></tr>
<tr><td>2</td><td>Name of certifying authority</td><td></td><td></td></tr>
<tr><td>3</td><td>Serial no. of DSC</td><td></td><td></td></tr>
<tr><td>4</td><td>Class of DSC (2 or 3 only)</td><td></td><td></td></tr>
</table></td></tr>
<tr><td>Circular No.
NSDL/POLICY/
2015/0002
Date: January 1, 2015</td><td>Subject: Registration for the purpose of Foreign Accounts Tax Compliance Act (FATCA).
Attention of Participants is invited Circular No. NSDL/POLICY/2014/0083 dated July 22, 2014 regarding Inter-Governmental Agreement with United States of America under Foreign Accounts Tax Compliance Act (FATCA) – Registration. In this context, Participants are requested to take note of the SEBI Circular No. CIR/MIRSD/6/2014 dated December 30, 2014 regarding Registration for the purpose of FATCA (copy enclosed) and ensure compliance.</td></tr>
<tr><td colspan="2">Ticker on website for SMS Alerts facility</td></tr>
<tr><td>Circular No.
NSDL/POLICY/
2014/0094
Date: August 28, 2014</td><td>Subject: Ticker on website for SMS Alerts facility.
All Participants are hereby informed that SEBI has vide its email dated August 28, 2014 advised that Participants which have their own website, should display the below mentioned ticker on their website w.e.f. Friday, September 5, 2014 in order to create awareness among Clients to subscribe for SMS alerts:
<u>ATTENTION INVESTORS</u> (Static Text)
TICKER
“Prevent Unauthorized Transactions in your demat account --> Update your Mobile Number with your Depository Participant. Receive alerts on your Registered Mobile for <u>all debit and other important transactions</u> in your demat account directly from NSDL on the same day.....issued in the interest of investors.”
Participants are requested to take note of above and ensure compliance.</td></tr>
</table>

Circular No.: NSDL/ POLICY/2020/0153
November 19, 2020

Subject: Insurance Coverage.

All Participants are hereby informed that the insurance policy obtained by NSDL which covers NSDL as well as its Participants has been renewed for the period October 29, 2020 to October 28, 2021. Broad terms & conditions of the policy are given below:

Parameter	Details
Scope of Cover	• Infidelity of employees including Outsourced Persons • Other perils (excluding infidelity of employees) • Electronic and computer crime • Professional Indemnity
Limit of Indemnity	**Rs. 200 Crore** - any one claim/loss and in the annual aggregate with a provision of one reinstatement of Rs. 100 crore after paying propionate premium
Self-excess **(DP's share of loss in case of claim)**	• Rs. 1,00,000 except for forged transfer where it will be Rs. 2,00,000 for each and every loss. • Participants who have availed of reduced self-excess limit of Rs. 50,000 or Rs. 25,000 in the previous year will continue to enjoy such limits without paying additional premium which is available for perils other than forgery.
Reduced self-excess	• Participants who have not availed of reduced self-excess in the expiring policy, may avail reduction upto Rs. 50,000 (Reduction of self-excess for forged transfer is not provided) at an additional cost of Rs. 17,700 (Rs.15,000 plus 18% Goods and Services Tax). • Participants who have not availed of reduced self-excess in the expiring policy, may avail reduction of self-excess upto Rs. 25,000 (Reduction of self-excess for forged transfer is not provided) at an additional cost of Rs. 23,600 (Rs. 20,000 plus 18% Goods and Services Tax). • Participants who have availed of reduced self-excess of Rs.50,000 in the expiring policy, may avail a further reduction of self-excess up to Rs.25,000 (Reduction of self-excess for forged transfer is not provided) at an additional cost of Rs.11,800 (Rs.10,000 plus 18% Goods and Services Tax).

Participants were informed vide Circular No. NSDL/POLICY/2020/0139 dated October 23, 2020 about the methodology for computing premium payable by Participants in respect of insurance policy for the year 2020-21. Accordingly, the insurance premium payable by Participants has been included in the October 2020 bill. The additional premium for reduced self-excess **(only if you intend to reduce your self-excess limits)** payable by the Participants will be included in November 2020 monthly bill.

The option for reduction in self-excess may be communicated to NSDL in the enclosed format by email addressed to sureshu@nsdl.co.in. This communication should reach NSDL latest by November 24, 2020 **(only if you intend to reduce your self-excess limits).**

Since the insurance premium will be included in the monthly bill, if any, it is not necessary to send this amount to NSDL separately and must be paid along with the monthly bills.

No action is required at your end in case you do not wish to change your self-excess limits. In case you need any clarification, please contact Mr. Suresh Uchlani on 022 - 4914 2758.

Option Sheet

Date:

To
Mr. Ravindra Sahu
Asst. Vice President
National Securities Depository Limited
4th Floor, A Wing, Trade World
Kamala Mills Compound
Senapati Bapat Marg
Lower Parel, Mumbai - 400 013

DP Name:

Options: (Please tick the relevant option).

For those having current self-excess of Rs. 1,00,000

We want to avail of reduced self-excess upto Rs. 50,000; please debit Rs. 17,770 towards this in November 2020 bill.

We want to avail of reduced self-excess upto Rs. 25,000; please debit Rs.23,600 towards this in November 2020 bill.

For those having current self-excess of Rs.50,000

We want to avail of reduced self-excess upto Rs. 25,000; please debit Rs. 11,800 towards this in November 2020 bill.

Circular No.: NSDL/ POLICY/2019/0080 November 18, 2019 Subject: Insurance coverage.	All Participants are hereby informed that the insurance policy obtained by NSDL which covers NSDL as well as its Participants has been renewed for the period October 29, 2019 to October 28, 2020. Limit of Indemnity under aforesaid insurance policy has been increased from? 100 crores to ₹ 200 crores. Broad terms & conditions of the policy are given below:

Parameter	Details
Scope of Cover	• Infidelity of employees including Outsourced Persons • Other perils (excluding infidelity of employees) • Electronic and computer crime • Professional Indemnity
Limit of Indemnity	₹ 200 Crores (Last Year ?100 Crores) any one claim/ loss and in the annual aggregate with a provision of one reinstatement of ₹ 100 crore after paying proportionate premium.
Self-excess	• ₹ 1,00,000 except for forged transfer where it will be ₹ 2,00,000 for each and every loss. • Participants who have availed of reduced self-excess limit of ₹ 50,000 or ₹ 25,000 in the previous year will continue to enjoy such limits without paying additional premium which is available for perils other than forgery.
Reduced self-excess	• Participants who have not availed of reduced self-excess in the expiring policy, may avail reduction upto ₹ 50,000 (Reduction of self-excess for forged transfer is not provided) at an additional cost of ₹ 17,700 (₹ 15,000 plus 18% Goods and Services Tax). • Participants who have not availed of reduced self-excess in the expiring policy, may avail reduction of self-excess upto ₹ 25,000 (Reduction of self-excess for forged transfer is not provided) at an additional cost of ₹ 23,600 (₹ 20,000 plus 18% Goods and Services Tax). • Participants who have availed of reduced self-excess of ₹ 50,000 in the expiring policy, may avail a further reduction of self-excess up to ₹ 25,000 (Reduction of self-excess for forged transfer is not provided) at an additional cost of ₹ 11,800 (₹ 10,000 plus 18% Goods and Services Tax).

Participants were informed vide Circular No. NSDL/POLICY/2019/0072 dated October 29, 2019 about the methodology for computing premium payable by Participants in respect of insurance policy for the year 2019-20. Accordingly, the insurance premium payable by Participants has been included in the October 2019 bill. The additional premium for reduced self-excess payable by the Participants will be included in November 2019 monthly bill (only if you intend to reduce your self-excess limits).

The option for reduction in self-excess may be communicated to NSDL in the enclosed format by email addressed to sureshu@nsdl.co.in. This communication should reach NSDL latest by November 20, 2019 (only if you intend to reduce your self-excess limits). Since the insurance premium is / will be included in the monthly bill, it is not necessary to send this amount to NSDL separately and must be paid along with the monthly bills. No action is required at your end in case you do not wish to change your self-excess limits.

Option Sheet

Date:

To
Mr. Ravindra Sahu
Asst. Vice President
National Securities Depository Limited
4th Floor, A Wing, Trade World
Kamala Mills Compound
Senapati Bapat Marg
Lower Parel, Mumbai - 400 013

DP Name:
Options: (Please tick the relevant option).

A) For those having current self-excess of ?1,00,000

- ☐ We want to avail of reduced self-excess upto ₹ 50,000; please debit ?17,770 towards this in November 2019 bill.
- ☐ We want to avail of reduced self-excess upto ₹ 25,000; please debit ₹ 23,600 towards this in November 2019 bill.

B) For those having current self-excess of ?50,000

- ☐ We want to avail of reduced self-excess upto ₹ 25,000; please debit ?11,800 towards this in November 2019 bill.

Name of Compliance Officer:

Signature:

Circular No.: NSDL/ POLICY/2018/0064 November 6, 2018	*Subject: Insurance coverage - Reduction of self-excess - LAST DATE 15.11.2018*

NSDL has renewed the insurance policy for itself and all its Participants for the period October 29, 2018 to October 28, 2019 with the following terms and conditions:

Parameter	Details
Scope of Cover	• Infidelity of employees including Outsourced Persons • Other perils (excluding infidelity of employees) • Electronic and computer crime • Professional Indemnity
Limit of Indemnity	Rs.100 crore any one claim/loss and in the annual aggregate, with a provision of one reinstatement of Rs.100 crore.*
Self-excess	• Rs.1,00,000 except for forged transfer where it will be Rs.2,00,000 for each and every loss. • Participants who have availed of reduced self-excess limit of Rs.50,000 or Rs.25,000 in the previous year will continue to enjoy such limits without paying additional premium; this is available for perils other than forgery.
Reduced self-excess	• Participants who have not availed of reduced self-excess in the expiring policy, may avail reduction upto Rs.50,000 (Reduction of self-excess for forged transfer is not provided) at an additional cost of Rs.17,700 (Rs.15,000 plus 18% Goods and Services Tax). • Participants who have not availed of reduced self-excess in the expiring policy, may avail reduction of self-excess upto Rs.25,000 (Reduction of self-excess for forged transfer is not provided) at an additional cost of Rs.23,600 (Rs.20,000 plus 18% Goods and Services Tax). • Participants who have availed of reduced self-excess of Rs.50,000 in the expiring policy, may avail a further reduction of self-excess up to Rs.25,000 (Reduction of self-excess for forged transfer is not provided) at an additional cost of Rs.11,800 (Rs.10,000 plus 18% Goods and Services Tax).

***** As per the provision of reinstatement, an additional premium of 0.45% shall be deducted from the claim amount to be paid by the insurance company.

The insurance premium payable by Participants has been included in the October 2018 bill. The additional premium for reduced self-excess payable by the Participants will be included in November 2018 monthly bill (only if you intend to reduce your self-excess limits).

The option for reduction in self-excess may be communicated to us in the enclosed format by email addressed to sureshu@nsdl.co.in. This communication should reach us latest by November 15, 2018 (only if you intend to reduce your self-excess limits). **No action is required at your end in case you do not wish to change your self-excess limits.**

Since the insurance premium is / will be included in the monthly bill, it is not necessary to send this amount to NSDL separately and must be paid along with the monthly bills.

Option Sheet

Date:

To
Mr. Ravindra Sahu
Asst. Vice President
National Securities Depository Limited
4th Floor, A Wing, Trade World
Kamala Mills Compound
Senapati Bapat Marg
Lower Parel, Mumbai - 400 013
DP Name:
Options: (Please tick the relevant option).
For those having current self-excess of Rs. 1,00,000

We want to avail of reduced self-excess upto Rs. 50,000; please debit Rs. 17,770 towards this in November 2018 bill.
We want to avail of reduced self-excess upto Rs. 25,000; please debit Rs.23,600 towards this in November 2018 bill.
For those having current self-excess of Rs.50,000
We want to avail of reduced self-excess upto Rs. 25,000; please debit Rs. 11,800 towards this in November 2018 bill.
Name of Compliance Officer: Signature:

Circular No. NSDL/POLICY/ 2014/0012 Date: February 5, 2014	***Sub: Insurance – Routing of Business Risks Insurance Claims through NSDL.*** As Participants are aware, NSDL obtains a comprehensive business risk insurancepolicy to cover NSDL and its Participants against various risks viz, Infidelity of Employees, Electronic and Computer Crime and Professional Indemnity. In order to monitor the outstanding claims amount for a policy on an ongoing basis, all Participants are hereby informed that henceforth any insurance claim from Participants under the aforesaid policy shall be routed through NSDL to the insurance company. Participants must intimate the incident that results into a claim within 7 working days from identification of such incident. Participants must submit below mentioned documents to NSDL within two weeks of reporting the incident to NSDL; 1. Incident Note describing the incident 2. Claim form duly filled (copy enclosed) 3. Details of estimated loss 4. FIR copy, (needed in case of crimes such as frauds, infidelity of employees etc.) 5. Contact details of the person at Participant in context of the insurance claims. NSDL upon receipt of the requisite documents will lodge the claim on behalf of its Participants with insurance company. In case of any additional documents required by the insurance company subsequent to lodgement of claim by NSDL on behalf of the Participant, insurance company will inform the Participant under intimation to NSDL. Participants must send the additional documents to the insurance company under intimation to NSDL. The insurance company will process the claim after receipt of the additional documents from Participant. In case you need any clarifications, please contact Mr. Suresh Uchlani or Mr. Prathmesh Mungle on 022-2499 4272 / 022-2499 4583 or at sureshu@nsdl.co.in / prathmeshm@nsdl.co.in. Participants are requested to take note of the above and ensure compliance with the same

The New India Assurance Co. Ltd.

Divisional Office 112700, New India Centre, Ground Floor, 17/A Cooperage Road, Mumbai -39

Claim Form Name & Address of the Insured

1. Contact Person
2. Mobile No.
3. Telephone No.
4. Fax No.
5. E- Mail address
6. Policy No. :
7. Period of Cover :
8. Date Of Loss
10. Place of Loss - Branch or Head Office or Intermediary Place
11. Address of the Loss Place -

12. Date Of Discovery
13. Loss/Error committed by :
14. Designation/Position of the person committing mistake :
    Whether Proprietor or Director or Employee or Intermediary
15. Details of Loss :

16. Amount Of Loss with item wise details :

17. Do You have any other Policy for the same Risk Coverage Yes / No
    If Yes Please give following details –
    Policy Number –
    Insurer's Office Address –

    Sum Insured –
14. Have you lodged any claim under this Policy - Yes / No
    (if yes, kindly provide claim number)
15. Any other relevant details –

Date :

Place : Signature with Stamp/seal

Guidelines/Principles on Outsourcing of Activities by Intermediaries	
Circular No. NSDL/POLICY/ 2012/0061 Date: June 8, 2012	***Sub: Guidelines/Principles on Outsourcing of Activities by Intermediaries*** Attention of Participants is invited to SEBI's Circular No. CIR/MIRSD/24/2011 dated December 15, 2011 *[Ref.: NSDL Circular Nos. NSDL/POLICY/2011/0107 dated December 17, 2011]* inter-alia regarding guidelines/principles on outsourcing of activities by Intermediaries. As per para 6 (ii) of the aforesaid circular, Intermediaries are required to conduct a self-assessment of their existing outsourcing arrangements within a time bound plan, not later than six months from the date of issuance of this circular and bring them in line with the requirements of the guidelines/principles. In view of the aforesaid, Participants were advised vide Circular No. NSDL/ POLICY/2012/0052 dated April 27, 2012 to complete the self assessment by June 14, 2012 in accordance with the aforesaid SEBI circular. For those Participants who have not yet completed the same are advised to ensure completion of the same by the aforesaid date. In case you require any further information in this regard, please contact Mr. Pritesh Parikh (Tel: 022-2499 4574), Mr. Kundan Kale (Tel: 022-2499 4579) or Mr. Chirag Sachade (Tel: 022-2499 4379).
Circular No. NSDL/POLICY/ 2012/0052 Date: April 27, 2012	***Sub: Guidelines/Principles on Outsourcing of Activities by Intermediaries*** Attention of Participants is invited to SEBI's Circular No. CIR/MIRSD/24/2011 dated December 15, 2011 *[Ref.: NSDL Circular No. NSDL/POLICY/2011/0107 dated December 17, 2011]* inter-alia regarding guidelines/principles on outsourcing of activities by Intermediaries. As per para 6 (ii) of the aforesaid circular, Intermediaries are required to conduct a self-assessment of their existing outsourcing arrangements within a time bound plan, not later than six months from the date of issuance of this circular and bring them in line with the requirements of the guidelines/principles. In view of the aforesaid, Participants are advised to complete the self assessment by June 14, 2012 in accordance with the aforesaid SEBI circular. In case you require any further information in this regard, please contact Mr. Pritesh Parikh (Tel: 022-2499 4574), Mr. Kundan Kale (Tel: 022-2499 4579) or Mr. Chirag Sachade (Tel: 022-2499 4379).
Circular No. NSDL/POLICY/ 2011/0107 Date: December 17, 2011	***Sub: Guidelines on Outsourcing of Activities by Intermediaries*** Attention of Participants is invited to SEBI's Circular No. CIR/MIRSD/24/2011 dated December 15, 2011 regarding guidelines on outsourcing of activities by Intermediaries. Copy of the same is enclosed for information and compliance.

CIRCULAR

CIR/MIRSD/24/2011 December 15, 2011

All intermediaries registered with SEBI

Merchant Bankers/Registrars to An issue and Share Transfer Agents/Debenture Trustees/Bankers to An Issue/Underwriters/Credit Rating Agencies/Mutual Funds/Portfolio Managers/Venture Capital Funds/ Collective Investment Schemes/Custodians

All the Stock Exchanges (for stock brokers) NSDL/CDSL (for Depository Participants)

Dear Sirs,

Sub: Guidelines on Outsourcing of Activities by Intermediaries

1 SEBI Regulations for various intermediaries require that they shall render at all times high standards of service and exercise due diligence and ensure proper care in their operations.

2 It has been observed that often the intermediaries resort to outsourcing with a view to reduce costs, and at times, for strategic reasons.

3 Outsourcing may be defined as the use of one or more than one third party – either within or outside the group - by a registered intermediary to perform the activities associated with services which the intermediary offers.

4 Principles for Outsourcing

The risks associated with outsourcing may be operational risk, reputational risk, legal risk, country risk, strategic risk, exit-strategy risk, counter party risk, concentration and systemic risk. In order to address the concerns arising from the outsourcing of activities by intermediaries based on the principles advocated by the IOSCO and the experience of Indian markets, SEBI had prepared a concept paper on outsourcing of activities related to services offered by intermediaries.

Based on the feedback received on the discussion paper and also discussion held with various intermediaries, stock exchanges and depositories, the principles for outsourcing by intermediaries have been framed (Annexure I). These principles shall be followed by all intermediaries registered with SEBI.

5. Activities that shall not be Outsourced

The intermediaries desirous of outsourcing their activities shall not, however, outsource their core business activities and compliance functions. A few examples of core business activities may be – execution of orders and monitoring of trading activities of clients in case of stock brokers; dematerialisation of securities in case of depository participants; investment related activities in case of Mutual Funds and Portfolio Managers. Regarding Know Your Client (KYC) requirements, the intermediaries shall comply with the provisions of SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011 and Guidelines issued thereunder from time to time.

6. Other Obligations

i. **Reporting To Financial Intelligence Unit (FIU) -** The intermediaries shall be responsible for reporting of any suspicious transactions / reports to FIU or any other competent authority in respect of activities carried out by the third parties.

ii. **Need for Self Assessment of existing Outsourcing Arrangements -** In view of the changing business activities and complexities of various financial products, intermediaries shall conduct a self assessment of their existing outsourcing arrangements within a time bound plan, not later than six months from the date of issuance of this circular and bring them in line with the

requirements of the guidelines/principles.

1 This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

2 This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Circulars".

Yours faithfully,

Prasanta Mahapatra
Deputy General Manager
022-26449313
Email id: prasantam@sebi.gov.in

PRINCIPLES FOR OUTSOURCING FOR INTERMEDIARIES

1. An intermediary seeking to outsource activities shall have in place a comprehensive policy to guide the assessment of whether and how those activities can be appropriately outsourced. The Board / partners (as the case may be) {hereinafter referred to as the "the Board"} of the intermediary shall have the responsibility for the outsourcing policy and related overall responsibility for activities undertaken under that policy.

1.1 The policy shall cover activities or the nature of activities that can be outsourced, the authorities who can approve outsourcing of such activities, and the selection of third party to whom it can be outsourced. For example, an activity shall not be outsourced if it would impair the supervisory authority's right to assess, or its ability to supervise the business of the intermediary. The policy shall be based on an evaluation of risk concentrations, limits on the acceptable overall level of outsourced activities, risks arising from outsourcing multiple activities to the same entity, etc.

1.2 The Board shall mandate a regular review of outsourcing policy for such activities in the wake of changing business environment. It shall also have overall responsibility for ensuring that all ongoing outsourcing decisions taken by the intermediary and the activities undertaken by the third-party, are in keeping with its outsourcing policy.

2. The intermediary shall establish a comprehensive outsourcing risk management programme to address the outsourced activities and the relationship with the third party.

2.1 An intermediary shall make an assessment of outsourcing risk which depends on several factors, including the scope and materiality of the outsourced activity, etc. The factors that could help in considering materiality in a risk management programme include-

a. The impact of failure of a third party to adequately perform the activity on the financial, reputational and operational performance of the intermediary and on the investors / clients;

b. Ability of the intermediary to cope up with the work, in case of non performance or failure by a third party by having suitable back-up arrangements;

c. Regulatory status of the third party, including its fitness and probity status;

d. Situations involving conflict of interest between the intermediary and the third party and the measures put in place by the intermediary to address such potential conflicts, etc.

2.2 While there shall not be any prohibition on a group entity / associate of the intermediary to act as the third party, systems shall be put in place to have an arm's length distance between the intermediary and the third party in terms of infrastructure, manpower, decision-making, record keeping, etc. for avoidance of potential conflict of interests. Necessary disclosures in this regard shall be made as part of the contractual agreement. It shall be kept in mind that the risk management practices expected to be adopted by an intermediary while outsourcing to a related party or an associate would be identical to those followed while outsourcing to an unrelated party.

2.3 The records relating to all activities outsourced shall be preserved centrally so that the same is readily accessible for review by the Board of the intermediary and / or its senior management, as and when needed. Such records shall be regularly updated and may also form part of the corporate governance review by the management of the intermediary.

2.4 Regular reviews by internal or external auditors of the outsourcing policies, risk management system and requirements of the regulator shall be mandated by the Board wherever felt necessary. The intermediary shall review the financial and operational capabilities of the third party in order to assess its ability to continue to meet its outsourcing obligations.

3 The intermediary shall ensure that outsourcing arrangements neither diminish its ability to fulfill its obligations to customers and regulators, nor impede effective supervision by the regulators.

3.1 The intermediary shall be fully liable and accountable for the activities that are being outsourced to the same extent as if the service were provided in-house.

3.2 Outsourcing arrangements shall not affect the rights of an investor or client against the intermediary in any manner. The intermediary shall be liable to the investors for the loss incurred by them due to the failure of the third party and also be responsible for redressal of the grievances received from investors arising out of activities rendered by the third party.

3.3 The facilities / premises / data that are involved in carrying out the outsourced activity by the service provider shall be deemed to be those of the registered intermediary. The intermediary itself and Regulator or the persons authorized by it shall have the right to access the same at any point of time.

3.4 Outsourcing arrangements shall not impair the ability of SEBI/SRO or auditors to exercise its regulatory responsibilities such as supervision/inspection of the intermediary.

4 The intermediary shall conduct appropriate due diligence in selecting the third party and in monitoring of its performance.

4.1 It is important that the intermediary exercises due care, skill, and diligence in the selection of the third party to ensure that the third party has the ability and capacity to undertake the provision of the service effectively.

4.2 The due diligence undertaken by an intermediary shall include assessment of:

a. third party's resources and capabilities, including financial soundness, to perform the outsourcing work within the timelines fixed;

b. compatibility of the practices and systems of the third party with the intermediary's requirements and objectives;

c. market feedback of the prospective third party's business reputation and track record of their services rendered in the past;

d. level of concentration of the outsourced arrangements with a single third party; and

e. the environment of the foreign country where the third party is located.

5 Outsourcing relationships shall be governed by written contracts / agreements / terms and conditions (as deemed appropriate) {hereinafter referred to as "contract"} that clearly describe all material aspects of the outsourcing arrangement, including the rights, responsibilities and expectations of the parties to the contract, client confidentiality issues, termination procedures, etc.

5.1 Outsourcing arrangements shall be governed by a clearly defined and legally binding written contract between the intermediary and each of the third parties, the nature and detail of which shall be appropriate to the materiality of the outsourced activity in relation to the ongoing business of the intermediary.

5.2 Care shall be taken to ensure that the outsourcing contract:

a. clearly defines what activities are going to be outsourced, including appropriate service and performance levels;

b. provides for mutual rights, obligations and responsibilities of the intermediary and the third party, including indemnity by the parties;

c. provides for the liability of the third party to the intermediary for unsatisfactory performance/ other breach of the contract

d. provides for the continuous monitoring and assessment by the intermediary of the third party so that any necessary corrective measures can be taken up immediately, i.e., the contract shall enable the intermediary to retain an appropriate level of control over the outsourcing and the right to intervene with appropriate measures to meet legal and regulatory obligations;

e. includes, where necessary, conditions of sub-contracting by the third-party, i.e. the contract shall enable intermediary to maintain a similar control over the risks when a third party outsources to further third parties as in the original direct outsourcing;

f. has unambiguous confidentiality clauses to ensure protection of proprietary and customer data during the tenure of the contract and also after the expiry of the contract;

g. specifies the responsibilities of the third party with respect to the IT security and contingency plans, insurance cover, business continuity and disaster recovery plans, force majeure clause, etc.;

h. provides for preservation of the documents and data by third party ;

i. provides for the mechanisms to resolve disputes arising from implementation of the outsourcing contract;

j. provides for termination of the contract, termination rights, transfer of information and exit strategies;

k. addresses additional issues arising from country risks and potential obstacles in exercising oversight and management of the arrangements when intermediary outsources its activities to foreign third party. For example, the contract shall include choice-of-law provisions and agreement covenants and jurisdictional covenants that provide for adjudication of disputes between the parties under the laws of a specific jurisdiction;

l. neither prevents nor impedes the intermediary from meeting its respective regulatory obligations, nor the regulator from exercising its regulatory powers; and

m. provides for the intermediary and /or the regulator or the persons authorized by it to have the ability to inspect, access all books, records and information relevant to the outsourced activity with the third party.

6 The intermediary and its third parties shall establish and maintain contingency plans, including a plan for disaster recovery and periodic testing of backup facilities.

6.1 Specific contingency plans shall be separately developed for each outsourcing arrangement, as is done in individual business lines.

6.2 An intermediary shall take appropriate steps to assess and address the potential consequence of a business disruption or other problems at the third party level. Notably, it shall consider contingency plans at the third party; co-ordination of contingency plans at both the intermediary and the third party; and contingency plans of the intermediary in the event of non-performance by the third party.

6.3 To ensure business continuity, robust information technology security is a necessity. A breakdown in the IT capacity may impair the ability of the intermediary to fulfill its obligations to other market participants/clients/regulators and could undermine the privacy interests of its customers, harm the intermediary's reputation, and may ultimately impact on its overall operational risk profile. Intermediaries shall, therefore, seek to ensure that third party maintains appropriate IT security and robust disaster recovery capabilities.

6.4 Periodic tests of the critical security procedures and systems and review of the back-up facilities shall be undertaken by the intermediary to confirm the adequacy of the third party's systems.

7 The intermediary shall take appropriate steps to require that third parties protect confidential information of both the intermediary and its customers from intentional or inadvertent disclosure to unauthorised persons.

7.1 An intermediary that engages in outsourcing is expected to take appropriate steps to protect its proprietary and confidential customer information and ensure that it is not misused or misappropriated.

7.2 The intermediary shall prevail upon the third party to ensure that the employees of the third party have limited access to the data handled and only on a "need to know" basis and the third party shall have adequate checks and balances to ensure the same.

7.3 In cases where the third party is providing similar services to multiple entities, the intermediary shall ensure that adequate care is taken by the third party to build safeguards for data security and confidentiality.

8 Potential risks posed where the outsourced activities of multiple intermediaries are concentrated with a limited number of third parties.

In instances, where the third party acts as an outsourcing agent for multiple intermediaries, it is the duty of the third party and the intermediary to ensure that strong safeguards are put in place so that there is no co-mingling of information /documents, records and assets.

SEBI Circular on revised procedure for seeking prior approval for change in control through single window

Circular No.: NSDL OLICY/ 2021/0030 March 31, 2021	**Subject: SEBI Circular on transfer of business by SEBI registered intermediaries to other legal entity** All Participants are hereby informed that SEBI has vide its Circular No. SEBI/HO/MIRSD/DOR/CIR/P/2021/46 dated March 26, 2021 (copy enclosed) issued clarifications pertaining to registration applications received by SEBI pursuant to transfer of business (SEBI regulated business activity) from one legal entity which is a SEBI registered Intermediary (transferor) to other legal entity (transferee). The clarifications issued are as under: 1. The transferee shall obtain fresh registration from SEBI in the same capacity before the transfer of business if it is not registered with SEBI in the same capacity. SEBI shall issue new registration number to transferee different from transferor's registration number in the following scenario: "Business is transferred through regulatory process (pursuant to merger / amalgamation / corporate restructuring by way of order of primary regulator /GOVT / NCLT, etc.) or non-regulatory process (as per private agreement /MOU pursuant to commercial dealing / private arrangement) irrespective of transferor continues to exist or ceases to exist after the said transfer. 2. In case of change in control pursuant to both regulatory process and non-regulatory process, prior approval and fresh registration shall be obtained. While granting fresh registration to same legal entity pursuant to change in control, same registration number shall be retained. 3. If the transferor ceases to exist, its certificate of registration shall be surrendered. 4. In case of complete transfer of business by transferor, it shall surrender its certificate of registration. 5. In case of partial transfer of business by transferor, it can continue to hold certificate of registration. Participants are requested to take note of the above and ensure compliance.

CIRCULAR

SEBI/HO/MIRSD/DOR/CIR/P/2021/46 March 26, 2021

All Stock Brokers through exchanges

All Depository Participants through Depositories

All Merchant Bankers

All Registrar to an Issue and Share Transfer Agent

All Debenture Trustee

All Credit Rating Agencies

All Bankers to an issue

Dear Sir / Madam,

Sub: Transfer of business by SEBI registered intermediaries to other legal entity

SEBI has been receiving registration applications pursuant to transfer of business (SEBI regulated business activity) from one legal entity which is a SEBI registered Intermediary (transferor) to other legal entity (transferee). In this regard, following is clarified:

1. The transferee shall obtain fresh registration from SEBI in the same capacity before the transfer of business if it is not registered with SEBI in the same capacity. SEBI shall issue new registration number to transferee different from transferor's registration number in the following scenario:

   "Business is transferred through regulatory process (pursuant to merger / amalgamation / corporate restructuring by way of order of primary regulator /govt / NCLT, etc) or non-regulatory process (as per private agreement /MOU pursuant to commercial dealing / private arrangement) irrespective of transferor continues to exist or ceases to exist after the said transfer. Page **2** of **2**
2. In case of change in control pursuant to both regulatory process and non-regulatory process, prior approval and fresh registration shall be obtained. While granting fresh registration to same legal entity pursuant to change in control, same registration number shall be retained.
3. If the transferor ceases to exist, its certificate of registration shall be surrendered.
4. In case of complete transfer of business by transferor, it shall surrender its certificate of registration.
5. In case of partial transfer of business by transferor, it can continue to hold certificate of registration.

   This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully

Anupma Chadha
Dy. General Manager
Phone:022-26449319
Email: **anupmac@sebi.gov.in**

Circular No.: NSDL POLICY/ 2021/0029 March 31, 2021	***Subject: SEBI circular on Prior Approval for Change in control: Transfer of shareholdings among immediate relatives and transmission of shareholdings and their effect on change in control*** Attention of Participants is invited to SEBI Circular No. CIR/MIRSD/14/2011 dated August 02, 2011 addressed to stock exchanges/depositories and intermediaries prescribing the procedure for seeking prior approval for change in control from SEBI. In this context, SEBI has issued certain clarifications vide Circular No. SEBI/HO/MIRSD/DOR/CIR/P/2021/42 dated March 25, 2021 (copy enclosed) regarding Prior Approval for Change in control: Transfer of shareholdings among immediate relatives and transmission of shareholdings and their effect on change in control. Participants are requested to take note of the above and ensure compliance.

CIRCULAR

SEBI/HO/MIRSD/DOR/CIR/P/2021/42 March 25, 2021

All Stock Brokers through exchanges

All Depository Participants through Depositories

All Merchant Bankers

All Registrar to an Issue and Share Transfer Agent

All Debenture Trustee

All Credit Rating Agencies

All Bankers to an issue

Dear Sir / Madam,

Sub: Prior Approval for Change in control: Transfer of shareholdings among immediate relatives and transmission of shareholdings and their effect on change in control

SEBI vide circular No: CIR/MIRSD/14/2011 dated August 02, 2011 addressed to stock exchanges/ depositories and intermediaries specified the procedure for seeking prior approval for change in control from SEBI. In this regard, following is clarified with respect to transfer of shareholding among immediate relatives and transmission of shareholding:

1. **Transfer /transmission of shareholding in case of body corporate type intermediary:** In following scenarios, change in shareholding of the intermediary will not be construed as change in control:
   a) Transfer of shareholding among immediate relative shall not result into change in control. Immediate relative shall be construed as defined under Regulation 2(l) of SEBI SAST Regulations and includes any spouse of that person, or any parent, brother, sister or child of the person or of the spouse;
   b) Transfer of shareholding by way of transmission to immediate relative or not, shall not result into change in control.
2. **Transfer /transmission of shareholding in case of a proprietary firm type intermediary:** In case of an intermediary being a proprietary concern, the transfer or bequeathing of the business/capital by way of transmission to another person is a change in the legal formation or ownership and hence by the definition of change in control, such transmission or transfer shall be considered as change in control. The legal heir / transferee in such cases is required to obtain prior approval and thereafter fresh registration shall be obtained in the name legal heir/transferee.
3. **Transfer /transmission of ownership interest in case of partnership firm type intermediary**: Change in partners and their ownership interest of the partnership firm type intermediary shall be dealt in following manner:
   a) *Transfer of ownership interest in case of partnership firm:* In case a SEBI registered entity is registered as a partnership firm with more than two partners, then inter-se transfer amongst the partners shall not be construed to be change in control. Where the partnership firm consists of two partners only, the same would stand as dissolved upon the death of one of the partners. However, if a new partner is inducted in the firm, then the same would be considered as a change in control, requiring fresh registration and prior approval of SEBI.

b) *Transmission of ownership interest in case of partnership firm:* Where the partnership deed contains a clause that in case of death of a partner, the legal heir(s) of deceased partner be admitted, then the legal heir(s) may become the partner (s) of the partnership firm. In such scenario the partnership firm will continue to exist and bequeathing of partnership right to

legal heir(s) by way of transmission shall not be considered as change in control.

4. Incoming entities/ shareholders becoming part of controlling interest in the intermediary pursuant to transfer of shares from immediate relative / transmission of shares (immediate relative or not), need to satisfy the fit and proper person criteria stipulated in Schedule II of SEBI (Intermediaries) Regulations, 2008

   This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully
Anupma Chadha
Dy. General Manager
Phone:022-26449319
Email: **anupmac@sebi.gov.in**

Circular No. NSDL/POLICY/ 2011/0063 Date: August 4, 2011	***Sub: SEBI Circular on revised procedure for seeking prior approval for change in control through single window.*** Further to SEBI Notification No. LAD/NRO/GN/2011-12/03/12650 dated April 19, 2011 [Ref: NSDL Circular No. NSDL/POLICY/2011/0052 dated June 24, 2011] regarding grant of prior approval to Depository Participants for change in control, attention of Participants is invited to SEBI Circular No. CIR/MIRSD/14/2011 dated August 2, 2011 regarding revised procedure for seeking prior approval for change in control through single window. Copy of the same is enclosed for information and necessary compliance.

CIRCULAR

CIR/MIRSD/14/2011 August 02, 2011

To

All Recognized Stock Exchanges All Registered Depositories All Registered Merchant Bankers All Registered Debenture Trustees All Registered Underwriters All Registered Bankers to an Issue All Registered Credit Rating Agencies All Registered Registrar to an Issue and Share Transfer Agents

Dear Sir/Madam,

Sub: Revised procedure for seeking prior approval for change in control through single window

1) SEBI vide circular No.MIRSD/MSS/Cir-30/13289/03 dated July 09, 2003 addressed to all the Stock exchanges specified, inter alia, the procedure for seeking prior approval from SEBI by stock brokers for change in status and constitution.

2) SEBI has recently amended the regulations for certain intermediaries, viz., Stock Brokers and Sub-brokers, Merchant Bankers, Debenture Trustees, Registrar to an Issue and Share Transfer Agents, Underwriters, Depository Participants, Bankers to an Issue and Credit Rating Agencies, vide Notification No. LAD-NRO/GN/2011-12/03/12650 dated April 19, 2011. This has already been communicated to you and a copy of the notification is also available on SEBI website www.sebi.gov.in. As per the amendments, the requirement of obtaining prior approval for change in status or constitution has been dispensed with. However, in case of change in control of the above intermediaries except for Sub-brokers, prior approval of SEBI is required.

3) With a view to expedite the process of granting prior approval, it has been decided to adopt a 'single window clearance at SEBI', for the above intermediaries in case of their having multiple registrations with SEBI. Accordingly, in consultation with the major stock exchanges and market participants, it has been decided to adopt the following procedure;

   (i) In case an applicant holds multiple registrations with SEBI, it shall make only one application to SEBI accompanied by the following information about itself, the acquirer and the directors/ partners of the acquirer;

   Whether any application was made in the past to SEBI seeking registration in any capacity but it was not granted? If yes, details thereof.

   Whether any action has been initiated / taken under SCRA/SEBI Act or rules and regulations made thereunder? If yes, status thereof along with corrective action taken to avoid such violations in the future. The acquirer shall also confirm that it shall honour all past liabilities / obligations of the applicant, if any.

   Whether any investor complaint is pending? If yes, steps taken and confirmation that the acquirer shall resolve the same.

Details of litigation, if any.

That all the fees due to SEBI have been paid.

That there will not be any change in the Board of Directors of incumbent, till the time prior approval is granted.

That the incumbent shall inform all its existing investors / clients in order to enable them to take informed decision regarding their continuance or otherwise with the entity with new management.

(ii) Further, in case the incumbent is a registered stock broker and / or depository participant, in addition to the above, it shall obtain approval / NOC from all the Stock Exchanges / Depositories, where the incumbent is a member / Depository Participant and forward a self attested copy of the same to SEBI.

(iii) The application shall be addressed to "Chief General Manager, MIRSD, SEBI".

(iv) The prior approval granted by SEBI shall be valid for a period of 180 days from the date of communication.

4) While the above mentioned intermediaries are advised to ensure compliance with the provisions of this circular, the stock exchanges and depositories are advised to:

(i) bring the provisions of this circular to the notice of the Stock Brokers/ Depository Participants and also disseminate the same on their websites.

(ii) make amendments to the relevant bye-laws, rules and regulations as deemed necessary for the implementation of the above decision in co-ordination with one another to achieve uniformity in approach.

(iii) communicate to SEBI, the status of the implementation of the provisions of this circular in their Monthly Development Reports.

5) This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

6) This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Circulars".

Yours faithfully,

V.S.Sundaresan
Chief General Manager
022-26449200
sundaresanvs@sebi.gov.in

Circular No. NSDL/POLICY 2011/0052 Date: June 24, 2011	***Sub: SEBI Circular on Periodical Report - Grant of prior approval to Depository Participants for change in control.*** Attention of Participants is invited to SEBI Circular No. CIR/MIRSD/9/2011 dated June 17, 2011 regarding amendments to SEBI (Depositories and Participants) Regulation, 1996 requiring a Participant to take prior approval from SEBI for change in control and submission of Periodical Report. Copy of the same is enclosed for information and necessary compliance. Further, notification dated April 13, 2011 published in The Gazette of India regarding amendments in SEBI (Depositories and Participants) Regulations, 1996 is also enclosed.

CIRCULAR

CIR/MIRSD/9/2011 June 17, 2011

To

The Managing Directors

NSDL and CDSL

Dear Sir/Madam,

Sub: Periodical Report – Grant of prior approval to Depository Participants

1) SEBI (Depositories and Participants) Regulations, 1996 {hereinafter referred to as "the said Regulations"}, have been amended vide notification no. LAD-NRO/GN/2011-12/03/12650 dated April 19, 2011 {hereinafter referred to as "the said amendment"}, a copy of which is available on SEBI website www.sebi.gov.in.
2) With the said amendment, a Depository Participant would be required to take prior approval from SEBI for change in control.
3) Henceforth, the Depositories shall submit a periodical report to SEBI regarding the following changes, as per the format and in accordance with the guidelines given at Annexure A:
   a. Amalgamation, demerger, consolidation or any other kind of corporate restructuring falling within the scope of section 391 of the Companies Act, 1956 (1 of 1956) or the corresponding provision of any other law for the time being in force;
   b. Change in Director, including managing director/ whole-time director;
   c. Change in shareholding not resulting in change in control;
   d. Any other purpose as may be considered appropriate by the Depositories.

   If there is no change during the relevant quarter, it shall be indicated in the report.
4) The Depositories are directed to:
   a. bring the provisions of this circular to the notice of the Depository Participants and also disseminate the same on their websites;
   b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another to achieve uniformity in approach;
   c. communicate to SEBI, the status of the implementation of the provisions of this circular in their Monthly Development Reports.
5) This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
6) This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Circulars".

Yours faithfully,

Prasanta Mahapatra
Deputy General Manager
022-26449313
prasantam@sebi.gov.in

Encl.: Annexure-A

Annexure -A

Format for reporting changes in "status or constitution" of Depository Participants

Name of the Depository:-

Report for the quarter ending:- June/September/December/March Year:-

Date of report:-

Sr. No.	Date of receipt	Name of the Depository Participant	SEBI Regn. number	Type of change	Details of changes		PAN (incoming entities, if any)	Date of Change
					Pre	Post		

Type	Description of Change
I	Amalgamation, demerger, consolidation or any other kind of corporate restructuring falling within the scope of section 391 of the Companies Act, 1956 (1 of 1956) or the corresponding provision of any other law for the time being in force.
II	Change in director, including managing director/ whole-time director
III	Change in shareholding not resulting in change in control
IV	Any other purpose as may be considered appropriate by the Depositories

Guidelines to fill up the format and sending the same to SEBI

1) A separate annexure shall be submitted for each "Type of change" as specified in the format.
2) The report shall be signed by an authorized representative of the Depository and the same shall be stamped.
3) The Depositories shall furnish the report to SEBI by 7th day of month following the end of each quarter, starting with report for the quarter ending June 2011. Thus the first report shall be submitted to SEBI on or before July 07, 2011.
4) The report shall be submitted by e-mail at dp@sebi.gov.in. A hard copy of the report shall also be submitted to SEBI.

SEBI Guidelines on Usage of electronic payment modes for making cash payments to the investors

Circular No. NSDL/POLICY 2013/0044 Date: March 25, 2013	***Sub: SEBI Guidelines on Usage of electronic payment modes for making cash payments to the investors*** Attention of all Participants is invited to SEBI Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 (copy enclosed) regarding usage of electronic payment modes by Issuers for making cash payments to the investors. In this context, Participants are advised to ensure that the correct bank account particulars of the investors are captured in the demat accounts.

CIRCULAR

CIR/MRD/DP/10/2013 March 21, 2013

To,

All Companies whose securities are listed on Stock Exchanges (through Stock Exchanges);
All Registrars to an Issue and Share Transfer Agents (RTI & STA);
All Depositories;
All Stock Exchanges.

Dear Sir / Madam,

Sub: Usage of electronic payment modes for making cash payments to the investors

Please refer to SEBI circular no. DCC/FITTCIR-3//2001 dated October 15, 2001 and circular no D&CC/FITTC/CIR-04/2001 dated November 13, 2001 on usage of ECS (Electronic Clearing Services) facility and warrants for distribution of dividends or other cash benefits to the investors.

2. Advancements in the field of electronic payment systems in the last decade have made available various other modes of electronic funds transfer viz. National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc. In view of such advancements, it has been decided to modify the framework as under:
   (a) For making cash payments to the investors, companies whose securities are listed on the stock exchanges shall use, either directly or through their RTI & STA, any RBI (Reserve Bank of India) approved electronic mode of payment such as ECS [LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS)], NEFT, etc.
   (b) Further, in order to enable usage of electronic payment instruments, companies whose securities are listed on the stock exchanges (or their RTI & STA) shall maintain requisite bank details of their investors -
      (i) For investors that hold securities in demat mode, companies or their RTI & STA shall seek relevant bank details from the depositories. To this end, vide circular SEBI/MRD/DEP/Cir-3/06 dated February 21, 2006 and letter MRD/DEP/PP/123624/2008 dated April 23, 2008, depositories have been advised to ensure that correct account particulars of investors are available in the database of depositories.
      (ii) For investors that hold physical share / debenture certificates, companies or their RTI & STA shall take necessary steps to maintain updated bank details of the investors at its end.
   (c) In cases where either the bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, companies or their RTI & STA may use physical payment instruments for making cash payments to the investors. Companies shall mandatorily print the bank account details of the investors on such payment instruments.
3. Stock exchanges are directed to bring the provisions of this circular to the notice of all the companies whose securities are listed on the stock exchange and also to disseminate the same on their website.
4. All companies whose securities are listed on Stock exchanges and their RTI & STA are directed to comply with the provisions of the circular.
5. Depositories are directed to provide to companies (or to their RTI & STA) updated bank details of their investors.
6. This circular shall supersede circular no. DCC/FITTCIR-3//2001 dated October 15, 2001 and circular no D&CC/FITTC/CIR-04/2001 dated November 13, 2001.
7. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Maninder Cheema
Deputy General Manager
Email: maninderc@sebi.gov.in

Circular No.: NSDL/POLICY/ 2014/0118 Date: November 3, 2014	***Subject: Requirement of appointing qualified person at each Service Centre.*** As all Participants are aware, there is a requirement to appoint atleast one qualified person (NISM-DOCE, NCDO or NFCM) at every service centre of the Participant (Ref.: *Circular No. NSDL/PI/99/637 dated August 13, 1999).* In May 2011, SEBI directed that the associated persons engaged/employed by the Participant in certain activities related to depository services must obtain NISM-DOCE certification. It was clarified recently that for associated persons doing basic / elementary level / clerical level work and whose work is supervised by NISM - DOCE certified personnel, passing NISM-DOCE may be optional (*Ref. : Circular No.: NSDL/POLICY/2014/0090 dated August 21, 2014 – copy enclosed*). In view of the above, the requirement of appointing one qualified person at every service centre is withdrawn. Thus, where the associated persons are engaged/employed at service centres for carrying out only basic / elementary level / clerical level work (*as defined in Circular No. NSDL/POLICY/2014/0090 dated August 21, 2014*), passing NISM – DOCE certification will be optional if such work is supervised by a NISM - DOCE certified person.
Circular No.: NSDL/POLICY/ 2014/0090 Date: August 21, 2014	***Subject: Clarification on requirement of NISM – Series VI - DOCE for Associated Persons.*** As all Participants are aware, as per notification dated March 29, 2011 issued by SEBI under Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007, the Associated Persons engaged or employed by a registered Participant in certain specified activities (given below): (a) dealing or interacting with clients, (b) dealing with securities of clients, (c) handling redressal of investor grievances, (d) internal control or risk management, (e) activities having a bearing on operational risk and (f) maintenance of books and records pertaining to the above activities. are required to have certification from National Institute of Securities Markets (NISM) by passing the NISM-Series-VI: Depository Operations Certification Examination (DOCE). Further, as per communiqué issued by NISM on July 9, 2012, Associated Persons belonging to certain specified categories, may obtain such qualification by successfully completing Continuing Professional Education (CPE) program. Several representations have been received in this regard from Depository Participants. Based on deliberations, SEBI has vide its email dated August 13, 2014 clarified that for associated persons doing basic / elementary level / clerical level work and whose work is supervised by NISM Series VI - Depository Operations Certification Examination (DOCE) certified personnel, passing DOCE may be optional. The categorisation of activities falling under basic / elementary level / clerical level may be decided by depositories in co-ordination with each other.

	Accordingly, it is clarified that passing DOCE will not be mandatory for persons engaged in the following activities whose work is supervised by NISM - Series VI – DOCE certified personnel: 1. Collection of documents from the clients for onward transmission for processing, 2. Verification of copies with originals, 3. In-person verification to confirm presence of the individual, 4. Giving printouts and/or information from system to clients, 5. Doing data entry at maker level and 6. Entry in inward and outward system. Participants are requested to take note of above and ensure compliance.
Circular No. NSDL/POLICY 2013/0040 Date: March 13, 2013	***Sub: SEBI Notification - NISM-SICCE*** Attention of Participants is invited to SEBI's Notification dated March 11, 2013 regarding notification (copy enclosed) requiring certification from the National Institute of Securities Markets (hereinafter referred to as "NISM") for Compliance Officers of Participants by passing the NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (referred to as "SICCE") in stipulated period. Participants are advised to ensure compliance with the same.

THE GAZETTE OF INDIA
EXTRAORDINARY
PART III – SECTION 4
PUBLISHED BY AUTHORITY
NEW DELHI, MARCH 22, 2013
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 22nd March, 2013
SECURITIES AND EXCHANGE BOARD OF INDIA
{KYC (Know Your Client) REGISTRATION AGENCY} (AMENDMENT)
REGULATIONS, 2013
THE GAZETTE OF INDIA
EXTRAORDINARY
PART - III - SECTION 4
PUBLISHED BY AUTHORITY
NEW DELHI, MARCH 11, 2013
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 11th day of March 2013
Notification under regulation 3 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007.

No. LAD-NRO/GN/202-13/33/1103 - In terms of sub-regulation (1) of regulation 3 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007 (the Regulations), the Board may require, by notification, any category of associated persons as defined in the Regulations to obtainrequisite certification(s).

Accordingly, it is notified that with effect from the date of this notification, the associated persons functioning as compliance officers of intermediaries registered with the Board as stock brokers, or depository participants, or merchant bankers, or underwriters, or bankers to the Issue, or debenture trustees or credit rating agencies, shall obtain certification from the National Institute of Securities Markets (hereinafter referred to as "NISM") by passing the NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (hereinafter referred to as "SICCE") as mentioned in the NISM communiqué No. NISM/Certification/Series-III A: SIC/2013/01 dated January 7, 2013.

All such intermediaries shall ensure that associated persons functioning as compliance officers as on the date of this notification obtain certification by passing SICCE within two years from the date of this notification: Provided that an intermediary, who engages or employs any such associated persons functioning as compliance officer after the date of this notification, shall ensure that such person obtains certification by passing SICCE within one year from the date of his employment.

U.K.SINHA
CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA

Circular No. NSDL/POLICY 2013/0035 Date: March 4, 2013	***Sub: Reminder - SEBI Notification of the NISM – Series – VI: Depository Operations Certification Examination*** Attention of Participants is invited to SEBI's Notification dated March 29, 2011 *(Ref.: Circular Nos. NSDL/POLICY/2011/0040 dated May 3, 2011 and NSDL/POLICY/2011/0096 dated November 23, 2011)* (copies enclosed) in terms of which 'Associated Persons' engaged or employed by a Participant in specified area of operations were advised to obtain certification from National Institute of Securities Markets (NISM) by passing the NISM Series- VI: Depository Operations Certification Examination (DOCE). As per the aforesaid SEBI Notification, those persons who are engaged or employed by the Participant after March 29, 2011 (i.e. from March 30, 2011 onwards), must obtain DOCE within 1 year from the date of his employment and the persons who were engaged or employed by the Participant as on March 29, 2011, must obtain DOCE by March 28, 2013. Participants are advised to ensure compliance with the same.

Circular No. NSDL/POLICY 2011/0096 Date: November 23, 2011	***Sub: Reminder - SEBI Notification of the NISM – Series – VI: Depository Operations Certification Examination*** As all Participants are aware, SEBI has vide its notification dated March 29, 2011 *(Ref.: NSDL Circular No. NSDL/POLICY/2011/0040 dated May 3, 2011)* made it mandatory for the associated persons engaged or employed by a Participant in specified area of operations to obtain certification from National Institute of Securities Markets (NISM) by passing the NISM-Series-VI: Depository Operations Certification Examination (DOCE). Copy of the aforesaid notification is enclosed for easy reference. The important points arising from the same are described below:

1) **Associated persons who are covered:** The associated persons engaged or employed by a Participant in the following activities are required to obtain DOCE:
   (a) dealing or interacting with clients;
   (b) dealing with securities of clients;
   (c) handling redressal of investor grievances;
   (d) internal control or risk management;
   (e) activities having a bearing on operational risk, or
   (f) maintenance of books and records pertaining to the above activities.
2) **Time limit:** For those persons who are engaged or employed by the Participant after March 29, 2011 *(i.e. from March 30, 2011 onwards)*, such person must obtain DOCE within 1 year from the date of his employment. For the persons who were engaged or employed by the Participant as on March 29, 2011, such person must obtain DOCE by March 28, 2013. A chart is given below giving the various deadlines which will become applicable for such persons:

Sr. No.	Date of engagement or employment with the Participant (example)	Last date by which such person is required to obtain DOCE
1.	January 15, 1999	March 28, 2013
2.	February 28, 2011	March 28, 2013
3.	March 29, 2011	March 28, 2013
4.	March 30, 2011	March 29, 2012
5.	April 25, 2011	April 24, 2012
6.	November 30, 2011	November 29, 2012
7.	January 25, 2012	January 24, 2013

3) **Exemption for certain persons:** For those persons who have obtained NCFM or NCDO on or before March 29, 2011, such persons will be exempt till the validity period of the NCFM or NCDO certificate.
4) **Test Centres for NISM:** These tests can be taken at the NISM test centre and also at NSE, BSE and MCX-SX test centres. As per the website, currently there are 20 test centres across 8 cities. A city-wise test centre chart giving the address and contact details (copy enclosed) is prepared for easy reference of Participants. In addition to above test centres, if Participants are desirous of choosing any other test centre, they may contact NSE or BSE directly.
   In view of the aforesaid, Participants are advised to encourage their staff / associated persons to obtain DOCE before the stipulated time.
   SEBI Notification on NISM-Series-VI: Depository Operations Certification Examination dated March 29, 2011

THE GAZETTE OF INDIA
EXTRAORDINARY
PART - III - SECTION 4
PUBLISHED BY AUTHORITY
NEW DELHI, MARCH 29th , 2011

SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 29th March, 2011

Notification under regulation 3 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007.

F. **No. LAD-NRO/GN/2010-11/26/10252 -** In terms of sub-regulation (1) of regulation 3 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007 (the Regulations), the Board is empowered to require, by notification, any category of associated persons as defined in the Regulations to obtain requisite certification(s).

2. Accordingly, it is notified that with effect from the date of this notification, the associated persons engaged or employed by a registered depository participant in:

(a) dealing or interacting with clients;

(b) dealing with securities of clients;

(c) handling redressal of investor grievances;

(d) internal control or risk management;

(e) activities having a bearing on operational risk, or

(f) maintenance of books and records pertaining to the above activities, shall have certification from the National Institute of Securities Markets (NISM) by passing the NISM-Series-VI: Depository Operations Certification Examination (hereinafter referred to as

"DOCE") as mentioned in the NISM communiqué/Press Release NISM/Certification/Series-VI: DOCE/2011/01 dated February 10, 2011:

Provided that the depository participant shall ensure that all such associated persons as on the date of this notification obtain DOCE within two years from the date of said notification:

Provided further that a depository participant, who engages or employs any such associated person after the date of this notification, shall ensure that such person obtains DOCE within one year from the date of his employment:

Provided further that an associated person, who possesses any of the following certificates, as on the date of this notification, shall be exempted from the requirement of DOCE till the validity of the said certificates:

(a) NSE's Certification in Financial Markets (NSDL – Depository Operations Module) of the National Stock Exchange of India Limited, or

(b) NSDL's Certification in Depository Operations (NCDO) of the National Securities Depository Limited,

OR

(c) BSE's Certification in Financial Markets (BSE's Certification on Central Depository) of the Bombay Stock Exchange Limited.

Provided further that an associated person, who possesses a certificate on completion of CDSL's DP Training Programme on Central Depository Services (India) Limited, shall be exempted from the requirement of DOCE for a period of 3 years from the date of completion of the programme.

U. K. SINHA, CHAIRMAN

[ADVT III/4/69 ZB/10-Exty.]

Test Centres for NISM Depository Operations Certification Examination		
Sr. No.	**City**	**Contact Details**
1.	**Mumbai & Navi Mumbai**	**NISM Testing Centre** 1st Floor, "C" Wing, Mittal Court, Opp. Vidhan Bhavan, Nariman Point Mumbai - 400 001. **Tel:** +91-22-66540590 **Email:** certification@nism.ac.in **NISM Testing Centre** Ground Floor, Plot No. 82, Sector-17, Vashi, Navi Mumbai-400705 **Tel:** +91-22-66735185-86 **Email:** certification@nism.ac.in
		National Stock Exchange of India Ltd. United India Building, 2nd Floor Near Kashmir Emporium Opp. Apna Bazaar, Sir Phirozeshah Mehta Road Fort, Mumbai-400001 (Landmark - Above Indian Bank) **Tel:** (022) 2659 8216 - **Direct Tel:** (022)-26598100-14 (Extn:3074) **Fax:** (022) 26598393 **Email:** ncfm@nse.co.in For certificate related queries: ncfmcert@nse.co.in For test center related queries : ncfmta@nse.co.in
		MCX Stock Exchange Ltd. FT Tower, 1st Floor, CTS No.255, Suren Road, Chakala, Andheri (East), Mumbai - 400093. Maharashtra **Tel:** 022-66494188
		BSE Limited-BSE Institute Ltd. 18th floor, P.J.Towers,Dalal Street, Mumbai-400001 **Tel:** 022-2272 8856/ 8382 **Fax:**022-2272 3250 **Email:** certhelp@bseindia.com
2.	**New Delhi**	**National Stock Exchange of India Ltd.** 4th Floor, Jeevan Vihar Building Parliament Street New Delhi-110001 (Landmark - Near Patel Chowk, Metro Station) **Tel:** 011-23344313-27 **Fax:** 011-23366658 **Email:** ncfm_delhi@nse.co.in

			MCX Stock Exchange Ltd. 501 World Trade Centre (Next to Inter Continental Hotel) Babbar Road, Connaught Place New Delhi - 110001 **Tel:** 011-43003000
			BSE Limited-Delhi Regional Office **Bombay Stock Exchange** 15th Floor, Gopal Dass Bhawan, Barakhamba Road, New Delhi - 110 001 **Tel:** 011- 43007413-16 **Fax:** 011-41510480 **Email:** salil.malaviya@bseindia.com meenakshi.singh@bseindia.com
	3.	**Kolkata**	**NSEiT Test Center** 54/1/A 1st Floor, Nav-Jeevan Apartments, Hazra Road, Kolkata - 700019 (Landmark: Opp. Hazra Law College / HDFC Bank Building) **Tel:** (033) 24631802/40 400 400 **Fax:** (033) 40400440 **Email:** ncfm_kolkata@nse.co.in
			MCX Stock Exchange Ltd. 23, R.N. Mukherjee Road 3rd Floor, BNCCI House Kolkata - 700 001 **Tel:** 033-22317253/ 54
			BSE Limited-BSE Investor Service Centre 17 R N Mukherjee Road, Kishore Bhavan, Kolkata-700001 **Tel:** 033-22133184 **Fax:** 033-22132184 **Email:** isckolkata@bseindia.com
	4.	**Chennai**	**National Stock Exchange of India Ltd.** 2nd Floor, Ispahani Centre, Door No 123-124, Nungambakkam High Road, Nungambakkam Chennai - 600 034 (Landmark - Next to Income Tax Office / CA Institute) **Tel:** (044) 28332500/01 **Fax:** (044) 28332521 **Email:** ncfm_chennai@nse.co.in **MCX Stock Exchange Ltd.** Flat No.1 A&B, 1st Floor, Doshi Towers, Periyar EVR Salai, Kilpauk, Chennai-600010 **Tel:** 044-43950850

			BSE Limited-BSE Investor Service Centre No. 4, Vijaya Towers, 3rd Floor, Kodambakkam High Road, Chennai-600034 **Tel:** 044- 42163999 **Fax:** 044-4216499 **Email:** iscchennai@bseindia.com
	5.	**Hyderabad**	**NSEiT Test Center** 303-304, 3rd Floor, Mahavir Chambers, 3-6-363 Near Liberty cross Road, Basheerbagh Hyderabad -500029 **Tel:** 040-23227084/5 **Fax:** 040-23227086 **Email:** ncfm_hyderabad@nse.co.in
			MCX Stock Exchange Ltd. 201, Meridian Plaza, Beside Lal Bunglow, Ameerpet,Hyderabad - 500019 **Tel:** 040-32506470
	6.	**Ahmedabad**	**National Stock Exchange of India Ltd.** 406 Sakar II Near Ellis Bridge Ahmedabad - 380 006 (Landmark - Opp. Town Hall, Near Ellisbridge) **Tel:** 079-26580212-13 **Fax:** 079-26576123 **Email:** ncfm_ahmedabad@nse.co.in
			BSE Limited- BSE Investor Service Centre 804 Corporate House,Near Dinesh Hall, IncomeTax Office. Ashram Road Ahmedabad- 9 **Tel:** 079-27540445 **Fax:**079-66610755 **Email:** iscahmedabad@bseindia.com
	7.	**Kochi**	**BSE Limited-BSE Investor Service Centre.** 4th Floor MES Building, Judges Avenue, Kaloor, Kochi-682017 **Tel:** 0484-2405275 **Fax:**0484-2405276 **Email:** isccochin@bseindia.com
	8.	**Rajkot**	**BSE Limited-BSE Investor Service Centre** 401, 4th Floor, Alap/B, Opp. Shastri Maidan, Rajkot-360001 **Tel:** 0281-6595542 **Fax:** 0281-2464348 **Email:** iscrajkot@bseindia.com
Amendment to Business Rules			

Circular No.: NSDL/ POLICY/2016/0093 Date: Nov. 10, 2016	***Subject: Amendments to Bye Laws.*** All Participants are hereby notified that new Bye Laws 8.5.9 and 8.5.10 have been inserted and existing Bye Law 8.5.9 is renumbered to Bye Law 8.5.11. The new Bye-Laws 8.5.9 and 8.5.10 are given below: **Bye-Law 8.5.9** Every Issuer or its Registrar and Transfer Agent shall ensure that an internal audit in respect of its depository operations is conducted at intervals of not more than six months by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant, holding a Certificate of Practice and a copy of the internal audit report shall be furnished to the Depository. **Bye-Law 8.5.10** Every Issuer or its Registrar and Transfer Agent shall ensure that following items are placed before its Board of Directors in respect of its depository operations: (i) Internal audit findings alongwith management comments (ii) Inspection findings of the Depository alongwith management comments. For and on behalf of **National Securities Depository Limited** **Ravindra Sahu** **Senior Manager**
Circular No.: NSDL/ POLICY/2014/0114 Date: October 29, 2014	***Subject: Amendment to Business Rules of NSDL.*** All Participants are hereby notified that Sr. No. I (29) of Business Rule 18.1.1 has been deleted and remaining items of Rule are renumbered accordingly. The amended Rule 18.1.1 is enclosed at Annexure in track change mode. **Deleted Sr. No. I (29) of Rule 18.1.1 is given below:**

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
I.	**Operational deviations**	
29	Qualified personnel (NCFM/NSDL/NISM certified for depository operations) not appointed in at least 90% of the total service centres (other than drop boxes) of the Participants.	₹ 1,000 per month per service centre (*other than drop box*). Further, ₹ 5,000 per month per service centre upon recurrence of the deviation in the same service centre wherein non-compliance was observed earlier. In case of new service centre or in case of resignation or transfer of qualified personnel from the existing service centre, time period of three months will be allowed within which qualified personnel should be appointed.

18.1.1 The Depository may impose a penalty on the Participant to the extent indicated for non-compliance as described below:

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
I	Operational deviations	
1.	Account opened without obtaining adequate proof of identity or any other document - as prescribed under guidelines of NSDL/SEBI/PMLA/Account opened without obtaining adequate proof of address as prescribed under guidelines of NSDL/SEBI/PMLA or adequate proof of address not collected for change of address as prescribed under guidelines of NSDL/ SEBI/PMLA. Record of in-person verification not maintained as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee if total penalty imposed in one inspection under this head exceeds ₹ 50000.
2.	Supplementary agreement executed or undertaking/letter obtained or any modification made in any document which has clauses contradictory to SEBI/Depository prescribed guidelines or Power of attorney executed in favour of Participant in contradiction to SEBI/Depository prescribed guidelines.	₹ 1000 per occasion.
3.	Accounts opened in the name of Partnership firms / HUF/ proprietory concern / such other entities not entitled to hold securities in its name as prescribed under guidelines of NSDL/SEBI/PMLA.	₹1000 per account.
4.	Nomination not done as per prescribed procedure.	₹ 250 per account.
5.	Any type of transaction not executed as per the procedure prescribed by Depository such as change in bank details, change in signature, transmission, account closure, freeze/ unfreeze, pledge, remat etc as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 500 per account.
6.	Data entry errors / omission which may cause inconvenience and/or loss to the client/ system / Depository.	₹ 50 per account.
7.	Correct PAN details are not obtained from the clients and the account is not frozen for debit as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 500 per account.
8.	Incorrect entry of PAN details in DPM system as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 50 per account.
9.	Invalid/ factually incorrect/ meaningless data entered in demographic details.	₹ 500 per account.
10.	Delay in dispatch of demat requests beyond seven working days after receipt of Demat Request Form and certificates from the client.	₹ 250 per occasion
11.	Sending securities for dematerialisation to Registrar & Transfer Agents / Issuers without defacing and mutilating certificates.	₹ 100 per occasion

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
12.	No/inadequate control over issuance and/or acceptance of instruction slips.	₹ 2500 per occasion. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee.
13.	Client account debited without receiving proper authorization as prescribed under guidelines of NSDL/SEBI.	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee, if total penalty imposed in one inspection under this head exceeds ₹ 50000. The penalty levied above will be in addition to restoration of securities in case of clients' dispute.
14.	Instruction of the client not executed or erroneously entered by Participants.	₹ 250 per account.
15.	Fax indemnity not executed with the clients for the instructions accepted on fax and/or original instruction not collected within stipulated time from the date of receipt of the fax instruction.	₹ 500 per account.
16.	Transaction statement not being sent to clients as per requirements or discrepancy observed in the transaction statement sent to clients.	₹ 2000 per occasion.
17.	Change in office address and / or investor relations officers/ compliance officers not intimated to Depository.	₹ 250 per occasion.
18.	Forms used are not in conformity with the prescribed format.	₹ 100 per occasion.
19.	Termination / Closure of franchisee / branch services contrary to Depository instructions.	₹ 500 per occasion.
20.	Speed-e facility made available/operated contradictory to Depository prescribed guidelines.	₹ 500 per account.
21.	Internal Audit Report / Concurrent Audit Report not submitted in the prescribed format within the stipulated time period.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight.
22.	Internal audit report/ Concurrent audit report submitted without inclusion of management comments for deviations noted by auditors or not providing compliance duly certified by auditors on the observations made by the Depository.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight till the submission of revised report.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
23.	Non-submission of net worth certificate based on the audited annual accounts by the Participants (as specified in the Bye- Laws) in the prescribed format for 31st March within prescribed time limit.	₹ 2500 per occasion plus additional ₹1000 for any delay per fortnight.
24.	Non-submission of annual financial statement within the prescribed time limit.	₹1000 per occasion plus additional ₹ 500 for any delay per fortnight.
25.	Non filing of information sought by Depository either periodically or specifically through circulars / letters etc.	₹ 250 per occasion.
26.	Half yearly Compliance certificate not submitted within the stipulated time.	30 days have elapsed after stipulated time and the certificate is not submitted, Participant will be advised to stop opening fresh demat accounts. If the delay is beyond 60 days from the stipulated time, matter to be referred to Disciplinary Action Committee.
27.	Client Grievances (except disputes /court cases) not redressed within 30 days.	₹ 250 per grievance plus additional ₹ 100 for any further delay per month. Delay beyond six months will be reported to the Disciplinary Action Committee.
28.	Non-submission of monthly report of Client Complaints as required under Bye Law 6.3.6 (iii) to be submitted every month (latest by 10th of the following month).	₹ 500 per month.
29.	Depository services are offered through service centres without approval of Depository.	₹ 2,500 per occasion.
30.	(a) In-person verification carried out by any person other than as permitted by SEBI/ Depository. (b) Carrying out functions of verification of delivery instruction slips through franchisees. (c) Dispatch of periodic transaction statements by Participants through its service centre (branch as well as franchisees) other than one which is directly connected to the Depository or through its centralised processing unit under the supervision of its head office.	Matter to be referred to Disciplinary Action Committee.
31.	Anti Money Laundering (AML) policy not framed as required under PMLA and not intimated to FIU-IND.	₹ 2500 per occasion.
32.	Non appointment of Principal officer/Non intimation of change of Principal Officer details to FIU – IND.	₹ 2500 per occasion.
33.	Suspicious Transaction Register not being maintained as prescribed by NSDL.	₹ 2500 per occasion.
34.	System of maintaining documents pertaining to depository operations not satisfactory.	₹ 1000 per occasion.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
II.	**System related deviations**	
35.	Using the DPM system for any other purpose or loading any other software or alteration of parameters / configuration/ software other than DPM application software/prescribed system software found loaded in the system.	₹ 5000 per occasion.
36.	Not upgrading the software and/or hardware within the prescribed time limit / not complying with pre-requisite or post-requisite of upgradation.	₹ 5000 per occassion plus actual cost of travel of Depository official/s and/or other person/s on behalf of Depository, if any, for this purpose.
37.	DPM configuration not as per Depository requirements.	₹ 5000 per occasion.
38.	DPM is connected to WAN without permission of relevant authorities.	₹ 5000 per occasion.
39.	Anti Virus Software not loaded/enabled/upgraded on server and/or client machine(s).	₹ 500 per occasion.
40.	'Variable access rights' scheme suggested by Depository not implemented / not implemented properly.	₹ 250 per occasion.
41.	Physical access to client machine and server is easily available to unauthorised persons.	₹ 100 per occasion
Miscellaneous		
42.	Compliance not reported by Participant within 60 days from the date of communication by depository with respect to deviations observed during the inspections.	Matter to be referred to Disciplinary Action Committee.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
I	Operational deviations	
1.	Account opened without obtaining adequate proof of identity or any other document - as prescribed under guidelines of NSDL/SEBI/PMLA/Account opened without obtaining adequate proof of address as prescribed under guidelines of NSDL/SEBI/PMLA or adequate proof of address not collected for change of address as prescribed under guidelines of NSDL/ SEBI/PMLA. Record of in-person verification not maintained as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee if total penalty imposed in one inspection under this head exceeds ₹ 50000.
2.	Supplementary agreement executed or undertaking/letter obtained or any modification made in any document which has clauses contradictory to SEBI/Depository prescribed guidelines or Power of attorney executed in favour of Participant in contradiction to SEBI/Depository prescribed guidelines.	₹ 1000 per occasion.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
3.	Accounts opened in the name of Partnership firms / HUF/ proprietory concern / such other entities not entitled to hold securities in its name as prescribed under guidelines of NSDL/SEBI/PMLA.	₹1000 per account.
4.	Nomination not done as per prescribed procedure.	₹ 250 per account.
5.	Any type of transaction not executed as per the procedure prescribed by Depository such as change in bank details, change in signature, transmission, account closure, freeze/ unfreeze, pledge, remat etc as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 500 per account.
6.	Data entry errors / omission which may cause inconvenience and/or loss to the client/ system / Depository.	₹ 50 per account.
7.	Correct PAN details are not obtained from the clients and the account is not frozen for debit as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 500 per account.
8.	Incorrect entry of PAN details in DPM system as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 50 per account.
9.	Invalid/ factually incorrect/ meaningless data entered in demographic details.	₹ 500 per account.
10.	Delay in dispatch of demat requests beyond seven working days after receipt of Demat Request Form and certificates from the client.	₹ 250 per occasion
11.	Sending securities for dematerialisation to Registrar & Transfer Agents / Issuers without defacing and mutilating certificates.	₹ 100 per occasion
12.	No/inadequate control over issuance and/or acceptance of instruction slips.	₹ 2500 per occasion. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
13.	Client account debited without receiving proper authorization as prescribed under guidelines of NSDL/SEBI.	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee, if total penalty imposed in one inspection under this head exceeds ₹ 50000. The penalty levied above will be in addition to restoration of securities in case of clients' dispute.
14.	Instruction of the client not executed or erroneously entered by Participants.	₹ 250 per account.
15.	Fax indemnity not executed with the clients for the instructions accepted on fax and/or original instruction not collected within stipulated time from the date of receipt of the fax instruction.	₹ 500 per account.
16.	Transaction statement not being sent to clients as per requirements or discrepancy observed in the transaction statement sent to clients.	₹ 2000 per occasion.
17.	Change in office address and / or investor relations officers/ compliance officers not intimated to Depository.	₹ 250 per occasion.
18.	Forms used are not in conformity with the prescribed format.	₹ 100 per occasion.
19.	Termination / Closure of franchisee / branch services contrary to Depository instructions.	₹ 500 per occasion.
20.	Speed-e facility made available/operated contradictory to Depository prescribed guidelines.	₹ 500 per account.
21.	Internal Audit Report / Concurrent Audit Report not submitted in the prescribed format within the stipulated time period.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight.
22.	Internal audit report/ Concurrent audit report submitted without inclusion of management comments for deviations noted by auditors or not providing compliance duly certified by auditors on the observations made by the Depository.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight till the submission of revised report.
23.	Non-submission of net worth certificate based on the audited annual accounts by the Participants (as specified in the Bye- Laws) in the prescribed format for 31st March within prescribed time limit.	₹ 2500 per occasion plus additional ₹1000 for any delay per fortnight.
24.	Non-submission of annual financial statement within the prescribed time limit.	₹1000 per occasion plus additional ₹ 500 for any delay per fortnight.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
25.	Non filing of information sought by Depository either periodically or specifically through circulars / letters etc.	₹ 250 per occasion.
26.	Half yearly Compliance certificate not submitted within the stipulated time.	30 days have elapsed after stipulated time and the certificate is not submitted, Participant will be advised to stop opening fresh demat accounts. If the delay is beyond 60 days from the stipulated time, matter to be referred to Disciplinary Action Committee.
27.	Client Grievances (except disputes /court cases) not redressed within 30 days.	₹ 250 per grievance plus additional ₹ 100 for any further delay per month. Delay beyond six months will be reported to the Disciplinary Action Committee.
28.	Non-submission of monthly report of Client Complaints as required under Bye Law 6.3.6 (iii) to be submitted every month (latest by 10th of the following month).	₹ 500 per month.
29.	Depository services are offered through service centres without approval of Depository.	₹ 2,500 per occasion.
30.	(a) In-person verification carried out by any person other than as permitted by SEBI/ Depository. (b) Carrying out functions of verification of delivery instruction slips through franchisees. (c) Dispatch of periodic transaction statements by Participants through its service centre (branch as well as franchisees) other than one which is directly connected to the Depository or through its centralised processing unit under the supervision of its head office.	Matter to be referred to Disciplinary Action Committee.
31.	Anti Money Laundering (AML) policy not framed as required under PMLA and not intimated to FIU-IND.	₹ 2500 per occasion.
32.	Non appointment of Principal officer/Non intimation of change of Principal Officer details to FIU – IND.	₹ 2500 per occasion.
33.	Suspicious Transaction Register not being maintained as prescribed by NSDL.	₹ 2500 per occasion.
34.	System of maintaining documents pertaining to depository operations not satisfactory.	₹ 1000 per occasion.
II.	**System related deviations**	
35.	Using the DPM system for any other purpose or loading any other software or alteration of parameters / configuration/ software other than DPM application software/prescribed system software found loaded in the system.	₹ 5000 per occasion.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
36.	Not upgrading the software and/or hardware within the prescribed time limit / not complying with pre-requisite or post-requisite of upgradation.	₹ 5000 per occassion plus actual cost of travel of Depository official/s and/or other person/s on behalf of Depository, if any, for this purpose.
37.	DPM configuration not as per Depository requirements.	₹ 5000 per occasion.
38.	DPM is connected to WAN without permission of relevant authorities.	₹ 5000 per occasion.
39.	Anti Virus Software not loaded/enabled/upgraded on server and/or client machine(s).	₹ 500 per occasion.
40.	'Variable access rights' scheme suggested by Depository not implemented / not implemented properly.	₹ 250 per occasion.
41.	Physical access to client machine and server is easily available to unauthorised persons.	₹ 100 per occasion
Miscellaneous		
42.	Compliance not reported by Participant within 60 days from the date of communication by depository with respect to deviations observed during the inspections.	Matter to be referred to Disciplinary Action Committee.

Circular No. NSDL/POLICY/ 2011/0050 Date: June 14, 2011	***Sub: Amendment to Business Rules - SEBI Notification of the NISM - Series - VI: Depository Operations Certification Examination*** With reference to Circular No. NSDL/POLICY/2011/0040 dated May 3, 2011, all Participants are hereby informed that in view of SEBI notification F. No. LAD-NRO/GN/2010-11/26/10252 dated March 29, 2011 regarding requirement of certification from the National Institute of Securities Market (NISM) by passing the NISM-Series-VI: Depository Operations Certification Examination (DOCE) for the associated persons engaged or employed by a registered depository participant in specified areas of operations, Sl. No. 31 of Rule 18.1.1 of Business Rules has been amended. Amended Business Rule is given below in track changes mode:		
	31	Qualified personnel (NCFM/NSDL/NISM certified for depository operations) not appointed in at least 90% of the total service centres (other than drop boxes) of the Participants.	Rs.1,000 per month per service centre (other than drop box). Further, Rs. 5,000 per month per service centre upon recurrence of the deviation in the same service centre wherein non-compliance was observed earlier. In case of new service centre or in case of resignation or transfer of qualified personnel from the existing service centre, time period of three months will be allowed within which qualified personnel should be appointed.
Circular No. NSDL/POLICY/ 2011/0040 Date: May 3, 2011	***Sub: SEBI Notification of the NISM - Series - VI: Depository Operations Certification Examination*** Attention of Participants is invited to SEBI's Notification dated March 29, 2011 regarding NISM-Series-VI: Depository Operations Certification Examination (DOCE) launched by National Institute of Securities Markets (NISM) (copy enclosed). Participants are advised to ensure compliance with the requirement. Necessary amendments in NSDL Business Rules to accept NISM certified as qualified personnel will be notified separately.		

	SEBI Notification on NISM-Series-VI: Depository Operations Certification Examination dated March 29, 2011
	THE GAZETTE OF INDIA **EXTRAORDINARY** **PART - III - SECTION 4** **PUBLISHED BY AUTHORITY** **NEW DELHI, MARCH 29th , 2011** **SECURITIES AND EXCHANGE BOARD OF INDIA** **NOTIFICATION** **Mumbai, the 29th March, 2011** **Notification under regulation 3 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007.** **F. No. LAD-NRO/GN/2010-11/26/10252** - In terms of sub-regulation (1) of regulation 3 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007 (the Regulations), the Board is empowered to require, by notification, any category of associated persons as defined in the Regulations to obtain requisite certification(s). **2**. Accordingly, it is notified that with effect from the date of this notification, the associated persons engaged or employed by a registered depository participant in: (a) dealing or interacting with clients; (b) dealing with securities of clients; (c) handling redressal of investor grievances; (d) internal control or risk management; (e) activities having a bearing on operational risk, or (f) maintenance of books and records pertaining to the above activities, shall have certification from the National Institute of Securities Markets (NISM) by passing the NISM-Series-VI: Depository Operations Certification Examination (hereinafter referred to as "DOCE") as mentioned in the NISM communiqué/Press Release NISM/Certification/Series-VI: DOCE/2011/01 dated February 10, 2011: **Provided that** the depository participant shall ensure that all such associated persons as on the date of this notification obtain DOCE within two years from the date of said notification: **Provided further** that a depository participant, who engages or employs any such associated person after the date of this notification, shall ensure that such person obtains DOCE within one year from the date of his employment: **Provided further** that an associated person, who possesses any of the following certificates, as on the date of this notification, shall be exempted from the requirement of DOCE till the validity of the said certificates: (a) NSE's Certification in Financial Markets (NSDL – Depository Operations Module) of the National Stock Exchange of India Limited, or (b) NSDL's Certification in Depository Operations (NCDO) of the National Securities Depository Limited, or (c) BSE's Certification in Financial Markets (BSE's Certification on Central Depository) of the Bombay Stock Exchange Limited. **Provided further that** an associated person, who possesses a certificate on completion of CDSL's DP Training Programme on Central Depository Services (India) Limited, shall be exempted from the requirement of DOCE for a period of 3 years from the date of completion of the programme. **U. K. SINHA, CHAIRMAN** **[ADVT III/4/69 ZB/10-Exty.]** **Limitation period for filing an arbitration reference**

Circular No. NSDL/POLICY/ 2011/0037 Date: April 28, 2011	***Sub: Limitation period for filing an arbitration reference*** Attention of Participants is invited to SEBI's Circular no. CIR/MRD/DP/4/2011 dated April 7, 2011 (copy enclosed) regarding Limitation period for filing an arbitration reference. Participants are advised to ensure compliance with the requirement. Necessary amendments in NSDL Bye Laws will be notified separately.

Unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communication

Circular No. NSDL/POLICY/ 2011/0027 Date: March 28, 2011	***Sub: Unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communication*** Attention of Participants is invited to SEBI's Circular no. Cir/ISD/1/2011 dated Date: March 28, 2011 March 23, 2011 and addendum circular no. Cir/ ISD/2/2011 dated March 24, 2011 (copies enclosed) regarding unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communication. Participants are advised to ensure compliance with the same.

CIRCULAR

Cir/ISD/1/2011 March 23, 2011

All Stock Exchanges / All Depositories/ All SEBI Registered Market Intermediaries

Dear Sir/Madam,

Sub: Unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communication

1. It has been observed by SEBI that unauthenticated news related to various scrips are circulated in blogs/chat forums/e-mail etc. by employees of Broking Houses/Other Intermediaries without adequate caution as mandated in the Code of Conduct for Stock Brokers and respective Regulations of various intermediaries registered with SEBI.
2. Further, in various instances, it has been observed that the Intermediaries do not have proper internal controls and do not ensure that proper checks and balances are in place to govern the conduct of their employees. Due to lack of proper internal controls and poor training, employees of such intermediaries are sometimes not aware of the damage which can be caused by circulation of unauthenticated news or rumours. It is a well established fact that market rumours can do considerable damage to the normal functioning and behaviour of the market and distort the price discovery mechanisms.
3. In view of the above facts, SEBI Registered Market Intermediaries are directed that:
   - Proper internal code of conduct and controls should be put in place.
   - Employees/temporary staff/voluntary workers etc. employed/working in the Offices of market intermediaries do not encourage or circulate rumours or unverified information obtained from client, industry, any trade or any other sources without verification.
   - Access to Blogs/Chat forums/Messenger sites etc. should either be restricted under supervision or access should not be allowed.
   - Logs for any usage of such Blogs/Chat forums/Messenger sites (called by any nomenclature) shall be treated as records and the same should be maintained as specified by the respective Regulations which govern the concerned intermediary.
   - Employees should be directed that any market related news received by them either in their official mail/personal mail/blog or in any other manner, should be forwarded only after the same

has been seen and approved by the concerned Intermediary's Compliance Officer. If an employee fails to do so, he/she shall be deemed to have violated the various provisions contained in SEBI Act/Rules/Regulations etc. and shall be liable for actions.

4. The Stock Exchanges are advised to:
   a. bring the provisions of this circular to the notice of the Stock Brokers and also disseminate the same on their websites.
   b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another to achieve uniformity in approach.
   c. communicate to SEBI, the status of the implementation of the provisions of this circular in their Monthly Development Reports.
5. The Depositories are advised to:-
   a. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary ;
   b. bring the provisions of this circular to the notice of their DPs; and
   c. disseminate the same on the website.
6. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
7. The circular shall come into force from the date of the circular.
8. This circular is available on SEBI website at www.sebi.gov.in, under the category 'Legal Framework'.

Yours faithfully,

AVARJEET SINGH
DEPUTY GENERAL MANAGER
TEL : 022 26449262
Fax : 022 26449023
EMAIL – avarjeets@sebi.gov.in

CIRCULAR

Cir/ISD/2/2011 March 24, 2011

To

All Stock Exchanges / All Depositories/ All SEBI Registered Market Intermediaries

Dear Sir/Madam,

Sub: Addendum to Circular no. Cir/ISD/1/2011 dated March 23, 2011

This has reference to circular no. Cir/ISD/1/2011 dated March 23, 2011 issued regarding unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communication.

1. The last paragraph in point 3 of said circular shall read as follows:-
   - Employees should be directed that any market related news received by them either in their official mail/personal mail/blog or in any other manner, should be forwarded only after the same has been seen and approved by the concerned Intermediary's Compliance Officer. If an employee fails to do so, he/she shall be deemed to have violated the various provisions contained in SEBI Act/Rules/Regulations etc. and shall be liable for action. The Compliance Officer shall also be held liable for breach of duty in this regard.

2. All other provisions of the circular No. Cir/ISD/1/2011 dated March 23, 2011 shall remain unchanged.
3. The Stock Exchanges are advised to:
   a. bring the provisions of this circular to the notice of the Stock Brokers and also disseminate the same on their websites.
   b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another to achieve uniformity in approach.
   c. communicate to SEBI, the status of the implementation of the provisions of this circular in their Monthly Development Reports.
4. The Depositories are advised to:-
   a. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary ;
   b. bring the provisions of this circular to the notice of their DPs; and
   c. disseminate the same on the website.
5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
6. A copy of this circular is available at the web page www.sebi.gov.in, under the category 'Legal Framework'.

Yours faithfully,

AVARJEET SINGH
DEPUTY GENERAL MANAGER
TEL : 022 26449262
Fax : 022 26449023
EMAIL – avarjeets@sebi.gov.in

Alteration in Memorandum of Association (MOA) for permitting the Participant to undertake Depository Participant activities

Circular No. NSDL/POLICY/ 2010/0083 Date: July 22, 2010	***Sub: Alteration in Memorandum of Association (MOA) for permitting the Participant to undertake Depository Participant activities*** All Participants are hereby informed that at the time of submitting application for granting registration as a Participant, SEBI has advised Participants to submit relevant extract of MOA categorically permitting the applicant company to undertake Depository Participant activities. In view of the above, Participants are advised to examine their MOA and arrange to make necessary alteration in objects clause of MOA, if required.

Sub: Format for application to SEBI for opening of wholly owned subsidiaries or entering into joint ventures in other countries

Circular No. NSDL/POLICY/ 2011/0006 Date: January 14, 2011	***Sub: Format for application to SEBI for opening of wholly owned subsidiaries or entering into joint ventures in other countries*** All Participants are hereby informed that SEBI has vide its email dated January 12, 2011 informed about the format for application to SEBI for opening of wholly owned subsidiaries or entering into joint ventures in other countries. Participants are advised to take note of the above.

FORMAT FOR APPLICATION TO SEBI FOR OPENING OF WHOLLY OWNED SUBSIDIARIES OR ENTERING INTO JOINT VENTURES IN OTHER COUNTRIES

(Applicable for Stock Brokers, Bankers to an Issue, Merchant Bankers, Registrar to an Issue and Share Transfer Agents, Underwriters, Depository Participants, Debenture Trustees and Credit Rating Agencies)

SEBI receives applications from intermediaries for granting NOCs for setting up joint ventures, subsidiaries etc. Depending on the information submitted by the intermediaries, SEBI seeks further information/ clarifications. This process takes some time to grant such NOCs.

In order to streamline the entire process, a format has now been devised so that the intermediaries send all the relevant information at the time of application itself. This will enable SEBI to process the applications expeditiously.

FORMAT FOR APPLICATION TO SEBI FOR OPENING OF WHOLLY OWNED SUBSIDIARIES OR ENTERING INTO JOINT VENTURES IN OTHER COUNTRIES

Please read the instructions carefully before filling up the Application:

1. Fill in all the particulars as are applicable clearly.
2. The information should be complete in all respects.
3. Please attach the relevant enclosure.
4. In case, the applicant is a Stock Broker/Depository Participant, the application may be submitted directly to SEBI along-with NOC obtained from all the Stock Exchanges/Depositories, where the applicant is a member/participant.

I GENERAL INFORMATION:

1	Details of all registrations of the applicant company and its group/associate entities in India or abroad:	1. Name of the entity (Earlier name, if any) 2. Type o Intermediary 3. Registration Number 4. Date of Registration 5. Validity of Registration
2	Networth of applicant company based on the latest audited results (in Rs. Cr.)	
3	Names of Promoters / Directors / Key Personnel of the applicant company	
4	a) Details of regulatory action taken/initiated/ pending, if any, against the *applicant/group/ associate entities/ promoters/directors/key personnel /principal officer* of the applicant company (in India/abroad) b) Provide corrective measures taken in respect of pending/completed actions initiated by SEBI during the last 5 years Note: If the intermediary has already submitted details of corrective measures to SEBI in the past in case of the above, only a copy of the same may be provided.	
5	Any fee remaining unpaid to SEBI by applicant/ associates/its sub-brokers	
6	Amount of proposed investment/end investment (converted in Indian Rupees)	
7	Whether the applicant is setting up a Wholly Owned subsidiary (WOS) or a Step Down Subsidiary (SDS) or entering into Joint Venture (JV) or acquiring stake in an existing company for the purpose of setting up SDS or making further investments through the JV/WOS/SDS	
8	Details of the Overseas Subsidiary (provide relevant details in case of equity participation in existing foreign company or joint venture with a foreign company)	a) Name of the foreign entitY b) Country of Incorporation C) Overseas Regulatory Authority which regulates the entity d) Purpose for setting up the WOS/SDS/JV/Equity Participation e) Nature of activities

II UNDERTAKING

a. Pursuant to setting up Wholly Owned Subsidiary (WOS)/ investment in step down subsidiary, we shall maintain Networth for each category of registration as per SEBI Act, 1992 & Regulations/ circulars issued there under and bye laws/ rules/ regulations/ circulars etc. issued by respective stock exchanges/ Depositories.

Signature
Name
Designation

Place:
Date:

III ENCLOSURE

a. Certificate of Networth, duly certified by a Chartered Accountant.

SEBI's Master Circular for Depositories

Circular No.: NSDL/POLICY/ 2021/ 0009 February 08, 2021	***Subject: SEBI Master Circular for Depositories.*** As Participants are aware, Securities and Exchange Board of India (SEBI) has been issuing various circulars/directions from time to time. In order to enable the users to have an access to all the applicable circulars/directions at one place, Master Circular for Depositories has been prepared by SEBI and communicated vide Circular No. SEBI/HO/MRD2/DDAP/CIR/P/2021/18 dated February 05, 2021. This Master Circular is a compilation of the circulars/ communications issued by SEBI up to October 31, 2020 and shall come into force from the date of its issue. Copy of this Master Circular is enclosed for information and compliance.
Circular No.: NSDL/POLICY/ 2017/0005 Date: January 19, 2017	***Subject: SEBI Master Circular for Depositories.*** As Participants are aware, Securities and Exchange Board of India (SEBI) has been issuing various circulars/directions from time to time. In order to enable the users to have an access to all the applicable circulars/directions at one place, Master Circular for Depositories has been prepared by SEBI. This Master Circular is a compilation of the circulars/communications issued by SEBI up to March 31, 2016 and shall come into force from the date of its issue. **MASTER CIRCULAR FOR DEPOSITORIES** SEBI/HO/MRD/DP/CIR/P/2016/134 December 15, 2016 To, All Depositories Dear Sir / Madam, **Subject: Master Circular for Depositories** Securities and Exchange Board of India (SEBI) has been issuing various circulars/ directions from time to time. In order to enable the users to have an access to all the applicable circulars/directions at one place, Master Circular for Depositories has been prepared. This Master Circular is a compilation of the circulars/communications issued by SEBI up to March 31, 2016 and shall come into force from the date of its issue. This Master Circular shall supersede previous Master Circular CIR/MRD/ DP/6/2015 dated May 07, 2015. **Susanta Kumar Das** Deputy General Manager susantad@sebi.gov.in

Circular No. NSDL/POLICY/ 2015/0052 Date: May 18, 2015	***Sub: SEBI's Master Circular for Depositories.*** Attention of Participants is invited to SEBI's Master Circular No. CIR/MRD/DP/6/2015 dated May 07, 2015 for Depositories. This is a compilation of circulars/communications issued by SEBI up to March 31, 2015. Copy of this circular is enclosed for information and compliance.

MASTER CIRCULAR

CIR/MRD/DP/6/2015 May 07, 2015

To,

All Depositories

Dear Sir/Madam,

Sub: Master Circular for Depositories

Securities and Exchange Board of India (SEBI) has been issuing various circulars/directions from time to time. In order to enable the users to have an access to all the applicable circulars/directions at one place, Master Circular for Depositories has been prepared.

This Master Circular is a compilation of the circulars/communications issued by SEBI up to March 31, 2015 and shall come into force from the date of its issue.

This Master Circular shall supersede previous Master Circular CIR/MRD/DP/11/2014 dated April 07, 2014.

Maninder Cheema
Deputy General Manager
maninderc@sebi.gov.in

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SECTION - 1 : Beneficial Owner (BO) Accounts

1.1 ***Opening of BO Account by non body corporates***

1.1.1 Proof of Identity (PoI)

i. Permanent Account Number (PAN) to be the sole identification number for all transactions in the securities market[1]

With effect from July 02, 2007, PAN is the sole identification number for all transactions in the securities market, irrespective of the amount of transaction. A copy of the PAN card with photograph may be accepted as Proof of Identity. In this regard, intermediaries shall:-

a. Put necessary systems in place so that the databases of the clients and their transactions are linked to the PAN details of the client.

b. Build necessary infrastructure to enable accessibility and query based on PAN thereby enabling retrieval of all the details of the clients.

c. Collect copies of PAN cards issued to the existing as well as new clients by the Income Tax Department and maintain the same in their record after verifying with the original.

d. Cross-check the aforesaid details collected from their clients with the details on the website of the Income Tax Department i.e. http:/ / incometaxindiaefiling.gov.in/challan/enterpanforchallan.jsp[2].

List of documents admissible as Proof of Identity[3]

a. Unique Identification Number (UID) (Aadhaar)/ Passport/ Voter ID card/ Driving license.

b. PAN card with photograph.

c. Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/Debit cards issued by Banks.

d. e-KYC service launched by UIDAI shall also be accepted as a valid process for KYC verification. The information containing the relevant client details and photograph made available from UIDAI as a result of e-KYC process shall be treated as a valid proof of Identity.[4]

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1 Reference circular MRD/DoP/Cir-5/2007 dated April 27, 2007

2 Income Tax Department since changed the link for verification to: https:// incometaxindiaefiling.gov.in/e-Filing/Services/KnowYourPanLink.html

3 Reference Circular MIRSD/SE/Cir-21/2011 dated October 05, 2011

4 Reference Circular SEBI/MIRSD/09/2013 dated October 08, 2013

e. With a view to bring about operational flexibility and in order to ease the PAN verification process, the intermediaries may verify the PAN of their clients online at the Income Tax website without insisting on the original PAN card, provided that the client has presented a document for Proof of Identity other than the PAN card.[5]

1.1.2 Proof of Address (PoA)[6]

List of documents admissible as Proof of Address:

(*Documents having an expiry date should be valid on the date of submission.)

a. Passport/ Voters Identity Card/ Ration Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy.

b. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.

c. Bank Account Statement/Passbook Not more than 3 months old.

d. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.

e. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/ Scheduled Co-Operative Bank/Multinational Foreign Banks/Gazetted Officer/Notary public/ elected representatives to the Legislative Assembly / Parliament/Documents issued by any Govt. or Statutory Authority.

f. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.

g. For FII/sub account, Power of Attorney given by FII/ sub-account to the Custodians (which are duly notarized and/or apostiled or consularised) that gives the registered address should be taken.

h. The proof of address in the name of the spouse may be accepted.

i. Aadhaar Letter issued by UIDAI shall be admissible as Proof of Address in addition to Proof of Identity.[7]

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5 Reference Circular SEBI/MIRSD/01/2013 dated January 04, 2013

6 Reference Circular MIRSD/SE/Cir-21/2011 dated October 05, 2011

7 Reference Circular MIRSD/09/2012 dated August 13, 2012

j. e-KYC service launched by UIDAI shall also be accepted as a valid process for KYC verification. The information containing the relevant client details and photograph made available from UIDAI as a result of e-KYC process shall be treated as a valid proof of address.[8]

DP shall ensure that all documents pertaining to proof of identity and proof of address are collected from all the account holders.[9] Submission of the aforesaid documents is the minimum requirement for opening a BO Account. DPs must verify the copy of the aforementioned documents with the original before accepting the same as valid. While opening a BO Account, DPs shall exercise due diligence[10] while establishing the identity of the person to ensure the safety and integrity of the depository system.

1.1.3 Acceptance of third party address as correspondence address[11]

i. SEBI has no objection to a BO authorizing the capture of an address of a third party as a correspondence address, provided that the Depository Participant (DP) ensures that all prescribed 'Know Your Client' norms are fulfilled for the third party also. The DP shall obtain proof of identity and proof of address for the third party. The DP shall also ensure that customer due diligence norms as specified in Rule 9 of Prevention of Money Laundering Rules, 2005 are complied with in respect of the third party.

ii. The depository participant should further ensure that the statement of transactions and holding are sent to the BO's permanent address at least once in a year.

iii. However, the above provision shall not apply in case of PMS (Portfolio Management Services) clients.

1.2 *Exemptions from and clarifications relating to mandatory requirement of PAN*

1.2.1 Mandatory requirement of Permanent Account Number (PAN)[12]

The demat accounts for which PAN details have not been verified are "suspended for debit" until the same is verified with the Depository Participant (DP). With effect from August 16, 2010 such PAN non-compliant demat accounts were also "suspended for credit" other than the credits arising out of automatic corporate actions. It was clarified that other credits including credits from IPO/FPO/Rights issue, off-market transactions or any secondary market transactions would not be allowed into such accounts.

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8 Reference Circular SEBI/MIRSD/09/2013 dated October 08, 2013

9 Reference Circular MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004

10 Reference point 5 of part II on 'Customer Due Diligence' of Master Circular No. ISD/AML/CIR-1/2008 dated December 19, 2008

11 Reference Circular CIR/MRD/DP/37/2010 dated December 14, 2010

12 Reference Circular MRD/DP/22/2010 dated July 29, 2010

1.2.2 Central and State Government and officials appointed by Courts[13]

TPAN card may not be insisted upon in case of transactions undertaken on behalf of Central Government and/or State Government and where transactions are conducted by officials appointed by Courts e.g. Official liquidator, Court receiver etc.[14]

However DPs, before implementing the above exemption, shall verify the veracity of the claim of the organizations by collecting sufficient documentary evidence in support of their claim for such an exemption.

1.2.3 Investors in Sikkim[15]

Investors residing in the state of Sikkim are exempted from the mandatory requirement of furnishing PAN card details for their demat accounts.[16] DPs shall verify the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address

1.2.4 UN entities and multilateral agencies exempt from paying taxes/ filling tax returns in India.[17]

UN entities/ multilateral agencies exempt from paying taxes/ filing tax returns in India are also exempt from the mandatory requirement of submitting their PAN card details, subject to the DPs collecting documentary evidence in support of such claims.

1.2.5 FIIs/Institutional Clients[18]

Custodians shall verify the PAN card details of institutional clients with the original PAN card and provide duly certified copies of such verified PAN details to the brokers. This requirement is applicable in respect of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956.

1.2.6 HUF, Association of Persons (AoP), Partnership Firm, unregistered Trust, Registered Trust, Corporate Bodies, minors, etc.[19]

The BO account shall be in the name of natural persons, PAN card details of the respective HUF, AoP, Partnership Firm, Unregistered Trust, etc shall be obtained. The PAN number of Registered Trust, Corporate Bodies and minors shall be obtained when accounts are opened in their respective names.

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13 Reference Circular MRD/DoP/Cir-20/2008 dated June 30, 2008
14 Reference Rule 114C (1)(c) of Income Tax Rules
15 Reference Circular MRD/DoP/Dep/Cir-09/06 dated July 20, 2006
16 Reference Hon'ble High Court of Sikkim judgment dated March 31, 2006
17 Reference Circular MRD /DoP/ Dep / Cir-09/06 dated July 20, 2006
18 Reference Circular MRD/DoP/Dep/SE/Cir-13/06 dated September 26, 2006
19 Reference Circular MRD /DoP/ Dep / Cir-29/2004 dated August 24, 2004

1.2.7 Difference in maiden name and current name of investors.[19]

DPs can collect the PAN card proof as submitted by the account holder subject to the DPs verifying the veracity of the claim of such investors by collecting sufficient documentary evidence in support of the identity of the investors.

1.2.8 NRI/PIOs[20]

Citizens of India residing outside India, foreign citizens and other persons (like companies/ trusts/ firms) having no office of their own in India may obtain PAN card based on the copy of their passport as ID proof and a copy of passport/ bank account in the country of residence as address proof, based on the Directorate of Income Tax (Systems) guidelines.[21]

1.3 *Simplification of demat account opening process*[22]

i. SEBI has taken a number of steps in the recent past to simplify the Account opening and KYC process in the securities markets. In continuation of the efforts in the same direction, it has now been decided in consultation with both the Depositories and Associations of stock brokers and Depository Participants to further simplify and rationalize the demat account opening process.

ii. The existing Beneficial Owner-Depository Participant Agreements shall be replaced with a common document "Rights and Obligations of the Beneficial Owner and Depository Participant". The document annexed herewith shall be mandatory and binding on all the existing and new clients and depository participants. This will harmonize the account opening process for trading as well as demat account. This will also rationalise the number of signatures by the investor, which he is required to affix at present on a number of pages.

iii. The Depository Participant shall provide a copy of Rights and Obligations Document to the beneficial owner and shall take an acknowledgement of the same. They shall ensure that any clause in any voluntary document neither dilutes the responsibility of the depository participant nor it shall be in conflict with any of the clauses in this Document, Rules, Bye-laws, Regulations, Notices, Guidelines and Circulars issued by SEBI and the Depositories from time to time. Any such clause introduced in the existing as well as new documents shall stand null and void.

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19 Reference Circular MRD /DoP/ Dep / Cir-29/2004 dated August 24, 2004

20 Reference Circular MRD /DoP/ Dep /SE/ Cir-17/06 dated October 27, 2006

21 Reference Income Tax Systems) PAN Circular No. 4 dated October 11, 2006

22 Reference Circular SEBI/MIRSD/ 12/2013 dated December 04, 2013

ANNEXURE

Rights and Obligations of Beneficial Owner and Depository Participant as prescribed by SEBI and Depositories

General Clause

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars/Notifications/Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.
2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.

Beneficial Owner information

3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.
4. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

Fees/Charges/Tariff

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that “no charges are payable for opening of demat accounts”
6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars/directions/notifications issued from time to time.
7. The DP shall not increase any charges/ tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same.

Dematerialization

8. The Beneficial Owner shall have the right to get the securities, which have been admitted on the Depositories, dematerialized in the form and manner laid down under the Bye Laws, Business Rules and Operating Instructions of the depositories.

Separate Accounts

9. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DP's own securities held in dematerialized form.

10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and / or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye-Laws/ Operating Instructions/Busines Rules of the Depositories.

Transfer of Securities

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.

12. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions.

Statement of account

13. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/ depository in this regard.

14. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account.

15. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.

16. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/ or Depository from time to time.

Manner of Closure of Demat account

17. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.

18. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

Default in payment of charges

19. In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the Beneficial Owner, the DP may charge interest at a rate as specified by the Depository from time to time for the period of such default.

20. In case the Beneficial Owner has failed to make the payment of any of the amounts as provided in Clause 5&6 specified above, the DP after giving two days notice to the Beneficial Owner shall have the right to stop processing of instructions of the Beneficial Owner till such time he makes the payment along with interest, if any.

Liability of the Depository

21. As per Section 16 of Depositories Act, 1996,

    a. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the beneficial owner due to the negligence of the depository or the participant, the depository shall indemnify such beneficial owner.

    b. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository, the depository shall have the right to recover the same from such participant.

Freezing/ Defreezing of accounts

22. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.

23. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or any statutory authority.

Redressal of Investor grievance

24. The DP shall redress all grievances of the Beneficial Owner against the DP within a period of thirty days from the date of receipt of the complaint.

Authorized representative

25. If the Beneficial Owner is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

Law and Jurisdiction

26. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other rights which the DP or the Beneficial Owner may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.
27. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/ notices issued by SEBI and Rules, Regulations and Bye-laws of the relevant Depository, where the Beneficial Owner maintains his/ her account, that may be in force from time to time.
28. The Beneficial Owner and the DP shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of the depository and that such procedure shall be applicable to any disputes between the DP and the Beneficial Owner.
29. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye-laws and Regulations and circulars/notices issued there under by the depository and /or SEBI.
30. Any changes in the rights and obligations which are specified by SEBI/Depositories shall also be brought to the notice of the clients at once.
31. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

1.4 ***Opening of demat account in case of HUF***[23]

It is noted that as per law, in case of HUF, shares can be held in the name of Existing Karta on behalf of HUF. Therefore, HUF demat accounts can be opened in the name of Existing Karta but not in the name of Deceased Karta and HUF entity.

23 Reference: SEBI/ MRD/CDSL/ 149156 /2009 dated January 01, 2009

1.5 ***Operation of minor's demat account***[24]

Under [The] Hindu Minority and Guardianship Act, 1956, permission of Court is required in the case of transfer by a natural guardian of immovable property of a minor. However, shares are not immovable properly. Section 2(7) of Sale of Goods Act, 1930 includes shares within the definition of "goods". Neither the Indian Contract Act nor the Sale of Goods Act provide for transfer by sale or otherwise by guardian /natural guardian of goods/movable property in the name of minor to the effect that permission of court is required in the matter of such transfer. In the case of accounts of minor in banks also, the guardian is entitled to open, operate and even close the account also. The DP account can, therefore, be operated by a natural guardian without any order from the court though the same is neither expressly permitted nor prohibited.

1.6 ***Facility for a Basic Services Demat Account (BSDA)***[25]

1.6.1 All depository participants (DPs) shall make available a "Basic Services Demat Account" (BSDA) with limited services as per terms specified herein.

1.6.2 **Eligibility :-** Individuals shall be eligible to opt for BSDA subject to the following conditions-

i. All the individuals who have or propose to have only one demat account where they are the sole or first holder.

ii. Individuals having any other demat account/ s where they are not the first holder shall be eligible for BSDA in respect of the single demat account where they are sole or first holder.

iii. The individual shall have only one BSDA in his/her name across all depositories.

iv. Value of securities held in the demat account shall not exceed Rupees Two Lakhs at any point of time.

1.6.3 **Option to open BSDA :-** The DP shall give option:

i. To open BSDA to all eligible individuals who open a demat account after the date of applicability of this circular;

ii. To all the existing eligible individuals to convert their demat account into BSDA on the date of the next billing cycle based on value of holding of securities in the account as on the last day of previous billing cycle.

1.6.4 **Charges :**

i. The charge structure may be on a slab basis as indicated below:

a. No Annual Maintenance Charges (AMC) shall be levied, if the value of holding is upto Rs. 50,000.

b. For the value of holding from Rs 50,001 to Rs 200,000, AMC not exceeding Rs 100 may be charged.

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24 Reference: SMDRP/NSDL/4615 /2000 dated March 13, 2000

25 Reference Circular CIR/MRD/DP/22/2012 dated August 27, 2012 and Modified vide Circular CIR/MRD/DP/21/2014 dated July 01, 2014 and Circular CIR/MRD/DP/31/2014 dated November 12, 2014

ii. The value of holding shall be determined by the DPs on the basis of the daily closing price or NAV of the securities or units of mutual funds, as the case may be. Where such price is not available the last traded price may be taken into account and for unlisted securities other than units of mutual funds, face value may be taken in to account. The value of suspended securities may not be considered for the purpose of determining eligibility of demat account as BSDA.

iii. If the value of holding in such BSDA exceeds the prescribed criteria at any date, the DPs may levy charges as applicable to regular accounts (non BSDA) from that date onwards.

iv. The DPs shall reassess the eligibility of the BOs at the end of every billing cycle and give option to the BOs who are eligible to opt for BSDA.

1.6.5 Services for Basic Services Demat Accounts :

i. Transaction statements:

a. Transaction statements shall be sent to the BO at the end of each quarter. If there are no transactions in any quarter, no transaction statement may be sent for that quarter.

b. If there are no transactions and no security balance in an account, then no further transaction statement needs to be provided.

c. Transaction statement shall be required to be provided for the quarter in which the account became a zero balance account.

ii. Holding Statement:

a. DP shall send atleast one annual physical statement of holding to the stated address of the BO in respect of accounts with no transaction and nil balance even after the account has remained in such state for one year. The DP shall inform the BO that the dispatch of the physical statement may be discontinued if the account continues to remain zero balance even after one year.

b. One annual statement of holding shall be sent in respect of remaining accounts in physical or electronic form as opted for by the BO.

iii. Charges for statements: Electronic statements shall be provided free of cost. In case of physical statements, the DP shall provide at least two statements free of cost during the billing cycle. Additional physical statement may be charged at a fee not exceeding Rs.25/- per statement.

iv. All BOs opting for the facility of BSDA, shall register their mobile number for availing the SMS alert facility for debit transactions.

v. At least Two Delivery Instruction Slips (DIS) shall be issued at the time of account opening.

vi. All other conditions as applicable to regular demat accounts, other than the ones mentioned in this circular shall continue to apply to basic services demat account.

1.6.6 Rationalisation of services with respect to regular accounts.

In partial modification of the earlier directions, the following rationalisation measures shall be available for regular demat accounts:

i. Accounts with zero balance and nil transactions during the year: DP shall send atleast one annual physical statement of holding to the stated address of the BO in respect of accounts with no transaction and nil balance even after the account has remained in such state for one year. The DP shall inform the BO that if no Annual Maintenance Charge (AMC) is received by the DP, the dispatch of the physical statement may be discontinued for the account which continues to remain zero balance even after one year.

ii. Accounts which become zero balance during the year: For such accounts, no transaction statement may be sent for the duration when the balance remains nil. However, an annual statement of holding shall be sent to the BO.

iii. Accounts with credit balance: For accounts with credit balance but no transactions during the year, half yearly statement of holding for shall be sent to the BO.

1.7 *Change of Name in the Beneficial Owner (BO) Account*[26]

1.7.1 In order to simplify the procedure of change of name in individual Beneficial Owner's (BO) account, it has been decided that an individual BO may be allowed to change his/ her name, subject to the submission of following documents at the time of change of name of the individual in the BO account.

i. In case of change in name on account of marriage following documents shall be submitted:

a. Marriage Certificate or copy of Passport showing husband's name or publication of name change in official gazette.

ii. In case of change in name on account of reasons other than marriage

a. Publication of name change in official gazette.

iii. In case of change in father's name

a. Publication of name change in official gazette.

1.7.2 The Depository Participants (DPs) shall collect the self attested copies of above documents and maintain the same in their records after verifying with the original document.

1.8 *Fees/Charges to be paid by BO*

1.8.1 Account opening, custody and credit of securities[27]

With effect from February 1, 2005

i. No investor shall pay any charge towards opening of a Beneficial Owner (BO) Account except for statutory charges as applicable;

26 Reference Circular CIR/MRD/DP/27/2012 dated November 01, 2012

27 Reference Circular MRD/DoP /SE/Dep/Cir-4/2005 dated January 28, 2005

ii. No investor shall pay any charge for credit of securities into his/her BO account; and

iii. No custody charge shall be levied on any investor who is opening a BO account.

1.8.2 Account Closure[28]

No Account closure charges shall be levied on BO on the closure of any account.

1.8.3 Inter Depository Transfer[29]

Inter-depository transfer of shares does not attract Stamp duty and it does not require compliance with section 108 of the Companies Act 1956.

1.8.4 Transfer of a BO Account[30]

With effect from January 09, 2006

No charges shall be levied by a depository on any DP and by a DP on any BO when the BO transfers all the securities lying in his account to another branch of the same DP or to another DP under the same depository or another depository, provided the BO Account(s) at transferee DP and at transferor DP are one and the same, i.e. identical in all respects. In case the BO Account at transferor DP is a joint account, the BO Account at transferee DP should also be a joint account in the same sequence of ownership.

1.8.5 Account Maintenance Charges collected upfront on annual/ half yearly basis on demat accounts[31]

i. In the event of closing of the demat account or shifting of the demat account from one DP to another, the AMC collected upfront on annual/half yearly basis by the DP, shall be refunded by the DP to the BO for the balance of the quarter/s. For instance, in case annual AMC has been paid by the BO and if the BO closes/shifts his account in the first quarter, he shall be refunded the amount of the balance 3 quarters i.e. 3/4th of the AMC. Likewise, if a BO closes/ shifts his account in the third quarter, he shall be refunded the amount for the balance one quarter i.e. 1/4th of the AMC.

ii. For the purpose of the above requirement the year shall begin from the date of opening of the account in quarterly rests.

iii. The above requirements shall be applicable to all existing and new accounts held with DPs which collect annual/ half yearly upfront AMC. It is clarified that the above requirements shall not be applicable to those DPs who collect quarterly/ monthly AMC.

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28 Reference Circular D&CC/FITTC/CIR - 12/2002 dated October 30, 2002

29 Reference Circular SMDRP/Policy/Cir-29/99 dated August 23, 1999

30 Reference Circular MRD/DoP/Dep/Cir-22 /05 dated November 9, 2005

31 Reference Circular MRD/DP/20/2010 dated July 1, 2010

1.8.6 Dissemination of tariff/charge structure of DPs on the website of depositories[32]

i. DPs shall submit to their depository the tariff/charge structure every year, latest by 30th April, and also inform the depository the changes in their tariff/charge structure as and when they are effected with a view to enabling the BOs to have a comparative analysis of the tariff/charge structure of various DPs.

ii. For this purpose depositories shall put in place necessary systems and procedures including formats, periodicity, etc. for collection of necessary data from the DPs and dissemination of the same on their website which would enable the investors to have a comparative analysis of the tariff/charge structure of various DPs.

1.9 ***Safeguards to address the concerns of the investors on transfer of securities in dematerialized mode***[33]

Following safeguards shall be put in place to address the concerns of the investors arising out of transfer of securities from the BO Accounts:

i. The depositories shall give more emphasis on investor education particularly with regard to careful preservation of Delivery Instruction Slip (DIS) by the BOs. The Depositories may advise the BOs not to leave "blank or signed" DIS with the Depository Participants (DPs) or any other person/ entity.

ii. The DPs shall not accept pre-signed DIS with blank columns from the BO(s).

iii. If the DIS booklet is lost / stolen / not traceable by the BO, then the BO shall immediately intimate the DP in writing about the loss. On receipt of such intimation, the DP shall cancel the unused DIS of the said booklet.

iv. The DPs shall not issue more than 10 loose DIS to one accountholder in a financial year (April to March). The loose DIS can be issued only if the BO(s) come in person and sign the loose DIS in the presence of an authorised DP official

v. The DP shall also ensure that a new DIS booklet is issued only on the strength of the DIS instruction request slip (contained in the previous booklet) duly complete in all respects, unless the request for fresh booklet is due to loss, etc., as referred to in clause (c) above

vi. The DPs shall put in place appropriate checks and balances with regard to verification of signatures of the BOs while processing the DIS.

vii. The DPs shall cross check with the BOs under exceptional circumstances before acting upon the DIS.

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32 Reference Circular MRD/Dep/Cir- 20/06 dated December 11, 2006

33 Reference Circular SEBI/MRD/Dep/Cir-03/2007 dated February 13, 2007 and Circular SEBI/ MRD/Dep/Cir-03/2008 dated February 28, 2008

viii. The DPs shall mandatorily verify with a BO before acting upon the DIS, in case of an account which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months, whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time. However, in case of active accounts, such verification may be mandatory only if the BO account has 5 or more ISINs and all such ISIN balances are transferred at a time. The authorized official of the DP verifying such transactions with the BO, shall record the details of the process, date, time, etc., of the verification on the instruction slip under his signature.

1.10 ***Delivery Instruction Slip (DIS) Issuance and Processing***[34]

Standardization of DIS

i. Depositories shall ensure that the DIS is standardized across all DPs in terms of:

   a. Serial Numbering of Delivery Instruction Slips so as to enable system level checks by the depositories.

   b. Layout and size of DIS so as to facilitate scanning and easy retrievability of records

ii. The DIS must bear a pre-printed serial number, DP ID, and a pre-printed/pre stamped Beneficial Owner (BO) ID. The depositories shall prescribe a standard method of serial numbering and ensure that serial numbers issued by a DP are unique within the DP-ID.

iii. DPs shall ensure that

   a. same DIS shall not be used for giving both market and off-market instructions

   b. a single DIS shall not be used for transactions with multiple execution dates.

Monitoring of DIS

iv. Upon issuance of DIS booklets or loose slips to BO, the DPs shall make available immediately the following details of the DIS to the depository system electronically:

   a. the DIS serial number

   b. BO ID

   c. date of issuance, and

   d. any other relevant details as decided by the depository

v. At the time of execution of DIS, DPs shall enter the serial number of DIS in the depository system for validation. The depositories shall make provisions in their systems to facilitate the same.

vi. In respect of all the transfer instructions on a DIS, Depositories shall validate the serial number of DIS and shall ensure that no instructions accompanied by a used DIS or unissued DIS are processed.

34 Circular SEBI/MRD/DOP/01/2014 dated January 07, 2014

Scanning of DIS

vii. DPs shall scan every DIS executed during a day along with all Annexures/ Computer printouts, if any, by the end of the next working day in the manner specified by the depository.

viii. The depositories shall ensure that their DPs have adequate infrastructure, systems and processes to implement scanning, storage and transfer of the scanned DIS in the manner specified by the depositories.

ix. The depositories shall ensure that the systems set up by the DPs maintain proper records of all scanned DIS images including audit trails for changes made, if any and put in place adequate checks and procedures to prevent unauthorized changes to scanned DIS.

x. Depositories shall utilize the archived scanned images for off-site inspection.

xi. Provisions of this circular shall not be applicable for the instructions received from the clients by the DPs electronically in a manner approved by the Depository.

xii. Once a new DIS booklet is issued to a BO as per provisions of this circular, old DIS issued to such a BO shall not be accepted by the DP. A period of one month may be given for receipt of DIS by the BOs. The DPs may accept old DIS during this transit period.[35] All DIS issued prior to this circular shall be phased out within a period of 2 years from the date of this circular. The measures listed above under the head 'Monitoring of DIS' shall be made applicable to the DIS issued as per the provisions of this circular.

1.11 ***Transmission of shares***[36, 37]

1.11.1 In cases of transmission of shares of a deceased security holder, where the shareholding in the BO account of the deceased member, as calculated on the date of application for transmission, is within the threshold limit of Rupees Five lakh in value, the DPs shall not insist on additional documents other than any one or more of the documents mentioned below.

i. Affidavit - to the effect of the claim of legal ownership of the shares

ii. Deed of indemnity - indemnifying the depository and DP

iii. NOC from other legal heir(s), wherever applicable, along with the Claim Form/TRF and copy of death certificate duly notarized/ attested by a Gazetted officer or Family Settlement Deed as an alternate to the NOC duly executed by all the legal heirs of the deceased Beneficial Owner, provided that:

a. The Family Settlement Deed clearly vests the securities in favour of the person seeking transmission in his/ her name.

35 Reference: CIR/MRD/DP/22/2014 dated July 04, 2014

36 Reference: MRD/DoP/Dep/VM/182963/2009 dated November 12, 2009

37 Reference: CIR/MIRSD/10/2013 dated October 28, 2013

b. Vesting of securities in favour of the person seeking transmission in his/ her name is not contingent upon any other onerous conditions in such Family Settlement Deed.

Note: If the division of shares as per the Family Settlement Deed is amongst more than one person, then the Family Settlement Deed can be considered as an NOC for transmission of shares to each legal heirs applying for transmission. However, if DPs still have problems in comprehending the contents of the Family Settlement Deed, they should refer the matter to Depositories for necessary advice on case-to-case basis.

1.11.2 DP(s) shall automatically open new account in the name of the surviving members(s), in the same order as in the original account, on an application by the surviving member(s) based on existing documents required as per the KYC norms. Submission of new account opening form shall not be insisted upon.

1.11.3 A uniform time frame of 7 days, after receipt of all requisite documents, shall be prescribed for processing of Transmission requests.

1.11.4 In case of multiple successors, NOC of non-applicants shall be recorded on the TRF of the applicant instead of insisting separate TRF from each of the successors.

1.11.5 Nomination facility shall be encouraged by the Depositories specifically targeting BOs who have not opted for nomination. As regards new accounts, it shall be provided for at the account opening stage itself. In case the person (both an existing and new account holder) is not interested to nominate, then such person would have to give a positive declaration to that effect.

1.11.6 In case of transmission of securities held in physical mode:

i. Where the securities are held in single name with a nominee, STAs/issuer companies shall follow the standardized documentary requirement as given in Annexure A.

ii. Where the securities are held in single name without a nominee, the STAs/issuer companies shall follow, in the normal course, the simplified documentation as given in Annexure A, for a threshold limit of v 2,00,000 (Rupees Two lakh only) per issuer company. However, the Issuer companies, at their discretion, may enhance the value of such securities.

1.11.7 The timeline for processing the transmission requests for securities held in dematerialized mode and physical mode shall be 7 days and 21 days respectively, after receipt of the prescribed documents.

1.11.8 To improve the awareness of nomination facility, all Registrars to an Issue and Share Transfer Agents shall publicize nomination as an additional right available to investors, while sending communications to the investors.

ANNEXURE A

Documentary requirement for securities held in physical mode

1 For securities held in single name with a nominee:

i. Duly signed transmission request form by the nominee.

ii. Original or Copy of death certificate duly attested by a Notary Public or by a Gazetted Officer.

iii. Self attested copy of PAN card of the nominee. (Copy of PAN card may be substituted with ID proof in case of residents of Sikkim after collecting address proof)

2 For securities held in single name without a nominee, following additional documents may be sought:

i. Affidavit made on appropriate non judicial stamp paper - to the effect of identification and claim of legal ownership to the securities

ii. For value of securities upto Rs. 2,00,000 (Rupees Two lakh only) per issuer company as on date of application, one or more of the following documents:

a. No objection certificate [NOC] from all legal heir(s) who do not object to such transmission (or) copy of Family Settlement Deed duly notarized or attested by a Gazetted Officer and executed by all the legal heirs of the deceased holder.

b. Indemnity made on appropriate non judicial stamp paper - indemnifying the STA/Issuer Company.

iii. For value of securities more than v 2,00,000 (Rupees Two lakh only) per issuer company as on date of application:

a. Succession certificate (or) Probate of will (or) Letter of Administration (or) Court decree.

1.12 ***SMS alerts for demat accounts operated by Power of Attorney***[38]

Subscription to SMS Alert facility for depository accounts operated through Power of Attorney (POA) would be mandatory except in case of accounts held by non-individuals, foreign nationals, and NRIs.

1.13 ***Exemption from sending quarterly statements of transactions by depository participants (DPs) to clients in respect of demat accounts with no transactions and no security balances***[39]

i. SEBI has provided exemption to Depository Participants from sending quarterly transaction statements to the clients in respect of demat accounts with no transactions and no security balances subject to the following conditions:

a. Client is informed in advance that it will not be receiving Transaction Statements for such accounts till there are any transactions or security holdings in the demat account.

38 Reference: SEBI/MRD/DEP/VM/169784 /09 dated July 15, 2009

39 Reference: MRD/CDSL/VM/155773/2009 dated February 27, 2009, MRD/DoP/NSDL/VM/168994 /2009 dated July 07, 2009 and MRD/CDSL/VM/168989 /2009 dated July 07, 2009

b. KYC and PAN requirement in respect of all such depository accounts are complied.

c. No Annual Maintenance Charges are levied for such an account.

d. Information which is required to be disseminated by Participants by way of a note in the Transaction Statements will be required to be communicated to such Clients separately.

e. The Internal Auditor of the Participant shall comment in its internal audit report on compliance of the aforesaid requirements.

i. Further, depository may like to consider whether, DPs should send a consolidated Transaction Statements for the entire financial year in case of the BOs to whom quarterly Transaction Statements are not sent.

1.14 Discontinuation of sending transaction statements by depository participants to clients[40]

SEBI allowed discontinuation of sending transaction statements by depository participants to clients subject to the following conditions:

i. Transaction statements were returned undelivered on three consecutive occasions.

ii. The depository participant (DP) maintains proof that the transaction statements were returned undelivered.

iii. The transaction statements were returned undelivered for the reasons which clearly establish that the client no longer resides at the given address (i.e. party shifted, etc.) and not for other reasons (i.e. residence/ office closed, address incorrect, address incomplete, etc.).

iv. The DP informs such clients through alternative means (such as outbound call, SMS or email) that their transaction statements are returned undelivered and they need to communicate the proper (new) address.

v. The DP ensures that on receipt of request for address modification from the client as per the stipulated procedure, the dispatch of transaction statements is immediately started. Further, the DP ensures that transaction statements that were not delivered and dispatched due to discontinuation are also dispatched immediately without any additional cost to the clients.

40 Reference: MRD/NSDL/VM/158886 /2009 dated March 30, 2009

1.15 ***Exemption to Depository Participants (DPs) from providing hard copies of transaction statements to BOs***[41]

DPs are permitted to provide transaction statements and other documents to the BOs under Digital signature, as governed under the Information Technology Act, 2000, subject to the DP entering into a legally enforceable arrangement with the BO for the said purpose. While such practice in the aforesaid manner shall be deemed to be in compliance of the provisions of the Regulation 43 of SEBI (Depositories & Participants) Regulations, 1996; if the BO is still desirous of receiving statements in hard copy, DPs shall be duty bound to provide the same.

1.16 ***Transfer of funds and securities from Clearing Member pool account to BO Account***[42]

i. Clearing members shall transfer the funds and securities from their respective pool account to the respective beneficiary account of their clients within 1 working day after the pay-out day. The securities lying in the pool account beyond the stipulated period shall attract a penalty at the rate of 6 basis point per week on the value of securities. The penalty so collected by the depositories shall be credited to a separate account with the depository and earmarked for defraying the expenses in connection with the investors' education and awareness programs conducted by the depository.

ii. The securities lying in the pool account beyond the above period shall not be eligible either for delivery in the subsequent settlement(s) or for pledging or stock lending purpose, until the same are credited to the beneficiary accounts.

iii. The securities lying in the Clearing member's pool account beyond the specified time period shall be identified based on the settlement number. The clearing corporation/houses of the stock exchanges shall provide the settlement-wise details of securities to the depositories and the depositories shall maintain the settlement-wise records for the purpose.

iv. Further, stock exchanges shall execute direct delivery of securities to the investors. Clearing corporation/clearing house (CC/CH) shall ascertain from each clearing member, the beneficial account details of their respective clients due to receive pay out of securities. Based on this, the CC/CH shall send pay out instructions to the depositories so that the client receives pay out of securities directly to the extent of instructions received from the respective clearing members. To the extent of instruction not received, the securities shall be credited to the CM pool account.

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41 Reference Circular MRD/DoP/Dep/Cir-27/2004 dated August 16, 2004

42 Reference Circular SMDRP/Policy/Cir-05/2001 dated February 1, 2001 & Circular SEBI/MRD/Policy/AT/Cir-19/2004 dated April 21, 2004

1.17 ***Consolidated Account Statement (CAS) for all securities assets***[43]

i. Pursuant to the Interim Budget announcement in 2014 to create one record for all financial assets of every individual, it has been decided to enable a single consolidated view of all the investments of an investor in Mutual Funds (MF) and securities held in demat form with the Depositories.

ii. The Depositories and the Asset Management Companies (AMCs)/ MF-RTAs shall put in place systems to facilitate generation and dispatch of single Consolidated Account Statements (CAS) for investors having MF investments and holding demat accounts. AMCs/ RTAs shall share the requisite information with the Depositories on monthly basis to enable generation of CAS.

iii. Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be PAN of the first holder and pattern of holding. Based on the PANs provided by the AMCs/MF-RTAs, the Depositories shall match their PAN database to determine the common PANs and allocate the PANs among themselves for the purpose of sending CAS. For PANs which are common between depositories and AMCs, the Depositories shall send the CAS. In other cases (i.e. PANs with no demat account and only MF units holding), the AMCs/ MF-RTAs shall continue to send the CAS to their unit holders as is being done presently in compliance with the Regulation 36(4) of the SEBI (Mutual Funds) Regulations.

iv. In case investors have multiple accounts across the two depositories, the depository having the demat account which has been opened earlier shall be the default depository which will consolidate details across depositories and MF investments and dispatch the CAS to the investor. However, option shall be given to the demat account holder by the default depository to choose the depository through which the investor wishes to receive the CAS.

v. The CAS shall be generated on a monthly basis. The AMCs / MF-RTAs shall provide the data with respect to the common PANs to the depositories within three days from the month end. The depositories shall then consolidate and dispatch the CAS within ten days from the month end.

vi. Where statements are presently being dispatched by email either by the Mutual Funds or by the Depositories, CAS shall be sent through email. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered in the Depository system.

43 Circular CIR/MRD/DP/31/2014 dated November 12, 2014

vii. A proper grievance redressal mechanism shall be put in place by the depositories and the AMCs/MF-RTAs which shall also be communicated to the investors through CAS. AMCs/MF-RTAs would be accountable for the authenticity of the information provided through CAS in respect of MF investments and timely sharing of such information with Depositories. The Depositories would be responsible for the timely dispatch of CAS to the investors serviced by them and the demat account information.

viii. The depositories and the AMCs/ MF-RTAs shall ensure data integrity and confidentiality in respect of the shared information. The depositories shall utilise the shared data only for the purpose of providing CAS and shall not share the same with their Depository Participants. Where Depositories are required to share such information with unregulated entities like third party printers, the depositories shall enter into necessary data confidentiality agreements with them.

ix. The CAS shall be implemented from the month of March 2015 with respect to the transactions carried out during the month of February 2015.

x. If an investor does not wish to receive CAS, an option shall be given to the investor to indicate negative consent. Depositories shall accordingly inform investors in their statements from the month of January 2015 about the facility of CAS and give them information on how to opt out of the facility if they do not wish to avail it.

xi. Where such an option is exercised, the concerned depository shall inform the AMC/MF-RTA accordingly and the data with respect to the said investor shall not be shared by the AMC/ MF-RTA with the depository.

xii. If there is any transaction in any of the demat accounts of the investor or in any of his mutual fund folios, then CAS shall be sent to that investor on monthly basis. In case there is no transaction in any of the mutual fund folios and demat accounts then CAS with holding details shall be sent to the investor on half yearly basis. However, in case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the requirement to send physical statement shall be applicable as specified at para 1.6.5 and 1.6.6 of this chapter.

xiii. Further, the holding statement dispatched by the DPs to their BOs with respect to the dormant demat accounts with balances shall also be dispatched half-yearly.

xiv. The dispatch of CAS by the depositories to BOs would constitute compliance by the Depository Participants with requirement under Regulation 43 of SEBI (Depositories and Participants) Regulations, to provide statements of account to the BOs as also compliance by the MFs with the requirement under Regulation 36(4) of SEBI (Mutual Funds) Regulations.

SECTION - 2 : Depository Participants Related

2.1 ***Supervision of branches of DPs***[44]

i. To ensure compliance with Regulation 46 of the SEBI (Depositories and Participants) Regulations, 1996, and Clause 19 of the Code of Conduct for Participants contained in the Third Schedule to the Regulations the DP shall ensure that it has satisfactory internal control procedure in place, inclusive of their branch offices. DPs are therefore required in terms of these provisions to put in place appropriate mechanisms to ensure that their branches are carrying on the operations in compliance with the applicable regulations, bye-laws, etc. DPs are also required to put in place suitable internal control systems to ensure that all branches exercise due diligence in opening accounts, complying with KYC requirements, in ensuring systems safety in complying with client instructions, manner of uploading client instructions, in verifying signatures and maintaining client records, etc. DPs shall also ensure that the branches are suitably integrated.

ii. Depositories shall examine the adequacy of the above mechanisms during their inspections of DPs. The Depositories shall also carry out surprise inspections/ checks of the DP branches apart from the regular inspection of the DPs. Depositories shall also put in place appropriate mechanisms for monitoring opening of branches by DPs.

2.2 ***Printing of Grievances Redressal Mechanism on Delivery Instruction Form Book***[45]

i. To promote investor awareness regarding mechanism for redressing investor grievances, the information placed below shall be printed on the inside back cover of the Delivery Instruction Form (DIF) Book issued by all Depository Participants.

In case you have grievances against a listed company or intermediary registered with SEBI, you should first approach the concerned company or intermediary against whom you have grievance. If you are not satisfied with their response, you may approach SEBI or other regulatory bodies. You can approach SEBI for following type of grievances.

44 Reference Circular MIRSD/DPS-III/Cir-9/07 dated July 3, 2007

45 Reference Circular No. SEBI/MRD/DP/25/2012 dated September 21, 2012

	Listed Companies • Refund / Allotment/ Bonus/ Dividend/ Rights/ Redemption/ Interest • Prelisting offer documents (shares) • Prelisting offer documents (debentures and bonds) • Delisting of Securities • Buyback of Securities • Takeover and Restructuring • Corporate Governance and Listing conditions	**Brokers and stock exchanges** • Stock Brokers • Sub brokers • Portfolio managers • Stock exchanges
	Registrar and Transfer Agents Mutual Funds Depository and Depository Participants Information to SEBI: • Price Manipulation • Insider trading	Other entities Collective Investment Schemes Debenture Trustees Merchant Bankers Bankers to Issue Credit Rating Agencies Custodian of Securities Foreign Institutional Investors Underwriters Venture Capital Funds KYC Registration Agency(KRA) Alternative Investment Fund
	You can file your complaints online at http://scores.gov.in or alternately send your complaints to Office of Investor Assistance and Education of SEBI at Mumbai or Regional Offices at the following addresses:	
	Address of SEBI Offices	
	• Office of Investor Assistance and Education, SEBI Bhavan, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 Tel: 022-26449188 / 26449199 (http://scores.gov.in)	
	• SEBI, Northern Regional Office, 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi -110001 Tel: 011-23724001-05 (sebinro@sebi.gov.in)	
	• SEBI, Eastern Regional Office, L&T Chambers, 3rd Floor, 16, Camac Street, Kolkata - 700 016 Tel: 033-23023000. (sebiero@sebi.gov.in)	
	• SEBI, Southern Regional Office, 7th Floor, Overseas Towers, 756-L, Anna Salai Chennai 600 0102 □ Tel: 044-24674000/ 24674150 (sebisro@sebi.gov.in)	
	• SEBI, Ahmedabad Regional Office, Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge Ashram Road, Ahmedabad - 380 009 Tel : 079-26583633-35 (sebiaro@sebi.gov.in)	
	For more information visit our website - http://scores.gov.in	

SECTION -3 : Issuer Related

3.1 ***Charges paid by Issuers***[46, 47]

i. With effect from April 27, 2011 depositories may levy and collect the charges towards custody from the issuers, on the basis of average no. of folios (ISIN position) during the previous financial year, as per the details given below:

ii. Issuers to pay @ Rs.8.00 (*) per folio (ISIN position) in the respective depositories, subject to a minimum as mentioned below:

Nominal value of admitted securities (Rs.)	*Annual Custodial Fee payable by a Issuer to each Depository (Rs.) (*)*
Upto 5 crore	6,000
Above 5 crore and upto 10 crore	15,000
Above 10 crore and upto 20 crore	30,000
Above 20 crore	50,000

* Plus service tax as applicable

iii. The average no. of folios (ISIN positions) for an Issuer may be arrived at by dividing the total number of folios for the entire financial year by the total number of working days in the said financial year.

iv. If the issuer fails to make the payment, Depositories may charge penal interest subject to a maximum of 12% per annum.

3.2 ***Activation of ISIN in case of IPO and additional issue of shares/ securities***

i. Depositories shall activate the ISINs only on the date of commencement of trading on the stock exchanges in case of IPOs for both the equity and debt securities.[48]

ii. Further, in order to curtail the transfer of additional issue of shares/ securities including by way of further public offerings, rights issue, preferential allotment, bonus issue etc of the listed company, prior to receipt of final listing / trading approval, the depositories shall devise a mechanism so that such new securities created shall be frozen till the time final listing/ trading permission is granted by the exchange.[49]

iii. In order to achieve the above, the Depositories are advised to allot such additional shares/securities under a new temporary ISIN which shall be kept frozen. Upon receipt of the final listing/ trading permission from the exchange for such additional shares/ securities, the shares/securities credited in the new temporary ISIN shall be debited and the same would get credited in the preexisting ISIN for the said security. Thereafter, the additional securities shall be available for trading.

iv. The stock exchanges are advised to provide the details to the depositories whenever final listing / trading permission is given to securities. Further, in case of issuance of equity shares by a company, listed on multiple stock exchanges, the concerned stock exchanges shall synchronize their effective dates of listing / trading approvals and intimate the same to depositories in advance.[34]

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46 Reference Circular MRD/DoP/SE/Dep/Cir-2/2009 dated February 10, 2009 and Circular SEBI/MRD/SE/DEP/Cir-4/2005 dated January 28, 2005

47 Reference Circular CIR/MRD/ DP/05/2011 dated April 27, 2011

48 Reference Circular SEBI/MRD/DEP/Cir-2/06 dated January 19, 2006 and Circular CIR/MRD/ DP/ 21 /2012 dated August 02, 2012

49 Reference Circular CIR/MRD/DP/24/2012 dated September 11, 2012

3.3 ***Registrar and Share Transfer Agent***

3.3.1 Appointment of a single agency for share registry work[50]

All work related to share registry pertaining in terms of both physical and electronic shares shall be maintained at a single point i.e. either in-house by the company or by a SEBI registered Registrar and Transfer Agent.

3.3.2 Inter-Depository transfers[51]

In case of inter-Depository transfers of securities, the Registrars shall communicate the confirmation of such transfers within two hours, failing which such transfers shall be deemed to have been confirmed. The Registrars shall not reject inter-Depository transfers except where

i. A Depository does not have adequate balance of securities in its account or

ii. there is mismatch of transfer requests from the Depositories.

3.3.3 Common Registrars and Share Transfer agents[52]

Every company shall appoint the same Registrars and Share Transfer agents for both the depositories.

3.3.4 Dematerialisation requests[51, 53]

i. Registrars and Share Transfer agents shall accept partial dematerialisation requests and will not reject or return the entire dematerialization request where only a part of the request had to be rejected. In cases where a DP has already sent information about dematerialisation electronically to a Registrar but physical shares have not yet been delivered, the Registrar shall accept the demat request and carry out dematerialization on an indemnity given by the DP and proof of dispatch of document given by DP.

ii. It is clarified that the above provision shall be applicable to all the securities like scrips, bonds, debentures, debenture stock or other marketable securities eligible to be held in dematerialised form in a depository as defined in Regulation 28 of the SEBl (Depository and Participants) Regulations, 1996.

3.4 ***Mandatory admission of debt instruments on both the Depositories*** [54]

Debt instruments shall necessarily be admitted on both the Depositories.

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50 Reference Circular D&CC/FITTC/Cir-15/2002 dated December 27, 2002

51 Reference Circular no. SMDRP/Policy/Cir-28/99 dated August 23, 1999

52 Reference Circular SMDRP/Policy/Cir-28/99 dated August 23, 1999

53 Reference: D&CC/ 1099 / 2002 dated November 01, 2002

54 Reference Circular D&CC/FITTC/Cir-13/2002 dated November 1, 2002 and Circular MRD/DoP/SE/Dep/Cir-36/04 dated October 27, 2004

3.5 ***American Depository Receipts (ADRs)/Global Depository Receipts (GDRs)***

3.5.1 Delivery of underlying shares of GDRs/ADRs in dematerialised form [55]

Underlying shares of GDRs/ADRs shall be compulsorily delivered in dematerialised form. Pursuant to RBI directions in this regard, a non-resident holder of ADRs/GDRs issued by a company registered in India, on surrender of such ADRs/GDRs, can acquire the underlying shares when such shares are released by the Indian Custodian of the ADR/GDR issue. Further, the company whose shares are so released, or a Depository shall enter in the register or books, wherein such securities are registered or inscribed, an address outside India of the non-resident holder of shares.

3.5.2 Tracking of underlying shares of GDRs/ADRs[56]

To ensure easy tracking of the underlying shares released on conversion of the "depositories receipts" all such shares shall be credited to a separate Depository Receipts (DRs) account of the respective investor. In this regard, Depositories shall ensure that the following information is provided to the domestic custodian holding the underlying shares on a regular basis:

i. Total number of shares at the beginning of the month

ii. Number of shares transferred into the account (credited) during the month

iii. Number of shares transferred out of the account (debited) during the month.

iv. Balance at the end of the month.

This service can be availed of only by foreign investors other than the OCBs.

3.6 ***Electronic Clearing System (ECS) facility***

3.6.1 Use of ECS for refund in public/ rights issues.[57]

For locations where facility of refund through ECS is available details of applicants shall be taken directly from the database of the depositories in respect of issues made completely in dematerialised form. Accordingly, DPs shall maintain and update on real time basis the MICR (Magnetic Ink Character Recognition) code of Bank branch of BOs and other bank details of the applicants in the database of depositories. This is to ensure that the refunds through ECS are made in a smooth manner and that there are no failed/wrong credits.

3.6.2 Updation of bank accounts details, MICR code and IFSC of bank branches by Depository Participants (DPs)[58]

i. It has been informed by RBI that they have been receiving complaints from managers to the issues that the funds routed through the electronic mode are getting returned by destination banks because of incorrect or old account numbers provided by beneficiary account holders.

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55 Reference Circular SMDRP/Policy/Cir-9/99 dated May 6, 1999

56 Reference Circular D&CC/FITTC/Cir-09/2002 dated July 4, 2002 and Circular D&CC/FITTC/Cir-10/2002 dated September 25, 2002

57 Reference Circular SEBI/MRD/DEP/Cir-3/06 dated February 21, 2006 and circular SEBI/CFD/DIL/DIP/29/2008/01/02 dated February 1, 2008

58 Reference: MRD/DEP/PP/123624 /2008 dated April 23, 2008

ii. RBI has stated that Investors will have to ensure through their DPs that bank account particulars are updated in master record periodically, to ensure that their refunds, dividend payments etc. reach the correct account, without loss of time. RBI has also suggested incorporation of Indian Financial System Code (IFSC) of customer's bank branches apart from 9 digit MICR code; since IFSC of bank's branches is used for remittance through National Electronic Funds Transfer (NEFT).

iii. It is advised that necessary action be taken in this matter to ensure that correct account particulars of investors are available in the database of depositories.

3.6.3 Usage of electronic payment modes for making cash payments to the investors[59]

i. For making cash payments to the investors, companies whose securities are listed on the stock exchanges shall use, either directly or through their Registrars to an Issue and Share Transfer Agent (RTI & STA), any RBI (Reserve Bank of India) approved electronic mode of payment such as Electronic Clearing Services (ECS) [LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS)], National Electronic Fund Transfer (NEFT), etc.

ii. In order to enable usage of electronic payment instruments, companies whose securities are listed on the stock exchanges (or their RTI & STA) shall maintain requisite bank details of their investors -

a. For investors that hold securities in demat mode, companies or their RTI & STA shall seek relevant bank details from the depositories. To this end, vide circular SEBI/MRD/DEP/Cir-3/06 dated February 21, 2006 and letter MRD/DEP/PP/123624/2008 dated April 23, 2008, depositories have been advised to ensure that correct account particulars of investors are available in the database of depositories.

b. For investors that hold physical share / debenture certificates, companies or their RTI & STA shall take necessary steps to maintain updated bank details of the investors at its end.

iii. In cases where either the bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, companies or their RTI & STA may use physical payment instruments for making cash payments to the investors. Companies shall mandatorily print the bank account details of the investors on such payment instruments.

iv. Depositories are directed to provide to companies (or to their RTI & STA) updated bank details of their investors.

59 Reference Circular CIR/MRD/DP/10/2013 dated March 21, 2013

3.7 ***Withdrawal by issuers from the depository***[60]

i. As regards voluntary withdrawal by issuers from the depository, it is informed that listed companies may not be allowed to withdraw from the depository system unless they delist their securities from the stock exchanges.

ii. As regards companies under liquidation are concerned, it is informed that deactivation of the ISIN may be only done in cases where companies have been liquidated. In other cases where companies are being liquidated, deactivation of ISIN resulting in total freezing may not be desirable as it will disallow investors to hold shares in dematerialized form

3.8 ***Further issue of shares under Section 86 of Companies Act and Companies (Issue of Share capital with Differential Voting Rights) Rules, 2001***[61]

In all cases of shares issued by companies under Section 86 (a) (ii) of Companies Act and Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, separate ISIN may be allotted to differentiate such shares from ordinary shares.

SECTION - 4 : Depositories Related

4.1 ***Activity schedule for depositories for T+2 rolling Settlement***[62]

i. The activity schedule for T+2 Rolling Settlement is as under:

Sr. No.	Day	Time	Description of activity
1	T		Trade Day
2	T+1	By 1.00 pm	Completion of custodial confirmation of trades to CC/CH. (There is no separate extended time limit for late confirmations).
		By 2.30 pm	Completion of process and download obligation files to brokers/ custodians by the CC/CH.
2	T+2	By 11.00 am	Pay-in of securities and funds.
		By 1.30 pm	Pay-out of securities and funds.

ii. All Depositories shall adhere to the aforementioned activity schedule to implement T+2 rolling settlement. DPs shall adhere to the designated activities within the prescribed time limits as under:

b. DPs shall accept instructions for pay-in of securities from clients in the physical form atleast upto 4 p.m. and in electronic form atleast upto 6 p.m. on T+1.

c. DPs shall complete execution of pay-in instructions latest by 10:30 a. m. on T+2.

60 Reference: MRD/DoP/NSDL/VM/ 162378 /2009 dated May 06, 2009

61 Reference: MRD/DoP/MC/141442 /2008 dated October 17, 2008

62 Reference Circular DCC/FITTC/Cir-19/2003 dated March 4, 2003 and Circular MRD/DoP/SE/Dep/Cir-18/2005 dated September 2, 2005

d. Depositories shall download the processed pay-in files to the Exchange / Clearing House / Clearing Corporation latest by 11:00 a.m. on T+2.

e. Pay-out of securities by the Exchange / Clearing House / Clearing Corporation to the Depositories shall be executed by 1:30 p.m. on T+2.

f. Pay-out of securities shall be completed by the Depositories by 2:00 p.m. on T+2.

iii. All instructions received by the DPs shall have an execution date, which may be either a current date or a future date. Instructions shall be valid till the pay-in deadline or till 'end of day' (EOD) of the execution date, whichever is earlier. DPs shall ensure that the validity period of instructions is brought to the notice of the client while accepting the instructions. In case the client account does not have sufficient balance before pay-in deadline or till EOD, such instructions shall fail.

4.2 ***Settlement of transactions in case of holidays***[63]

Due to lack of uniformity of holidays and force majeure conditions which necessitate sudden closure of one or more Stock Exchanges and banks in a particular state, result in situations where multiple settlements have to be completed by the Stock Exchanges on the working day immediately following the day(s) of the closure of the banks. Accordingly the Stock Exchanges/Depositories are advised to follow the guidelines and adhere to the time line.

i. The Stock Exchanges shall clear and settle the trades on a sequential basis i.e., the pay-in and the pay-out of the first settlement shall be completed before the commencement of the pay-in and pay-out of the subsequent settlement/ s.

ii. The cash/securities pay out from the first settlement shall be made available to the member for meeting his pay-in obligations for the subsequent settlement/ s.

iii. Further, in-order to meet his pay-in obligations for the subsequent settlement, the member may need to move securities from one depository to another. The Depositories shall, therefore, facilitate the inter-depository transfers within one hour and before pay-in for the subsequent settlement begins.

iv. The Stock Exchanges/Depositories shall follow a strict time schedule to ensure that the settlements are completed on the same day.

v. The Clearing Corporation/Clearing House of the Stock Exchanges shall execute Auto DO facility for all the settlements together, so as to make the funds and the securities available with the member on the same day for all the settlements, thereby enabling the availability of the funds/securities at the client level by the end of the same day.

63 Reference Circular SEBI/MRD/Policy/AT/Cir- 19/2004 dated April 21, 2004

4.3 ***Deadline time for accepting non pay-in related instructions***[64]

i. The depositories are advised that any overrun of the time specified for 'spot delivery contract' in the SCRA would result in the contract becoming illegal under section 16 of the SCRA (unless it is put through the stock exchange). The DP-BO agreement cannot add anything to or subtract anything from this position. However, it should be the responsibility of the DP to ensure that the client's contract is not rendered illegal on account of delayed execution of the delivery instruction.

ii. Keeping the hardships to change all the existing DP-BO agreements to enforce the above into consideration, it is advised that suitable bye laws can be made under section 26(2)(e) and (d) of Depositories Act, 1996 for imposing such obligation on the DPs. Therefore, it is advised to amend/ insert bye laws which should expressly provide that the DPs shall execute the non pay-in related instructions on the same day or on the next day of the instruction. Further, pending such amendment, suitable instructions may be issued to DPs to adhere to such time limit.

iii. The above clause may be suitably incorporated in the DP-BO agreement while opening new accounts.

4.4 ***Approval of amendments to Bye Laws / Rules of Stock Exchanges and Depositories***[65]

i. Depositories and exchanges shall submit the following information while seeking SEBI approval for amendment to Bye Laws/ Rules/ Regulations and amendments thereto:

a. The objective/purpose of amendments.

b. Whether the amendment is consequential to any directive/circulars/ guidelines from SEBI/ Government and the details thereof.

c. Whether such amendments necessitate any consequential amendments to any other Bye Laws/ Rules/ Regulations.

d. The proceedings of the Governing Board or Governing Council, as the case may be, wherein these proposed amendments were approved by the Exchanges/ Depositories.

e. If documents other than Bye Laws/ Rules/ Regulations are sent for approval, the justification and need for forwarding the same to SEBI, indicating whether it forms a part of any Bye Law/ Rule/ Regulation.

ii. Further, all Exchanges shall ensure that requests for dispensation of the requirement of pre-publication shall be accompanied with proper justification and indicate how the public interest or interest of trade shall be served by such dispensation of pre-publication.

64 Reference: MRD/VSS/ARR/ 12255/2004 dated June 10, 2004

65 Reference Circular LGL/Cir-2/2003 dated February 19, 2003

4.5 ***Preservation of Records***[66]

i. Depositories and Depository Participants are required to preserve the records and documents for a minimum period of 5 year.

ii. Depositories and DPs shall preserve respective original forms of documents either in physical form or an electronic record, copies of which have been taken by CBI, Police or any other enforcement agency during the course of their investigation till the trial is completed.

4.6 ***Pledge of Shares through depository system***[67]

i. Section 12 of the Depositories Act and Regulation 58 of the SEBI (Depositories and Participants) Regulations, 1996 along with the relevant Bye Laws of the Depositories clearly enumerate the manner of creating pledge. It is felt that there is a need to communicate to the BOs that any procedure followed other than as specified under the aforesaid provisions of law shall not be treated as pledge.

ii. In order to clarify the same, the depositories are advised to issue a communique to the DPs advising them to inform BOs about the procedure for pledging of shares held in demat form as enumerated in the relevant sections of the Depositories Act and SEBI (Depositories and Participants) Regulations, 1996. Depositories may also advise DPs that an off-market transfer of shares leads to change in ownership and cannot be treated as pledge. Further, this issue may also be taken up in the investor awareness programs wherein the manner of creation of pledge can be effectively communicated to the BOs directly.

4.7 ***Foreign investments in infrastructure companies in securities markets***[68]

i. Pursuant to Government of India Policy, foreign investments in infrastructure companies in the securities markets, namely Stock Exchanges, Depositories and Clearing Corporations shall be as under:

a. Foreign investment shall be allowed in such companies up to 49% with a separate Foreign Direct Investment (FDI) cap of 26% and Foreign Institutional Investment (FII) cap of 23%;

b. FDI shall be allowed with specific prior approval of FIPB;

c. FII shall be allowed only through purchases in the secondary market;

66 Reference Circular SEBI/MRD/DEP/Cir-24/05 dated December 22, 2005, circular SEBI/MRD/SE/Cir-16/2005 dated August 04, 2005 and circular MRD/DoP/DEP/Cir-20/2009 dated December 9, 2009

67 Reference: MRD/DoP/MAS – OW/16723/2010 dated August 17, 2010

68 Reference Circular MRD/DSA/SE/Dep/Cust/Cir-23/06 dated December 22, 2006

d. FII shall not seek and will not get representation on the Board of Directors;

e. No foreign investor, including persons acting in concert, will hold more than 5% of the equity in these companies.

ii. The aforesaid limits for foreign investment in respect of recognised Stock Exchanges shall be subject to 5% shareholding limit as prescribed under the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges) Regulations, 2006.

4.8 ***Designated e-mail ID for regulatory communication with SEBI***[69]

Depositories shall create a designated e-mail id for regulatory communication and inform it to SEBI. This e-mail id shall be exclusive and shall not be person-centric.

4.9 ***Designated e-mail ID for redressa l of investor complaints***[70]

i. Depositories and registered DPs shall designate an exclusive e-mail ID for the grievance redressal division/compliance officer exclusively for registering investor complaints.

ii. The designated email ID and other relevant details shall be prominently displayed on the websites and in the various materials/pamphlets/advertisement campaigns initiated by the Depositories and DPs for creating investor awareness.

4.10 ***Redressal of complaints against Stock Exchanges (SEs) and Depositories through SEBI Complaints Redress System (SCORES).***[71]

i. The complaints received by SEBI against SEs and Depositories shall be electronically sent through SCORES. Depositories are advised to view the pending complaints at http://scores.gov.in/admin and submit the Action Taken Report (ATR) along with supporting documents electronically in SCORES. Updation of action taken shall not be possible with physical ATRs. Hence, submission of physical ATR shall not be accepted for complaints lodged in SCORES.

ii. The SEs and Depositories shall do the following:

a. indicate a contact person in case of SCORES, who is an employee heading the complaint services division/cell/department. Contact detail (i.e. phone no., email id, postal address) of the said contact person be made widely available for e.g. on the websites of Depositories.

b. address/redress the complaints within a period of 15 days upon receipt of complaint on SCORES. In case additional information is required from the complainant, the same shall be sought within 7 days of receipt on SCORES. In such case, the period of 15 days will be counted upon the receipt of additional information.

69 Reference Circular MIRSD/DPS- III/Cir-23/08 dated July 25, 2008

70 Reference Circular MRD/DoP/Dep/SE/Cir-22/06 dated December 18, 2006

71 Reference Circular CIR/MRD/ICC/16/2012 dated June 15, 2012

c. maintain a monthly record of the complaints which are not addressed/redressed within 15 days from the date of receipt of the complaint/information, alongwith the reason for such pendency.

d. Upload/update the ATR on the SCORES. Failure to do so shall be considered as non-redressal of the complaint and the complaint shall be shown as pending.

4.11 ***Limitation period for filing an arbitration reference***[72]

i. It is decided that the limitation period for filing an arbitration reference shall be governed by the law of limitation, i.e., The Limitation Act, 1963. The modified limitation period shall also be applicable to cover inter alia the following cases:

a. where the limitation period (in terms of Limitation Act 1963) have not yet elapsed and the parties have not filed for arbitration with the depository,

OR

b. where the arbitration application was filed but was rejected solely on the ground of delay in filing within the earlier limitation period; and the limitation period (in terms of Limitation Act 1963) have not yet elapsed.

4.12 ***Disclosure of investor complaints and arbitration details on Depository website***[73]

Depositories shall disclose the details of complaints lodged by Beneficiary Owners (BO's)/ investors against Depository Participants (DPs) in their website. The aforesaid disclosure shall also include details pertaining to arbitration and penal action against the DPs.

The format for the reports for the aforesaid disclosure consists of the following reports:

i. Report 1A: Complaints received against DPs during 2009-10

ii. Report 1B: Redressal of Complaints received against DPS during 2008-09

iii. Report 1C: Redressal of Complaints received against DPs during 2009-10

iv. Report 2A: Details of Arbitration Proceedings (where Investor is a party) during 2008-09:

v. Report 2B: Details of Arbitration Proceedings (where Investor is a party) during 2009-10

vi. Report 3A: Penal Actions against DPs during 2008-09

vii. Report 3B: Penal Actions against DPs during 2009-10

viii. Report 4A: Redressal of Complaints lodged by investors against Listed Companies during 2008 -09

ix. Report 4B: Redressal of Complaints lodged by investors against Listed Companies during 2009 -10

72 Reference Circular CIR/MRD/DP/4/2011 dated April 7, 2011

73 Reference Circular SEBI/MRD/ OIAE/ Dep/ Cir- 4/2010 dated January 29, 2010

Report 1A: Complaints received against Depository Participants (DPs)# during 2009-10: Updated on mmm dd vvvv (to be updated weekly) (In excel sheet)

Sl. No.	Details of Complaint					Status of Complaint				
	Date of Receipt	Name of Complainant	Type of Complaint*	SEBI Ref. No. (if applicable	Name of DP	Status**	Status Date##	Date of Filing Arbitration	Name of Arbitrator(s)	Date of Arbitration Award
1										
2										
3										
N										

\# including against its authorized persons, employees, etc.

\## Status date is the date of resolution/reference to arbitration/finding it non-actionable. If under process, it is the date of updation of this sheet.

*/** As per Table 1

Report 1B: Redressal of Complaints received against Depository Participants (DPs) during 2008-09 : Updated on mmm dd yyyy (to be updated every quarter) (In excel sheet)

Sl. No	Name of the DP	Status of DP (active/ inactive/ in process of termination/ withdrawal)	No. of BOs accounts at the beginning of the year	No. of Complaints received against the DP *	Of the Complaints received during 2008-09							
					No. of Complaints							
					Resolved through the Depository	Non actionable**	Arbitration Advised	Pending for redressal with Depository	No. of Arbitration filed by BOs	Decided by the Arbitrators	Decided by Arbitrators in favour of the BOs	Pending for Redressal with Arbitrators
1												
2												
3												
N												
Total												

* including against its authorized persons, employees, etc.

** Non actionable means the complaint that are incomplete / outside the scope of Depository

(Arrange the DPs in descending number of complaints filed against them during the period)

Report 1C: Redressal of Complaints received against Depository Participants (DPs) during 2009-10: Updated on mmm dd yyyy (to be updated every quarter) (In excel sheet)

Sl. No	Name of the DP	Status of DP (active/ inactive/ in process of termination / withdrawal)	No. of BOs accounts at the beginning the year	No. of Complaints received against the DP *	Of the Complaints received during 2008-09							
					No. of Complaints							
					Resolved through the Depository	Non actionable**	Arbitration Advised	Pending for redressal with Depository	No. of Arbitration filed by BOs	Decided by the Arbitrators	Decided by Arbitrators in favour of the BOs	Pending for Redressal with Arbitrators
1												
2												
3												
N												

"including against authorized persons, employees, etc.
**Non actionable means the complaint that are incomplete / outside the scope of Depository
(Arrange the DPs in descending number of complaints filed against them during the period)

Report 2A: Details of Arbitration Proceedings (where BO is a party) during 2008-09: Updated on mmm dd yyyy (to be updated every quarter) (In excel sheet)

Sl. No.	Name of Arbitrator	No.of\ Awards Passed	No. of Awards in favor of BOs		No. of Awards appealed	No. of Awards Implemented	No. of cases pending for redressal at the end of period		
			Filed by DP	Filed by BO			Pending	For more than 6 months	For more than 3 months, but less than 6 months
1									
2									
3									
N									
Total									

(In case of panel of arbitrators, the cases/awards would appear against every member of the panel)
(Arrange the arbitrators in descending number of awards passed by them during the period)

Report 2B: Details of Arbitration Proceedings (where BO is a party) during 2009-10: Updated on mmm dd yyyy (to be updated every quarter) (In excel sheet)

Sl. No.	Name of Arbitrator	No. of Awards Passed	No. of Awards in favor of BOs		No. of Awards appealed	No. of Awards Implemented	No. of cases pending for redressal at the end of period		
			Filed DP	Filed by BO			Pending	For more than 6 months	For more than 3 months, but less than 6 months
1									
2									
3									
N									
Total									

(In case of panel of arbitrators, the cases/awards would appear against every member of the panel)
(Arrange the arbitrators in descending number of awards passed by them during the period)

Report 3A: Penal Actions against Depository Participants (DPs) during 2008-09: Updated on mmm dd yyyy (to be updated every quarter) (in excel sheet)

Sl. No.	Name of DP	Registration No.	No. of Complaints received	Action against DP, its authorized person and employees together				
				No. of Penal Ordwers issued		Monetary Penalties levied (Rs. lakh)		No. of Arbitration Awards issued against DP
				For complaints	For others	For complaints	For others	
1								
2								
3								
N								

Report 3B: Penal Actions against Depository Participants (DPs) during 2009-10: Updated on mmm dd yyyy (to be updated every quarter) (in excel sheet)

Sl. No.	Name of DP	Registration No.	No. of Complaints received	Action against DP, its authorized person and employees together				
				No. of Penal Orders issued		Monetary Penalties levied (Rs. lakh)		No. of Arbitration Awards issued against DP
				For complaints	For others	For complaints	For others	
1								
2								
3								
N								

Report 4A: Redressal of Complaints lodged by investors against Listed Companies during 2008 -09: Updated on mmm dd yyyy (to be updated every quarter) (In excel format)

Sl. No.	Name of the Company	No. of Complaints			
		Received	Redressed through Depository	Non-Actionable*	Pending for Redressal with Depository
1					
2					
3					
N					
Total					

*Non actionable means the complaint that are incomplete/outside the scope of Depository

(Arrange the companies in descending number of complaints filed against them during the period)

Report 4B: Redressal of Complaints lodged by investors against Listed Companies during 2009 -10: Updated on mmm dd yyyy
(to be updated every quarter) (In excel format)

Sl. No.	Name of the Company	No. of Complaints			
		Received	Redressed through Depository	Non-Actionable*	Pending for Redressal with Depository
1					
2					
3					
N					
Total					

*Non actionable means the complaints that are incomplete / outside the scope of Depository
(Arrange the companies in descending number of complaints filed against them during the period)

Table 1 A

Type	Details
Type I	**Account Opening Related**
I a	Denial in opening an account
I b	Account opened in another name than as requested
I c	Non receipt of Account Opening Kit
I d	Delay in activation/ opening of account
I e	Non Receipt of copy of DP Client Agreement/Schedule A of Charges
Type II	**Demat/Remat Related**
II a	Delay in Dematerialisation request processing
II b	Delay in Rematerialisation request processing
II c	Delay in/ Non-Receipt of Original certificate after demat rejection
II d	Non Acceptance of demat/ remat request
Type III	**Transaction Statement Related**
III a	Delay in/ Non-Receipt of Statements from DP
III b	Discrepancy in Transaction statement
Type IV	**Improper Service Related**
IV a	Insistence on Power of Attorney in its favour
IV b	Deactivation/ Freezing/ Suspension related
IV c	Defreezing related
IV d	Transmission Related
IV e	Pledge Related
IV f	SMS Related
IV g	Non-updation of changes in account (address/ signatories/bank details/ PAN/ Nomination etc.)

Type V	**Charges Related**
V a	Wrong/ Excess Charges
V b	Charges paid but not credited
V c	Charges for Opening/ closure of Account
Type VI	**Delivery Instruction Related (DIS)**
VI a	Non acceptance of DIS for transfer
VI b	Delay in/ non Execution of DIS
VI c	Delay in Issuance / Reissuance of DIS Booklet
Type VII	**Closure**
VII a	Non closure/ delay in closure of account
VII b	Closure of a/c without intimation by DP
Type VIII	**Manipulation/ Unauthorised Action**
VIII a	Unauthorised Transaction in account
VIII b	Manipulation
VIII c	Unauthorised changes in account (address/ signatories/bank details/PAN etc.)
Type IX	**Company/RTA related**
IX a	Action - Cash
IX b	Action - Non-Cash
IX c	Initial Public Offer/ Follow-on Public Offer Related
Type X	**Others**
**** Status**	
Type	Description
I I a I b I c	Non actionable Complaint incomplete Outside the scope of Depository Pertains to non-responding company.
II	Resolved
III	Under Process
IV	Referred to Arbitration
V	Forwarded to Company/RTA for appropriate action.

4.13 ***Disclosure of regulatory orders and arbitration awards on Depository website***[74]

Depositories shall post all their regulatory orders and arbitration awards issued since April 1, 2007. Further, all regulatory orders and arbitration awards as and when issued shall be posted on their website immediately.

4.14 ***Establishment of connectivity by Clearing House / Clearing Corporation (CH/CC) with the Depository - Clarification***[75]

i. On examination of the provisions of Regulations 19(a) and 31 of the SEBI (Depositories and Participants) Regulations, 1996, it is advised that registration of a CC/CH of a stock exchange as a DP with SEBI is not mandatory and a pre-requisite for it to obtain connectivity with the depositories. However, if the CC/CH of a stock exchange desires to function as any other "Depository Participant", i.e. to open BO accounts for

74 Reference Circular SEBI/MRD/ DP/ 19/2010 dated June 10, 2010
75 Reference: MRD/DoP/ Dep/82334 /2006 dated December 14, 2006

investors or clearing member account, registration as DP with SEBI is mandatory.

ii. In view of the above, Depositories are advised to provide continuous electronic means of communication / connectivity to the CH/CC of the Exchanges without insisting for a mandatory registration as DP with SEBI with a condition that such entities would not be permitted to open BO accounts for investors or clearing member account.

4.15 ***Computing and monitoring of the Aggregate Value of Portfolio of Securities (AVPS) of the BOs held in dematerialised form by Stock Broker DPs***

i. For the purpose of computing the AVPS of the beneficial owners held in dematerialised form under Regulation 19(a)(viii) of SEBI (Depositories and Participant) Regulations, 1996, the securities held by bank and financial institutions as well as promoters holdings of a company held in dematerialised form, may be excluded[76].

ii. In view of the potential risk to the system and also to maintain the integrity of the market, the depositories are advised to develop an appropriate systemic alert in the depository system, so as to enable the system to generate and convey automatic alerts to those SBDPs that reach a pre-determined level of exposure. These alerts would serve as forewarnings to the SBDPs to the fact that they are approaching their respective maximum exposure limits. [Note: For this purpose, the depositories may monitor the value of securities with its SBDPs on an "end of the day" basis.][77]

4.16 ***Rajiv Gandhi Equity Savings Scheme, 2012 (RGESS)***[78]

i. Vide notification 51/2012 dated November 23, 2012, Department of Revenue, Ministry of Finance (MoF) has notified the Rajiv Gandhi Equity Savings Scheme (RGESS), 2012. The notification is available on the website of Income Tax Department under section "Notifications".

ii. With regard to implementation of the MoF notification, the following is clarified:

a. For RGESS eligible close-ended Mutual Funds schemes, advice given by AMCs to the depository for extinguishment of units of close ended schemes upon maturity of the scheme shall be considered as settled through depository mechanism and therefore RGESS compliant.

76 Reference: SMDRP/RKD /NSDL/2494 /98 dated November 18, 1998, SMDRP/CDSL / 18300 /2000 dated November 16, 2000

77 Reference: MRD/DRK/SU/16034/2003 dated August 22, 2003

78 Reference Circular CIR/MRD/DP/32/201 dated December 06, 2012

	b. AMCs shall disclose that the concerned RGESS eligible Exchange Traded Funds and Mutual Fund schemes is in compliance with the provisions of RGESS guidelines notified by Ministry of Finance vide notification no. 51/2012 F. No. 142/35/2012-TPL dated November 23, 2012, in Scheme Information Document (SID), in case of new fund offer, or by way of addendum, in case of existing RGESS eligible Exchange Traded Funds and Mutual Fund schemes. c. Section 6(c) of the notification states that the eligible securities brought into the demat account will automatically be subject to lock-in during the first year, unless the new investor specifies otherwise and for such specifications, the new retail investors shall submit a declaration in Form B indicating that such securities are not to be included within the above limit of investment. It is clarified that such declaration shall be submitted by an investor to its Depository Participant within a period of one month from the date of transaction. d. For transactions undertaken by investors through their RGESS designated demat account, Depositories may seek necessary transactional details from stock exchanges viz. Actual Trade value, Trading date, Settlement number, etc, for the purpose of enforcing lock-in and for generating reports mandated vide MoF notification on RGESS. On receipt of such request from depositories, stock exchanges shall provide the details to depositories on an immediate basis. It shall also be ensured that a uniform file structure is used by stock exchanges and depositories for such intimation of transaction details. e. With regard to point 3(ix) (a) & (b) of RGESS notification, depositories may seek confirmation, as applicable, from stock exchanges. f. With regard to the securities held in the RGESS designated account, treatment of the corporate actions shall be as given at Annexure A. iii. Stock exchanges shall furnish list of RGESS eligible stocks / ETFs / MF schemes on their website. Further, the list shall also be forwarded to the depositories at monthly intervals and whenever there is any change in the said list. For this purpose, Mutual Funds / AMCs shall communicate list of RGESS eligible MF schemes / ETFs to the stock exchanges.

Annexure A

Treatment of corporate actions

(i) Involuntary corporate actions: In case of corporate actions where investors has no choice in the matter, for example: demerger of companies, etc, the compliance status of RGESS demat account shall not change.

(ii) Voluntary corporate actions: In case of corporate actions where investors has the option to exercise his choice and thereby result in debit of securities, for example: buy-back, etc, the same shall be considered as a sale transaction for the purpose of the scheme.

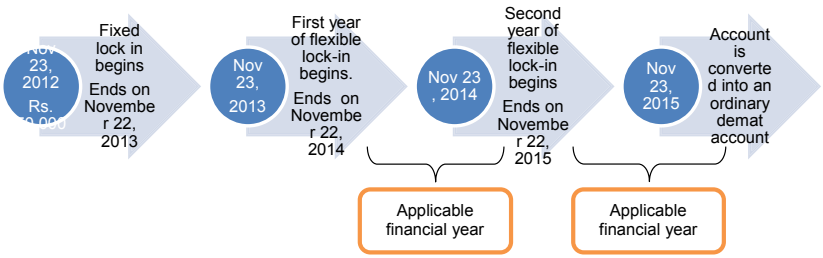
Consolidated list of 'corporate actions'

Sr. No.	Corporate Action	Classification (Involuntary or Voluntary)
1	Amalgamation	Involuntary
2	Scheme of Arrangement	Involuntary
3	Reduction of Capital	Involuntary
4	Bonus issue	Involuntary
5	Buy Back of Shares	Voluntary (Involuntary in case of court intervention)
6	Stock Split	Involuntary
7	Consolidation of Shares	Involuntary
8	Conversion of Partly Paid up	Involuntary
9	Dividend [Final/ Interim/ Special]	Involuntary
10	Exchange of Share Certificate [Name change]	Involuntary
11	Rights Issue	Voluntary
12	Conversion (compulsory)*	Involuntary
13	Conversion (optionally)*	Involuntary
14	Redemption	Involuntary (voluntary, if there is option to continue with revised terms)
15	Dividend on Mutual Fund	Involuntary
16	Redemption of Mutual Fund	Involuntary on maturity (voluntary, if there is option to shift between different scheme(s) or on account of exit option due to change in fundamental attributes of scheme)

* Considering any conversion into equities (e.g.: Conversion of warrants into equities)

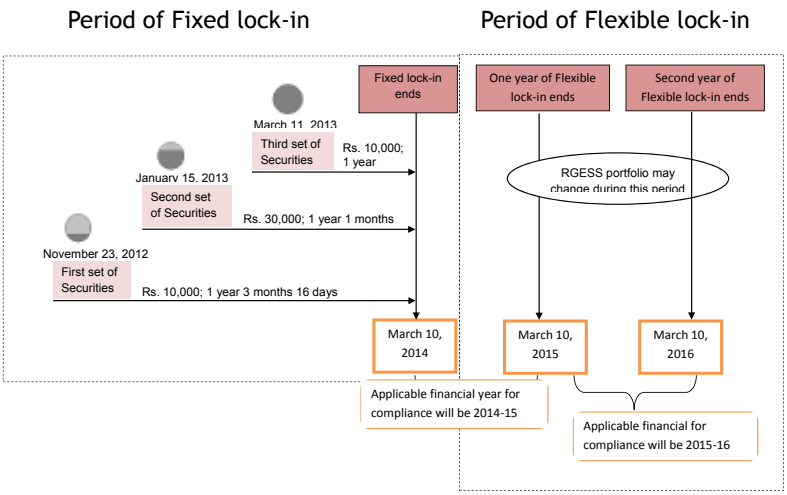
Annexure B

Illustration of lock-in period in RGESS



Annexure B

Illustration of lock-in period in RGESS



4.17

Background

i. To promote and sustain an efficient and robust global financial infrastructure, the

financial market infrastructures1 (PFMIs) on April 2012. They replace the three existing sets of international standards set

strengthened and harmonised these three sets of standards by raising minimum requirements, providing more detailed guidance and broadening the scope of the standards to cover new risk-management areas and new types of FMIs.

ii. The PFMIs comprise of 24 principles (Annex 1) for Financial Market Infrastructure to provide for effective regulation, supervision and oversight of FMIs. They are designed to ensure that the infrastructure supporting global financial markets is robust and well placed to withstand financial shocks.

iii. Full, timely and consistent implementation of the PFMIs is fundamental to ensuring the safety, soundness and efficiency of key FMIs and for supporting the resilience of the global financial system. In addition, the PFMIs play an important part in the G20's mandate that all standardized over-the-counter (OTC) derivatives should be centrally cleared. Global central clearing requirements reinforce the importance of strong safeguards and consistent oversight of derivatives CCPs in particular.

Financial Market Infrastructure (FMI)

iv. The Principles apply to systematically important financial market infrastructures entities such as Central Counterparty (CCP), Central Securities Depository (CSD)/ Securities Settlement System (SSS), Payment and Settlement systems, and Trade Repository (TR) which are responsible for providing clearing, settlement and recording of monetary and other financial transactions. The principles are international standards set forth to -

a. Enhance safety and efficiency in payment, clearing, settlement, and recording arrangements,

b. Reduce systemic risk.

c. Foster transparency and financial stability and

d. Promote protection of participants and investors.

v. Financial Market Infrastructure (FMI) are critically important institutions responsible for providing clearing, settlement and recording of monetary and other financial transactions. The different categories of FMIs, as identified under PFMIs, are listed below -

Payment Systems (PSS)

A payment system is a set of instruments, procedures, and rules for the transfer of funds between or among participants. The system includes the participants and the entity operating the arrangement. Payment systems are typically based on an agreement between or among participants and the operator of the arrangement, and the transfer of funds is effected using an agreed-upon operational infrastructure.

Payment Systems (PSS)

Central securities depository provides securities accounts, central safekeeping services, and asset services, which may include the administration of corporate actions and redemptions, and plays an important role in helping to ensure the integrity of securities issues (that is, ensure that securities are not accidentally or fraudulently created or destroyed or their details changed). A CSD can hold securities either in physical form (but immobilised) or in dematerialised form (that is, they exist only as electronic records). A CSD may maintain the definitive record of legal ownership for a security; in some cases, however, a separate securities registrar will serve this notary function.

Securities Settlement Systems (SSS)

A securities settlement system enables securities to be transferred and settled by book entry according to a set of predetermined multilateral rules. Such systems allow transfers of securities either free of payment or against payment. When transfer is against payment, many systems provide delivery versus payment (DvP), where delivery of the security occurs if and only if payment occurs. An SSS may be organised to provide additional securities clearing and settlement functions, such as the confirmation of trade and settlement instructions.

Central Counterparties (CCP)

A central counterparty interposes itself between counterparties to contracts traded in one or more financial markets, becoming the buyer to every seller and the seller to every buyer and thereby ensuring the performance of open contracts. A CCP becomes counterparty to trades with market participants through novation, an open-offer system, or through an analogous legally binding arrangement. CCPs have the potential to significantly reduce risks to participants through the multilateral netting of trades and by imposing moreeffective risk controls on all participants. For example, CCPs typically require participants to provide collateral (in the form of initial margin and other financial resources) to cover current and potential future exposures. CCPs may also mutualise certain risks through devices such as default funds. As a result of their potential to reduce risks to participants, CCPs also can reduce systemic risk in the markets they serve.

Trade Repositories (TR)

A trade repository is an entity that maintains a centralised electronic record (database) of transaction data. TRs have emerged as a new type of FMI and have recently grown in importance, particularly in the OTC derivatives market. By centralising the collection, storage, and dissemination of data, a well designed TR that operates with effective risk controls can serve an important role in enhancing the transparency of transaction information to relevant authorities and the public, promoting financial stability, and supporting the detection and prevention of market abuse. An important function of a TR is to provide information that supports risk reduction, operational efficiency and effectiveness, and cost savings for both individual entities and the market as a whole. Such entities may include the principals to a trade, their agents, CCPs, and other service providers offering complementary services, including central settlement of payment obligations, electronic novation and affirmation, portfolio compression and reconciliation, and collateral.

Adoption of Principles of Financial Market Infrastructures

vi. All CPSS and IOSCO members are required to strive to adopt the PFMIs and implement them in their respective jurisdictions.

vii. SEBI as a member of IOSCO is committed to the adoption and implementation of the new CPSS-IOSCO standards of PFMIs in its regulatory functions of oversight, supervision and governance of the key financial market infrastructures under its purview.

viii. Depositories and Clearing Corporations regulated by SEBI are FMIs in terms of the criteria described above. These systemically important financial infrastructures provide essential facilities and perform systemically critical functions in the market and shall hence be required to comply with the principles of financial market infrastructures specified by CPSS-IOSCO as applicable to them. The list of SEBI regulated FMIs is provided in Annexure 2.

ix. All FMIs in the securities market shall be monitored and assessed against the PFMIs on a periodic basis.

Annexure 1

Principles for financial market infrastructures

General Organisation

Principle 1: Legal basis

An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.

Principle 2: Governance

An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.

Principle 3: Framework for the comprehensive management of risks

An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks. Credit and liquidity risk management.

Principle 4: Credit risk

An FMI should effectively measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions. All other CCPs should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions.

Principle 5: Collateral

An FMI that requires collateral to manage its or its participants' credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits.

Principle 6: Margin

A CCP should cover its credit exposures to its participants for all products through an effective margin system that is risk-based and regularly reviewed.

Principle 7: Liquidity risk

An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same- day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.

Settlement

Principle 8: Settlement finality

An FMI should provide clear and certain final settlement, at a minimum by the end of the value date. Where necessary or preferable, an FMI should provide final settlement intraday or in real time.

Principle 9: Money settlements

An FMI should conduct its money settlements in central bank money where practical and available. If central bank money is not used, an FMI should minimise and strictly control the credit and liquidity risk arising from the use of commercial bank money.

Principle 10: Physical deliveries

An FMI should clearly state its obligations with respect to the delivery of physical instruments or commodities and should identify, monitor, and manage the risks associated with such physical deliveries.

Central securities depositories and exchange-of-value settlement systems

Principle 11: Central securities depositories

A CSD should have appropriate rules and procedures to help ensure the integrity of securities issues and minimise and manage the risks associated with the safekeeping and transfer of securities. A CSD should maintain securities in an immobilised or dematerialised form for their transfer by book entry.

Principle 12: Exchange-of-value settlement systems

If an FMI settles transactions that involve the settlement of two linked obligations (for example, securities or foreign exchange transactions), it should eliminate principal risk by conditioning the final settlement of one obligation upon the final settlement of the other.

Default management

Principle 13: Participant-default rules and procedures

An FMI should have effective and clearly defined rules and procedures to manage a participant default. These rules and procedures should be designed to ensure that the FMI can take timely action to contain losses and liquidity pressures and continue to meet its obligations.

	Principle 14: Segregation and portability A CCP should have rules and procedures that enable the segregation and portability of positions of a participant's customers and the collateral provided to the CCP with respect to those positions. **General business and operational risk management** **Principle 15: General business risk** An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services. **Principle 16: Custody and investment risks** An FMI should safeguard its own and its participants' assets and minimise the risk of loss on and delay in access to these assets. An FMI's investments should be in instruments with minimal credit, market, and liquidity risks. **Principle 17: Operational risk** An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfillment of the FMI's obligations, including in the event of a wide-scale or major disruption. **Access** **Principle 18: Access and participation requirements** An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access. **Principle 19: Tiered participation arrangements** An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements. **Principle 20: FMI links** An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.

Efficiency

Principle 21: Efficiency and effectiveness

An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.

Principle 22: Communication procedures and standards

An FMI should use, or at a minimum accommodate, relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing, settlement, and recording.

Transparency

Principle 23: Disclosure of rules, key procedures, and market data

An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.

Principle 24: Disclosure of market data by trade repositories

A TR should provide timely and accurate data to relevant authorities and the public in line with their respective needs.

Annexure 2

1. Clearing Corporations
   a. Indian Clearing Corporation Ltd. (ICCL)
   b. MCX-SX Clearing Corporation Ltd. (MCX-SXCCL)
   c. National Securities Clearing Corporation Ltd. (NSCCL)
2. Depositories
   a. Central Depository Services Ltd. (CDSL)
   b. National Securities Depository Ltd (NSDL)

4.18 ***Annual System Audit of Depositories***[80]

i. The depositories should annually conduct System Audit as per the System Audit Framework. The system audit framework encompasses the System Audit Process, Auditor Selection Norms, Terms of Reference (TOR), and Audit Report Guidelines as per the annexure below.

ii. The Systems Audit Reports and Compliance Status should be placed before the Governing Board of the depositories and the system audit report along with comments of depositories should be communicated to SEBI. Further, along with the audit report, depositories are advised to submit a declaration from the MD / CEO certifying the security and integrity of their IT Systems.

80 Circular No. CIR/MRD/DMS/13/2011 dated November 29, 2011

Annexure

System Audit Framework

Audit Process

Following steps would be repeated annually to ensure that the process is comprehensive & effective:

1. The Audit shall be conducted according to the Norms, Terms of References (TOR) and Guidelines issued by SEBI.
2. Stock Exchange / Depository (Auditee) may negotiate and the board of the Stock Exchange / Depository shall appoint the Auditors based on the prescribed Auditor Selection Norms and TOR. The Auditors can perform a maximum of 3 successive audits. The proposal from Auditor must be submitted to SEBI for records.
3. Audit schedule shall be submitted to SEBI at-least 2 months in advance, along with scope of current audit & previous audit.
4. The scope of the Audit may be extended by SEBI, considering the changes which have taken place during last year or post previous audit report
5. Audit has to be conducted and the Audit report be submitted to the Auditee. The report should have specific compliance / non-compliance issues, observations for minor deviations as well as qualitative comments for scope for improvement. The report should also take previous audit reports in consideration and cover any open items therein.
6. The Auditee management provides their comment about the Non-Conformities (NCs) and observations. For each NC, specific time-bound (within 3 months) corrective action must be taken and reported to SEBI. The auditor should indicate if a follow-on audit is required to review the status of NCs. The report along with Management Comments shall be submitted to SEBI, within 1 month of completion of the audit.
7. Follow-on audit, if any, has to be scheduled within 3 months of the Audit to ensure that the corrective actions have been taken.
8. If follow-on audit is not required, the Auditee management has to submit a report of actions taken and evidence of corrections to the Auditors & SEBI within 3 months. This report should include updated Issue-Log to indicate the corrective actions taken, verified by the auditors.

Auditor Selection Norms

1. Auditor must have minimum 3 years of experience in IT audit of Securities Industry participants e.g. stock exchanges, clearing houses, depositories etc. The audit experience should have covered all the Major Areas mentioned under SEBI's Audit Terms of Reference (TOR).

2. The Auditor must have experience in / direct access to experienced resources in the areas covered under TOR. It is recommended that resources employed shall have relevant industry recognized certifications e.g. CISA (Certified Information Systems Auditor) from ISACA, CISM (Certified Information Securities Manager) from ISACA, GSNA (GIAC Systems and Network Auditor), CISSP (Certified Information Systems Security Professional) from International Information Systems Security Certification Consortium, commonly known as $(ISC)^2$.

3. The Auditor should have IT audit/governance frameworks and processes conforming to industry leading practices like CobiT.

4. The Auditor must not have any conflict of interest in conducting fair, objective and independent audit of the Exchange / Depository. It should not have been engaged over the last three years in any consulting engagement with any departments / units of the entity being audited.

   The Auditor may not have any cases pending against its previous auditees, which fall under SEBI's jurisdiction, which point to its incompetence and/ or unsuitability to perform the audit task.

Terms of Reference (ToR)

1. General Controls for Data Center Facilities - It must include
   - Application access - Segregation of duties, Database & Application access etc.
   - Maintenance access - Vendor engineers.
   - Physical access - Permissions, logging, exception reporting & alerts.
   - Environmental controls - Fire protection, AC monitoring etc.
   - Fault resolution mechanism.
   - Folder sharing and Back-up controls - Safeguard critical information on local desktops
   - Incidences of violations in last year & corrective actions taken

	2. Software Change Control - It must include > User awareness > Processing of new feature request > Fault reporting / tracking mechanism & process for resolutions > Testing of New releases / Bug-fixes - Testing process (automation level) > Version Control - History, Change Management process etc. > Development / Test/ Production environment - Segregation > New release in Production - Promotion, Release note approvals > Production issues / disruptions reported during last year & corrective actions taken. 3. Data communication / Network controls - It must include > Network Administration - Redundancy, Monitoring, breakdown resolution etc. > WAN Management - Connectivity provisions for business continuity. > Encryption - Router based as well as during transmission > Connection Permissions - Restriction on need to have basis > Fallback mechanism - Dial-up connections controls etc. > Hardware based Signing Process > Incidences of access violations in last year & corrective actions taken 4. Security Controls - General office infrastructure - It must include > Security Policy & quality of implementation of the same > LAN security control and monitoring > OS & Database Security controls & monitoring > Internet connection controls - Firewall protection, Intrusion Detection System, Access rights and privileges. > Virus protection - Controls to mitigate the Virus attacks / Outbreaks. > Secured (digitally signed) e-mail with other entities like SEBI, other partners > Email Archival Implementation > Incidences of security violations in last year & corrective actions taken.

	5. Access policy and controls 6. Electronic Document controls 7. General Access controls 8. Performance audit - It must include > Comparison of changes in transaction volumes since previous audit > Review of systems (hardware, software, network) performance over period > Review of the current volumes against the last Performance Test performed 9. Business Continuity / Disaster Recovery Facilities - It must include > BCP manual, including Business Impact Analysis, Risk Assessment and DR process > Implementation of policies > Back-up procedures and recovery mechanism using back-ups. > Storage of Back-up (Remote site, DRS etc.) > Redundancy - Equipment, Network, Site etc. > DRS installation and Drills - Management statement on targeted resumption capability (in terms of time required & extent of loss of data) > Evidence of achieving the set targets during the DRS drills in event of various disaster scenarios. > Debrief / review of any actual event when the DR/ BCP was invoked during the year 10. IT Support & IT Asset Management - It must include > Utilization monitoring - including report of prior year utilization > Capacity planning - including projection of business volumes > IT (S/W, H/W & N/W) Assets, Licenses & maintenance contracts > Insurance > Disposal - Equipment, Media, etc. 11. Entity Specific Software 12. Any other Item > Electronic Waste Disposal > Based upon previous Audit report as well as any other specific information given by SEBI

Audit Report Guidelines

The Audit report should have explicit coverage of each Major Area mentioned in the TOR, indicating any Nonconformity (NCs) or Observations (or lack of it). For each section - auditors should also provide qualitative input about ways to improve the process, based upon the best practices observed. The report should also include tabulated data to show NCs / Observations for each Major Area in TOR. Fully detailed report should be submitted, along with an Executive Summary in tabulated form including following information:

Issue Log Column Heading	Description	Responsibility
Major Area	Major area/relevant clause in Terms of Reference against which compliance is being audited	Auditor
Description of Finding/ Observation	Describe the findings in sufficient detail, referencing any accompanying evidence (e.g. procedure annual, interview notes, reports *etc.)*	Auditor
Reference	Reference to the section in detailed report -where full background information about the findings are available	Auditor
Process/ Unit	Process or unit where the audit is conducted and the finding pertains to	Auditor
Category of Findings	Major/Minor Nonconformity, Observation, Suggestion *etc*.	Auditor
Audited By	Which Auditor covered the findings	Auditor
Root Cause Analysis	A detailed analysis on the cause of the nonconformity	Auditee
Remediation	The action (to be) taken to correct the nonconformity	Auditee
Target Completion Date for Remedial Action	The date by which remedial action must be/ will be completed	Auditor/ Auditee
Status	Status of finding on reporting date (open/ close)	Auditor/ Auditee
Verified By	Auditing personnel (upon verification that finding can be closed)	Auditor
Closing Date	Date when finding is verified and can be closed	Auditor

The Executive Summary should also include an overall comment from the Auditors to indicate if a follow-on audit is required and the time lines of respective corrective action for non conformities. Further, along with the audit report, the Stock Exchange / Depository shall also submit a declaration from the MD / CEO certifying the integrity and security of IT Systems.

4.19 ***Guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR)***[81]

i. The stock exchanges and depositories should have in place Business Continuity Plan (BCP) and Disaster Recovery Site (DRS) so as to maintain data and transaction integrity.

ii. Apart from DRS, stock exchanges should have a Near Site (NS) to ensure zero data loss whereas, the depositories should also ensure zero data loss by adopting a suitable mechanism.

iii. The DRS should be set up sufficiently away, i.e. in a different seismic zone, from Primary Data Centre (PDC) to ensure that both DRS and PDC are not affected by the same disasters.

iv. The manpower deployed at DRS / NS should have similar expertise as available at PDC in terms of knowledge / awareness of various technological and procedural systems and processes relating to all operations such that DRS / NS can function at short notice, independently.

v. Configuration of DRS / NS with PDC

a. Hardware, system software, application environment, network and security devices and associated application environments of DRS / NS and PDC should have one to one correspondence between them.

b. Exchanges / Depositories should have Recovery Time Objective (RTO) and Recovery Point Objective (RPO) not more than 4 hours and 30 minutes, respectively.

c. Solution architecture of PDC and DRS / NS should ensure high availability, fault tolerance, no single point of failure, zero data loss, and data and transaction integrity.

d. Any updates made at the PDC should be reflected at DRS / NS immediately (before end of day) with head room flexibility without compromising any of the performance metrics.

e. Replication architecture, bandwidth and load consideration between the DRS / NS and PDC should be within stipulated RTO and ensure high availability, right sizing, and no single point of failure.

f. Replication between PDC and NS should be synchronous to ensure zero data loss. Whereas the one between PDC and DR and between NS and DR may be asynchronous.

g. Adequate resources (with appropriate training and experience) should be available at all times to handle operations on a regular basis as well as during disasters.

81 Circular No. CIR/MRD/DMS/12/2012 dated April 13, 2012 and clarification issued vide Circular No. CIR/MRD/DMS/17/2012 dated June 22, 2012

vi. DR Drills / Testing

a. DR drills should be conducted on quarterly basis. In case of exchanges, these drills should be closer to real life scenario (trading days) with minimal notice to DR staff involved.

b. During the drills, the staff based at PDC should not be involved in supporting operations in any manner. To begin with, initial three DR drills from the date of this circular may be conducted with the support of staff based at PDC.

c. The drill should include running all operations from DRS for at least 1 full trading day.

d. Before DR drills, the timing diagrams clearly identifying resources at both ends (DRS as well as PDC) should be in place.

e. The results and observations of these drills should be documented and placed before the Governing Board of Stock Exchange / Depositories. Subsequently, the same along with the comments of the Governing Board should be forwarded to SEBI within a month of the DR drill.

f. The system auditor while covering the BCP - DR as a part of mandated annual system audit should also comment on documented results and observations of DR drills.

vii. BCP - DR Policy Document

a. The BCP - DR policy of stock exchanges and depositories should be well documented covering all areas as mentioned above including disaster escalation hierarchy.

b. The stock exchanges should specifically address their preparedness in terms of proper system and infrastructure in case disaster strikes during business hours.

c. Stock Exchanges / Depositories / Clearing Houses or Clearing Corporations of Stock Exchanges should also demonstrate their preparedness to handle any issue which may arise due to trading halts in stock exchanges and / or failure or stoppages at other Stock Exchanges / Depositories / Clearing Corporations

d. The policy document and subsequent changes / additions / deletions should be approved by Governing Board of the Stock Exchange / Depositories and thereafter communicated to SEBI.

viii. Considering the above, stock exchanges and depositories are advised to submit their BCP - DR policy to SEBI within 3 months from the date of this circular. Further, they should also ensure that point 1 (vi) (f) mentioned above is also included in scope of system audit as mentioned in the circular no. CIR/MRD/DMS/13/2011 dated November 29, 2011.

ix. These guidelines will be applicable to depositories, stock exchanges having nation-wide terminals and stock exchanges having trading on their own platforms. Further stock exchanges, currently having no trading on their own platforms, will be required to comply with these guidelines before recommencement of trading on their own platforms in terms of Circular No. MRD/DSA/SE/ Cir-12/ 09 dated October 07, 2009.

4.20 ***(Information Technology) IT Governance For Depositories***[82]

i. SEBI constituted the Depository System Review Committee (DSRC) to undertake a comprehensive review of the Indian depository system. Based on the recommendations of DSRC, following guidelines are issued to strengthen the information Technology (IT) governance framework of depositories.

ii. Depositories shall formulate an IT strategy committee at the Board level of depository to provide insight and advice to the Board in various areas that may include:

a. Developments in IT from a business perspective.

b. The alignment of IT with the business direction.

c. The availability of IT resources to meet strategic objectives.

d. Competitive aspects of IT Investments.

e. Alignment of the IT architecture to the organization needs and its approval.

f. Setting priorities and milestones.

iii. Depositories shall formulate an executive level IT Steering Committee to assist the IT Strategy Committee in Implementation of IT strategy. The IT steering committee shall comprise of representatives from IT, Human Resources (HR), Legal and various business functions as felt appropriate.

iv. The Depositories shall formulate an IT strategy document and an Information Security policy which should be approved by the Board and reviewed annually.

v. The Depositories shall create an Office of Information Security and designate a senior official as Chief Information Security Officer (CISO) whose work would be to assess, identify and reduce information technology (IT) risks, respond to incidents, establish appropriate standards and controls, and direct the establishment and implementation of policies and procedures.

vi. SEBI has laid down Guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR) for stock exchange and depositories vide circular CIR/MRD/DMS/12/2012 dated April 13, 2012 and CIR/MRD/DMS//17/2012 dated June 22, 2012. In Addition to the requirements of the aforementioned circulars, depositories shall designate a senior official as the head of BCP function.

82 Reference: MRD/DMS/03/2014 dated January 21, 2014

4.21 ***Guidelines for inspection of Depository Participants (DPs) by Depositories***[83]

i. Depository System Review Committee (DSRC) was constituted by SEBI to undertake a comprehensive review of the depository system of Indian Securities market.

ii. As a first measure, DSRC has reviewed framework adopted by the depositories with regard to the inspection of depository participants (DPs). Considering the recommendations of the committee, it has been decided that depositories shall ensure the following while inspecting their DPs.

Inspection Areas and Sample Size

iii. For conducting inspection of DPs, depositories shall inspect the areas as mentioned in Annexure - I. During inspection, depositories shall cover implementation of circulars / guidelines issued by SEBI and guidelines / operating instructions / directions by depositories in respect of these areas. In addition, Depositories may include such other areas as felt appropriate.

iv. For the purpose of determining the size of sample, depositories shall be guided by 'Adaptive Sample Size determination methodology' as mentioned at Annexure - II.

Categorization / Risk Rating of DPs

v. For the purpose of computing total risk score of DPs, depositories shall be guided by "DP Rating Model / Categorization" as mentioned at Annexure - III.

vi. Depositories should periodically undertake risk - impact analysis for each of the inspection areas, assign appropriate risk weightage, calculate risk scores for each DPs in the lines mentioned below.

a. Risk Weightage: Depositories shall assign risk weights for each of inspection areas after taking into consideration following factors:

1. Operational risks in each of the inspection areas.
2. Category of DPs (such as stock broker DPs, bank DP, etc)
3. Size of Operation
4. Repetitive violations
5. IT Security and BCP
6. Complaints received and redressed

83 Reference Circular SEBI/MRD/DMS/05/2014 dated February 07, 2014

b. Quantitative Score Calculation: Depositories shall arrive at a Quantitative Risk Score for each inspection area by multiplying percentage of non-compliance to the sample size with the corresponding assigned risk weight.

c. Qualitative Score Calculation: Depositories shall arrive at a Qualitative Risk Score for each qualitative area by multiplying the score assigned by inspection team to DP with corresponding assigned risk weight.

d. Total DP Risk Score shall be the summation of quantitative and qualitative scores assigned to the DP.

e. Depositories shall suitably normalize the scales of the qualitative and quantitative scores in arriving at the Total DP risk score.

vii. Depositories shall categorize their DPs as 'High Risk', 'Medium to High Risk', 'Medium Risk', and 'Low Risk' DPs based on the percentile of risk score.

DP Risk Rating / Categorization	Percentile of Risk Score
High	≥ 80
Medium-High	46-79
Medium	21-45
Low	≤ 20

viii. After arriving at the risk rating / categorization as mentioned above, for subsequent inspections, depositories shall use the DP risk rating/ categorization to decide on the frequency of inspection of DPs

ix. Apart from the above, depositories may undertake specific purpose inspections for DPs which score high in the specific inspection areas as mentioned at Annexure - I.

x. Depositories shall jointly inspect DPs which are registered with both depositories to have better control over DPs, avoid duplicity of manpower, time and cost and also to reduce the possibility of regulatory arbitrage, if any. Depositories shall share the risk rating / categorization of common DPs with each other. For the purpose of determining sample size and frequency of the joint inspection of such common DPs, the higher risk categorization assigned by any of the Depository shall prevail.

Annexure 1

List of Inspection Areas

1. **Depositories shall inspect the areas mentioned at para 2 below during inspection of DPs with regards to any**
   - 1.1. **Circulars / Guidelines issued by SEBI on the areas mentioned below.**
   - 1.2. **Guidelines / Operating Instructions / Directions from depositories on the areas mentioned below.**

2. **In case there are built in system checks at the depository that ensure compliance of any of the inspection areas / sub -areas with regard to point 1.1 and 1.2 above, the depository may decide on the including the same during the inspection of DPs**

Inspection Areas

A. Account Opening / KYC Documents

- A.1. Account Opening forms
- A.2. KYC Documents
  - A.2.1. PAN Verification
  - A.2.2. In-person verification
  - A.2.3. Forwarding of Documents to KYC Registration Agency (KRA)
- A.3. Proof of Identity (POI)
- A.4. Proof of Address
- A.5. Correspondence Address
- A.6. Authorized Signatories
- A.7. Completeness / Validation of data entered into DPM with data provided in the Account Opening forms
- A.8. Minor BO / Joint / HUF accounts
- A.9. Account Activation
- A.10. PMS Accounts
- A.11. Nomination
- A.12. Any other area as may be specified by the depository

B. Basic Service Demat Account (BSDA)

- B.1. Procedures and Checks pertaining to BSDA
- B.2. Any other area as may be specified by the depository

C. Client Data Modification (CDM)

- C.1. Procedure for CDM
- C.2. Any other area as may be specified by the depository

	D. Demat / Remat / Conversion / Reconversion request D.1. Procedure for receiving/processing requests pertaining to Demat / Remat / Conversion / Reconversion request D.2. Procedure for forwarding requests pertaining to Demat / Remat / Conversion /Reconversion request to RTA / issuer D.3. Arrangement for Safekeeping of Security / Share Certificates D.4. Tracking of demat requests D.5. Rejection of above requests attributable to DPs D.6. Checks pertaining to processing of Demat / Remat / Conversion / Reconversion request D.7. Any other area as may be specified by the depository **E. Delivery Instruction Slip (DIS)** E.1. Issuance of DIS E.2. Inventory Control of DIS E.3. First Instruction Slip Booklet E.4. Requisition Slip E.5. Procedure for Loose DIS E.6. Depository specific areas E.7. Verification of DIS E.8. Procedure for accepting DIS E.9. Time Stamping and related Areas E.10. Accepting DIS by Fax E.11. Accepting DIS in form of Annexure E.12. Completeness of DIS E.13. Accepting DIS in electronic form E.14. Procedure for Verification of DIS E.15. Signature Verification E.16. Corrections / Cancellations to DIS E.17. Blocking of used / executed / lost / misplaced / Stolen DIS E.18. Procedure for processing of DIS E.19. Any other area as may be specified by the depository **F. Transaction** F.1. Checks pertaining to setting up / processing of transactions F.2. Future dated transactions F.3. Transfer of all ISINs of BO account having 5 or more ISINs F.4. Any other area as may be specified by the depository

	G. Transaction Statement (TS) G.1. Validation of TS G.2. Maintenance of records of TS G.3. Issuance of TS to BOs G.4. Any other area as may be specified by the depository **H. Compliance under Prevention of Money Laundering Act, 2002 (PMLA)** H.1. Compliance with PMLA Act, 2002 and SEBI Guidelines on areas such as Customer due diligence, suspicious transaction monitoring, reporting and record keeping H.2. Appointment of Principal officer as required under PMLA Act,2002 H.3. Mechanism to deal with alerts provided by Depository H.4. Suspicious Transactions reports to FIU H.5. Any other area as may be specified by the depository **I. Maintenance of record and documents** I.1. Information regarding place(s) of record keeping I.1. Outsourcing of record keeping activities I.1. Any other area as may be specified by the depository **J. Service Centre Opening and closing/ modification of service centers** J.1. Procedure for Opening / Closure of Service centers J.2. Details of Service centre on Depository website J.3. Qualified persons at service centers J.4. Any other area as may be specified by the depository **K. Information Technology areas** K.1. Hardware, Software and Network requirements / configurations K.2. Logical and Physical restrictions / safeguards K.3. IT Security K.4. Procedure for alteration of parameters / configurations K.5. Redundancy K.6. Any other area as may be specified by the depository

	L. Power of Attorney (POA) L.1. Documents executed L.2. Maintenance of POA Register L.3. Clauses of POA L.4. Registration of BO for SMS Alert facility for POA L.5. Any other area as may be specified by the depository **M. Inter Depository Transfers (IDT)** M.1. Processing of IDT M.2. Checks pertaining to IDT M.3. Any other area as may be specified by the depository **N. Account Transfer** N.1. Procedure followed for account transfer N.2. Checks pertaining to Account transfer N.3. Waiver claimed for inter depository transfer N.4. Any other area as may be specified by the depository **O. Transmission** O.1. Procedure followed for transmission O.2. Checks pertaining to Transmission O.3. Waiver Claimed for inter depository transfer O.4. Any other area as may be specified by the depository **P. Pledge / Unpledge** P.1. Procedure followed for Pledge / Unpledge P.2. Checks pertaining to Pledge / Unpledge P.3. Any other area as may be specified by the depository **Q. Freeze / Unfreeze** Q.1. Freeze facility Q.2. Procedure followed for Freeze Q.3. Checks pertaining to freeze Q.4. Any other area as may be specified by the depository

	R. Miscellaneous areas R.1. Investor Grievance R.2. Forms for various activities R.3. Execution of any supplementary agreement/ Letter of Confirmation R.4. Submission of Internal Audit / Concurrent Audit / Net worth Certificate R.5. Submission of Annual Financial Statement R.6. Outsourcing of Activities R.7. Closure / transfer of Balances R.8. Submission of Information sought by Depositories specifically through Circulars / Letters. R.9. Half Yearly Compliance R.10. Any other area as may be specified by the depository **S. Status of compliance for deviations / observations noted in last inspection** **T. Complaints** T.1. Account Opening T.2. Demat / Remat T.3. Transaction Statement T.4. Improper Service T.5. Charges T.6. Delivery Instruction Related (DIS) T.7. Closure T.8. Manipulation / Unauthorized Action T.9. Monthly report for client complaints T.10. Other Complaints

Annexure II

Adaptive Sample Size Determination methodology

1. Sample Size for inspection area of 'Account Opening'

- The sample selection for account opening shall cover all categories of clients such as individuals, HUF, Corporate, FIIs etc.
- Base sample size : 5% of Account Opening Forms (AOFs) or 150 AOFs whichever is higher, with a maximum cap of 1000 accounts.
- Final Sample Size : The final sample size shall also be dependent on past rating / categorization of DP. The following multipliers shall be used to determine the final sample size for the current inspection. In case the total number of instances / cases is less than the final sample size, then 100% of the samples shall be verified.

DP Rating / Categorization	Multiplier
High risk	3
Medium High risk	2
Medium risk	1.5
Low risk	1

- The selected sample shall maintain the proportion of new accounts opened in each category, except for Account Opening Forms (AOF) relating to FIIs where it shall be checked on a 100% basis.

2. Sample Size for inspection area relating to DIS

- Base sample size : 10% of total DIS processed or 200 processed DIS whichever is higher, with a maximum cap of 1000 DIS.
- Final Sample Size : The sample size shall also be dependent on rating / categorization of DP. The following multipliers shall be used to determine the final sample size for the current inspection. In case the total number of instances / cases is less than the final sample size, then 100% of the samples shall be verified.

DP Rating / Categorization	Multiplier
High risk	3
Medium High risk	2
Medium risk	1.5
Low risk	1

- Out of total intra depository instructions to be verified, the percentage of on and off market instructions would be in the ratio of 1/3 and 2/3.

- DIS issuance sample size shall be 5% of the total samples verified for DIS.

3. Sample Sizes for inspection areas of 'Demat / Remat request' and 'Pledge / Unpledge'

- 5% of Demat / Remat request processed or 100 requests whichever is higher with a maximum cap of 500 such requests.
- 5% of Pledge / Unpledge request processed or 100 requests whichever is higher with a maximum cap of 500 such requests.

4. Sample Size for inspection area of 'Client Data Modification', 'Miscellaneous areas' and 'Other depository specific requirements'

- Base Sample Size :
  - Address change = 50
    - Samples from Urban, Semi Urban and Rural Areas shall be equally represented if available.
  - Nomination Change = 25
  - Signature change = 100
  - Addition / Deletion / Modification of POA = 100
  - Freeze / Unfreeze = 50 o Bank Details Change = 100
  - PAN modification = 100
  - Account closure initiated by clients = 25
  - Closure initiated by DPs = 25
  - Demat rejection = 30
  - Transactions = 25
  - Change in e-mail Id = 25
  - Change in mobile number = 25
  - Change in SMS flag = 50
  - Change in standing instruction flag = 50
  - Transmission = 50% of total transmission cases
  - Previous compliance = 100% of total samples
  - Final sample size shall be arrived at after multiplying with the respective multiplier corresponding to the DP Risk rating / categorization as given below. In case the total number of instances / cases is less than the final sample size, then 100% of the samples shall be verified.

DP Rating / Categorization	Multiplier
High risk	3
Medium High risk	2
Medium risk	1.5
Low risk	1

5. Other Aspects

- A uniform Base sample size of 100 shall be adopted in case of all other activities. In case the total number of samples is less than 100, then 100% of the samples shall be verified.

Annexure III

DP Rating / Categorization Model

I. **Quantitative Score Calculation:** Specific weights shall be assigned to each area as decided by each depository. The Total Quantitative Score shall be the summation of all individual inspection scores.

Table: Indicative Table for calculation of Quantitative Score

Sr. No.	Inspection Areas	Weight (A)	B = No of Instances divided by Sample size	Inspection Score IS = A*B
A.	Inspection Area 1			
A.1.	Inspection Sub Area A 1			
A.2.	Inspection Sub Area 2			
	Total Score for Inspection Area 1			
B.	Inspection Area 2			
B.1.	Inspection Sub Area B 1			
B.2.	Inspection Sub Area B 2			
B.3.	Inspection Sub Area B 3			
	Total Score for Inspection Area 2			

Depositories shall include all inspection areas and sub areas, as per Annexure -I (List of Inspection Areas) of this circular, in the above model to arrive at the Quantitative Score for a DP.

Table: Indicative Table for calculation of Quantitative Score for Complaints Received

Sr No	Type and Nature of Complaint	Weight (A)	(Number of Complaints redressed) / Number of Complaints received)	Inspection Score IS = A*B
T	Complaints			
T.1.	Complaint Sub Area 1			
T.2.	Complaint Sub Area 2			
	Total Score for Complaints			

Quantitative Score = Σ (Scores of Inspection Areas including Total score for Complaints)

II. **Qualitative Score Calculation:** Specific weights shall be assigned to each area as decided by depository. The Total Qualitative Score shall be the summation of all area scores.

Sr. No	Qualitative Factors	Weight (A)	Point on the scale of 1 to 10. [10 being the Worst] (B)	Area score = (A) * (B)
1	Ownership and Governance			
2	IT security and Business Continuity			
3	Regulatory / procedural Compliance			
4	Automation of systems and processes for critical activities			
5	Quality of Management			
6	Financial Status / profitability of DPs			
7	Pending enquires / Penalties imposed by SEBI / Depositories on DP operations			
8	Complaints redressal			
9	Adverse findings of other activities (eg. Broking / custodian / banks etc)			
Total Qualitative Score = 2 (Area Scores)				

Following indicative factors shall be taken into account for arriving at above mentioned qualitative score:

(a) **<u>Ownership and Governance</u>**

1. Constitution of Board of DP - Number of promoter directors, Independent Directors etc.
2. Role of non-executive directors / Independent directors.

(b) **<u>Quality of Management</u>**

1. Experience, Fit and Proper and Qualification of Key Personnel.
2. Existence of Succession planning for top management especially in control functions.
3. Chinese walls between the activities in terms of manpower, resources etc.
4. Training and development of employees.
5. Adequacy of staff strength.
6. Compliance level of previous inspection observations/ directions of regulatory bodies

(c) **IT security and Business Continuity**

1. High Availability.
2. Appropriate Interconnected Architecture.
3. Appropriate Recovery Time Objective (RTO) and Recovery Point Objective (RPO) and near "Zero Data Loss".
4. Periodic drills that simulate the real life disaster scenarios on a regular basis.
5. Technological glitches in the past period and remedies taken.
6. Information security.
7. Upgradation of technology

(d) **Financial Status / profitability of DPs**

1. The net-worth of the DPs (whether reducing or increasing from previous years)
2. Net Profits of DPs operations.

(e) **Complaints redressal**

1. Complaint redressal system
2. Percentage of complaints pending and resolved.

(f) **Other adverse findings**

1. Actions taken by Stock exchange and SEBI / RBI with respect to other activities
2. Actions taken by other depository.

III. Total Score = Qualitative Score + Quantitative Score

4.22 ***Activity of Demat of warehouse receipts***[84]

The aforesaid activity is not in compliance with Regulation 28 of SEBI (D&P) Regulations, 1996 and therefore depositories cannot carry out this activity. Depositories are therefore advised to take suitable steps in this regard, either to hive-off or to discontinue the activity.

4.23 ***Voting rights in respect of securities held in pool account***[85]

It was informed that the corporate benefits availed by the clearing member, clearing corporation and intermediaries shall be held in trust on behalf of beneficiary owners. Therefore, the clearing member, clearing corporation as well as the intermediaries cannot have voting rights in respect of securities held in the pool account.

84 Reference: MRD/DP/SG-OW/202/2012 and MRD/DP/SG-OW/203/2012 dated January 4, 2012
85 Reference: SMDRP/NSDL/26563/2001 dated April 10, 2001

4.24 ***Risk Management Policy at the Depositories***[86]

i. The depositories are advised to establish a clear, comprehensive and well documented risk management framework which shall include the following:

a. an integrated and comprehensive view of risks to the depository including those emanating from participants, participants' clients and third parties to whom activities are outsourced etc.;

b. list out all relevant risks, including technological, legal, operational, custody and general business risks and the ways and means to address the same;

c. the systems, policies and procedures to identify, assess, monitor and manage the risks that arise in or are borne by the depository ;

d. the depository's risk-tolerance policy;

e. responsibilities and accountability for risk decisions and decision making process in crises and emergencies.

ii. The Depositories shall put in place mechanism to implement the Risk Management Framework through a Risk Management Group/Committee which shall be headed by a Chief Risk Officer (CRO). The responsibilities of the said Committee shall include the following:

a. It shall meet periodically in order to continuously identify, evaluate and assess applicable risks in depository system through various sources such as investors complaints, inspections, system audit etc.;

b. It shall suggest measures to mitigate risk wherever applicable;

c. It shall monitor and assess the adequacy and effectiveness of the risk management framework and the system of internal control;

d. It shall review and update the risk management framework periodically.

The Board of the depository shall approve the Risk Management Framework and the Chief Risk Officer shall have access to the Board. The CRO shall be responsible, accountable and answerable to the board on overall risk management issues.

86 Reference: CIR/MRD/DP/1/2015 dated January 12, 2015

SCHEDULE

CIRCULARS

1. SMDRP/Policy/Cir-28/99 dated August 23, 1999.
2. SMDRP/Policy/Cir-05/2001 dated February 1, 2001.
3. D&CC/FITTC/Cir-09/2002 dated July 4, 2002.
4. D&CC/FITTC/Cir-10/2002 dated September 25, 2002.
5. D&CC/FITTC/Cir-13/2002 dated November 1, 2002.
6. D&CC/FITTC/CIR - 12/2002 dated October 30, 2002.
7. D&CC/FITTC/Cir-15/2002 dated December 27, 2002.
8. LGL/Cir-2/2003 dated February 19, 2003.
9. DCC/ FITTC/Cir-19/2003 dated March 4, 2003
10. SEBi/ MRD/Policy/ AT/Cir-19/2004 dated April 21, 2004.
11. MRD/DoP/Dep/Cir-27/2004 dated August 16, 2004.
12. MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004.
13. MRD/DoP/SE/Dep/Cir-36/04 dated October 27, 2004.
14. SEBI/MRD/SE/DEP/Cir-4/2005 dated January 28, 2005.
15. SEBI/MRD/SE/Cir-16/2005 dated August 04, 2005.
16. MRD/DoP/SE/Dep/Cir-18/2005 dated September 2, 2005.
17. MRD/DoP/Dep/Cir-22 /05 dated November 09, 2005.
18. SEBI/MRD/DEP/Cir-24/05 dated December 22, 2005.
19. SEBI/MRD/DEP/Cir-2/06 dated January 19, 2006.
20. SEBI/MRD/DEP/Cir-3/06 dated February 21, 2006.
21. MRD/DoP/ Dep/Cir-09/06 dated July 20, 2006.
22. MRD/DoP/Dep/SE/Cir-13/ 06 dated September 26, 2006.
23. MRD/DoP/Dep/SE/Cir-17/06 dated October 27, 2006.
24. MRD/Dep/Cir- 20/06 dated December 11, 2006.
25. MRD/DoP/Dep/SE/Cir-22/06 dated December 18, 2006.
26. MRD/DSA/SE/Dep/Cust/Cir-23/ 06 dated December 22, 2006.
27. SEBI/CFD/DILDIP/29/2008/01/02 dated February 1, 2008.
28. SEBI/MRD/Dep/Cir-03/2007 dated February 13, 2007.
29. MRD/DoP/Cir- 5/2007 dated April 27, 2007.
30. MIRSD/DPS-III/Cir-9/07 dated July 3, 2007.
31. MIRSD/DPS- III/Cir-23/08 dated July 25, 2008.
32. SEBI/MRD/Dep/Cir-03/2008 dated February 28, 2008.
33. MRD/DoP/Cir-20/2008 dated June 30, 2008.
34. MRD/DoP/SE/ Dep/ Cir-2/ 2009 dated February 10, 2009.
35. CIR/MRD/DP/19/2010 dated June 10, 2010.
36. CIR/MRD/DP/20/2010 dated July 1, 2010.
37. CIR/MRD/DP/22/2010 dated July 29, 2010.
38. CIR/MRD/DO/37/2010 dated December 14, 2010.
39. CIR/MRD/Dp/04/2011 dated April 07, 2011.
40. CIR/MRD/DP/05/2011 dated April 27, 2011.

41. MIRSD/SE/Cir-21/2011 dated October 5, 2011.
42. CIR/MRD/DMS/13/2011 dated November 29, 2011.
43. CIR/MRD/DMS/12/2012 dated April 13, 2012
44. CIR/MRD/ DMS/17/2012 dated June 22, 2012
45. CIR/MRD/ICC/16/2012 dated June 15, 2012.
46. CIR/MRD/DP/21/2012 dated August 02, 2012.
47. CIR/MIRSD/09/2012 dated August 13, 2012.
48. CIR/MRD/DP/22/2012 dated August 27, 2012.
49. CIR/MRD/DP/24/2012 dated September 11, 2012.
50. CIR/MRD/DP/DA/25/2012 dated September 21, 2012.
51. CIR/MRD/DP/27/2012 dated November 01, 2012.
52. CIR/MRD/DP/32/2012 dated December 06, 2012.
53. CIR SEBI/MIRSD/01/2013 dated January 04, 2013.
54. CIR/MRD/DP/10/2013 dated March 21, 2013.
55. CIR SEBI/MRD/DRMNP/26/2013 dated September 04, 2013.
56. CIR SEBI/MIRSD/09/2013 dated October 08, 2013.
57. CIR/MIRSD/10/2013 dated October 28, 2013.
58. CIR SEBI/MIRSD/ 12/2013 dated December 04, 2013.
59. CIR SEBI/MRD/DOP/01/2014 dated January 07, 2014.
60. CIR MRD/DMS/03/2014 dated January 21, 2014.
61. CIR SEBI/MRD/DMS/05/2014 dated February 07, 2014.
62. CIR/MRD/DP/21/2014 dated July 01, 2014.
63. CIR/MRD/DP/22/2014 dated July 04, 2014.
64. CIR/MRD/DP/31/2014 dated November 12, 2014
65. CIR/MRD/DP/1/2015 dated January 12, 2015

COMMUNICATIONS

1. SMDRP/NSDL / 3055 /1998 dated August 11, 1998.
2. SMDRP/RKD /NSDL/2494 /98 dated November 18, 1998.
3. SMDRP/NSDL/4615 /2000 dated March 13, 2000.
4. SMDRP/CDSL / 18300 /2000 dated November 16, 2000.
5. SMDRP/NSDL/26563/2001 dated April 10, 2001.
6. D&CC/ 1099 / 2002 dated November 01, 2002.
7. MRD/DRK/SU/16034/2003 dated August 22, 2003.
8. MRD/VSS/ARR/ 12255/2004 dated June 10, 2004.
9. MRD/DoP/ Dep/82334 /2006 dated December 14, 2006.
10. MRD/DEP/PP/123624 /2008 dated April 23, 2008.
11. MRD/DoP/MC/141442 /2008 dated October 17, 2008.
12. SEBI/ MRD/CDSL/ 149156 /2009 dated January 01, 2009.
13. MRD/CDSL/VM/ 155773 /2009 dated February 27, 2009.
14. MRD/NSDL/VM/158886 /2009 dated March 30, 2009.
15. MRD/DoP/NSDL/VM/ 162378 /2009 dated May 06, 2009.
16. MRD/DoP/NSDL/VM/168994 /2009 dated July 07, 2009.
17. MRD/CDSL/VM/168989 /2009 dated July 07, 2009.
18. SEBI/MRD/DEP/VM/169784 /09 dated July 15, 2009.
19. MRD/DoP/Dep/VM/182963/2009 dated November 12, 2009.
20. MRD/DoP/MAS - OW/16723/2010 dated August 17, 2010.
21. MRD/DP/SG-OW/202/2012 and MRD/DP/SG-OW/203/2012 dated January 4, 2012.
22. MRD/DP/SG-OW/2010/2012 dated January 20, 2012.

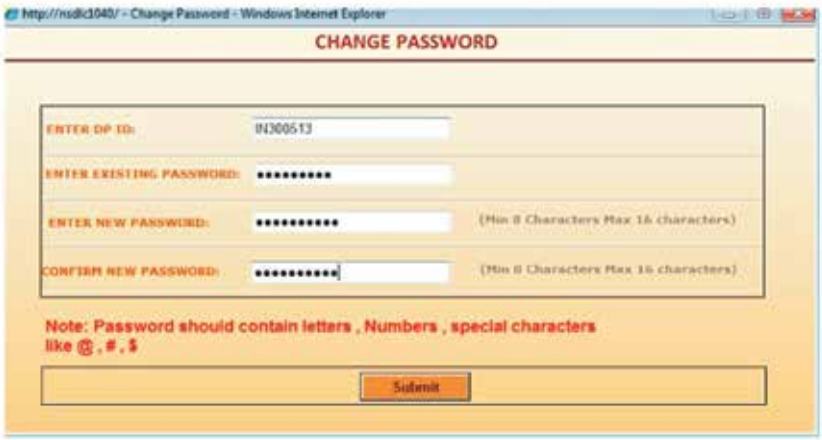
Update in Hardware and Network equipment details (Form B).	
Circular No. NSDL/POLICY/ 2014/0055 Date: May 2, 2014	***Sub: Update in Hardware and Network equipment details (Form B).*** All Participants are aware that they need to procure and use hardware and network equipments as per specifications prescribed by NSDL. Information about the hardware and network equipments etc. used for depository operations is required to be submitted by Participants in format prescribed as 'Form B'. In case of any change in information furnished, Participants are required to submit a modified 'Form B' as per procedure prescribed vide Circular No. NSDL/POLICY/2009/0070 dated August 17, 2009. With a view to make the procedure for submission of information about the hardware and network equipments etc. used for depository operations, easier and faster, a facility for online upload of 'Form B' has been developed. This facility will be hosted on NSDL intranet – i-Assist and will enable Participants to update 'Form B' information online in the records of NSDL, on their own. Detailed procedure for online facility and manual for using the facility are attached as Annexure 1 and 2 respectively. Accordingly, the guidelines communicated vide Circular No. NSDL/POLICY/2009/0070 dated August 17, 2009 stand revised. The revised guidelines will be applicable with effect from May 15, 2014.
	Annexure I **Procedure to be followed by Participants for update in Form B is as mentioned below :** 1. Login into the 'Form B' application by clicking on the Form-B tab available on i-Assist site under Form B. Type DP Id in the user ID box and default password (nsdl@123) in the password box. The Participant will have to change the default password and set its own password during first login. 2. Existing Participants can view their Form B data as per NSDL records. After verification, for any further update in the present module the Participant can login into Form B application and make necessary changes. 3. The modifications made in the information will be in 'Captured' status. 4. After the required updates are made in the database by the Participant, an email is automatically sent to Helpdesk officers about the changes made. 5. The concerned Helpdesk Officer will verify the changes using his login. He will then have option to Accept or Reject the pending requests. Accepted requests go to 'Accepted By NSDL' status and rejected requests go to 'Rejected By NSDL' status with rejection reason. 6. An email will be sent to Participant as well as all concerned helpdesk officers. The requests accepted by Helpdesk officer will be updated in the database and the updated information will be visible to the Participant. 7. Information related to backup server and DR server can also be updated in the same way. If a Participant who does not have a backup server, procures one, then it will have to send an email to Helpdesk (helpdesk@nsdl.co.in) requesting addition for backup server module. 8. Once addition is done by the Helpdesk, Participant can fill in the desired information and update it later, as per procedure given above. **Note -** In case i-Assist is not available due to any reason then Participant may send digitally signed or scanned copy of Form B by email on helpdesk@nsdl.co.in

Annexure II

Manual for Automated Form B database

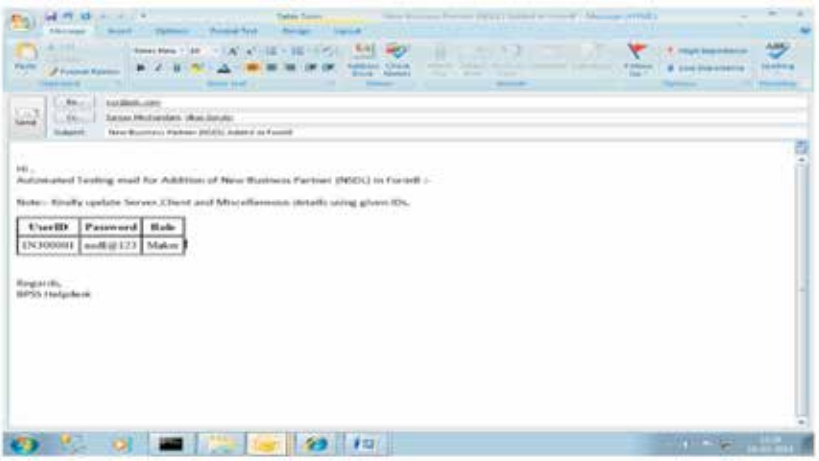
1. Login into the Form B application by clicking on the link "Automated Form B database" available on i-assist site under Form B tab by typing DP Id in the user id box & default password **(nsdl@123)** in the password box on NSDL intranet site as mentioned in the screen below

2. The Business partner will have to change the default password and set their own password during first login. The business partner has the option of changing the password on their own as shown in the slide below:

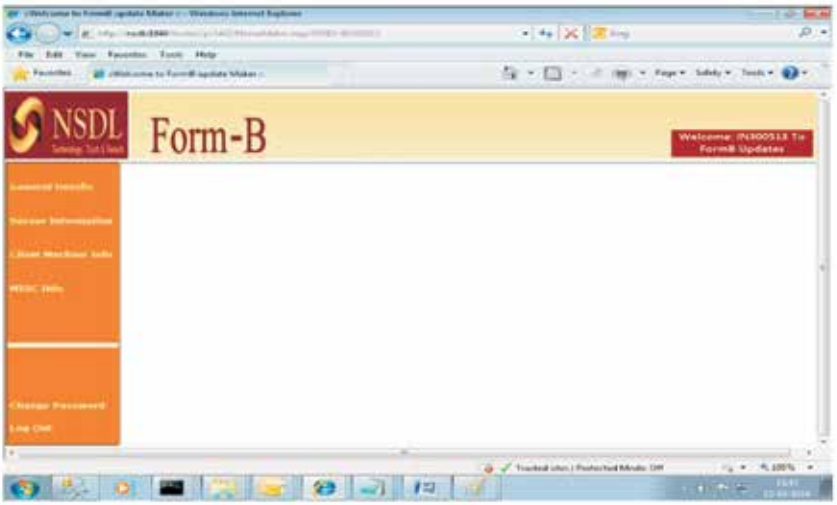


3. The changed password email message is displayed as shown in the slide below:

4. For new Business Partner joining NSDL the general information for e.g. postal Address, Landline No, Mobile No is updated in the database. After the required update's are made an Auto generated email is automatically send on email ID of system in charge & NSDL Helpdesk team consisting of UserID and password of the maker ID through which Business Partner will be able to successfully login into the application as shown in the slide below:



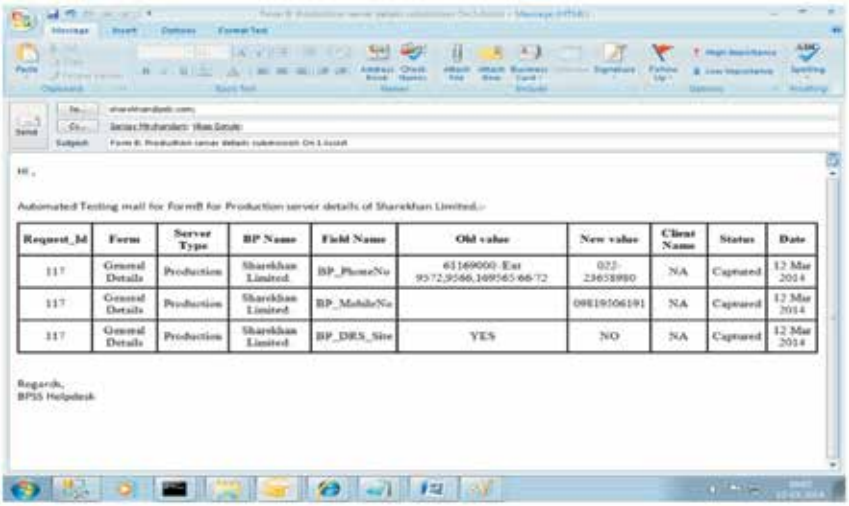
5. After successful login to database business partners can view their Form B data as shown in the slide below:



6. The Business Partners can view their Form B data as per NSDL records as shown in the slide below:

7. For any further updation in the present module the Business Partners can make necessary modifications in the hardware and software details as shown in the slide below:

8. After the required updates are made in the database by the Business Partner, an email is automatically sent to designated Helpdesk officials along with the changes made as shown in the slide below:



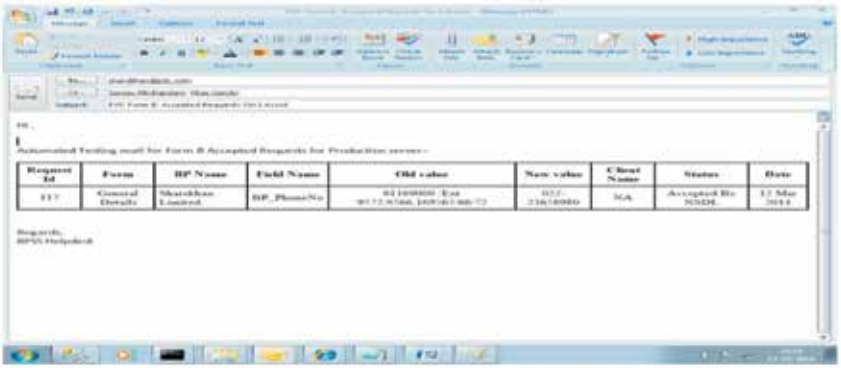
Hi ,

Automated Testing mail for Form8 for Production server details of Sharekhan Limited.

Request_Id	Form	Server Type	BP Name	Field Name	Old value	New value	Client Name	Status	Date
117	General Details	Production	Sharekhan Limited	BP_PhoneNo	61169000-Ext 9572,9546,169565-66-72	022-23658980	NA	Captured	12 Mar 2014
117	General Details	Production	Sharekhan Limited	BP_MobileNo		08019506191	NA	Captured	12 Mar 2014
117	General Details	Production	Sharekhan Limited	BP_DRS_Site	YES	NO	NA	Captured	12 Mar 2014

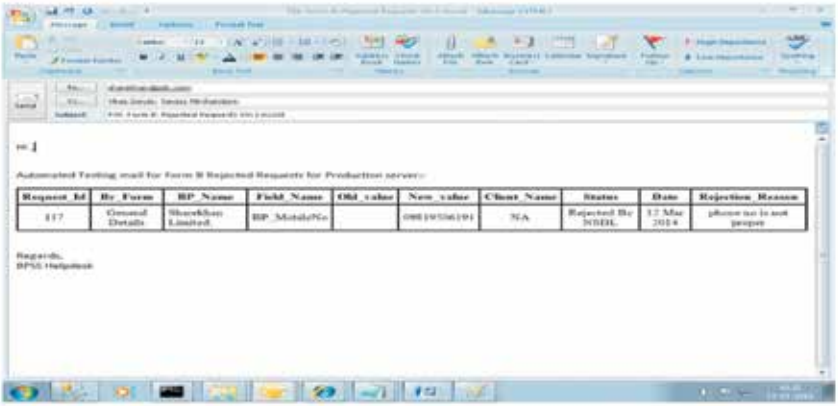
Regards,
BPSS Helpdesk

9. After the request is accepted the status of the request will change to "Accepted By NSDL" An email will be sent to the Business Partner as well as all concerned helpdesk officials. The accepted request by helpdesk officials will be visible to the Business Partner as shown in the slide below.



Request Id	Form	BP Name	Field Name	Old value	New value	Client Name	Status	Date
117	General Details	Shareklan Limited	BP_PhoneNo	[illegible]	[illegible]	NA	Accepted By NSDL	12 Mar 2014

10. After the request is rejected the status will change to "Rejected By NSDL". Rejection reason will be mentioned by the Helpdesk official while rejecting the request. An email will be sent to the Business Partner as well as all concerned helpdesk officials. The rejected request by helpdesk officials will be visible to the Business Partner as shown in the slide below.



Request_Id	By_Form	BP_Name	Field_Name	Old_value	New_value	Client_Name	Status	Date	Rejection_Reason
117	General Details	Shareklan Limited	BP_MobileNo		[illegible]	NA	Rejected By NSDL	12 Mar 2014	phone no is not proper

Circular No. NSDL/POLICY/ 2009/0070 Date: August 17, 2009	***Sub: Submission of Form-B in softcopy (through email).*** As all Participants are aware, Participants are required to submit Form B in paper form after it is duly signed by the authorized officials which contains details about hardware & network equipments installed for NSDL DPM setup at the time of initial DPM Infrastructure set-up and subsequently as and when there are any changes in the Infrastructure set-up e.g. Change / Upgrade of Server, Addition / removal of Desktop, Change in connectivity etc. All Participants are hereby informed that henceforth they can submit Form B in electronic form by email to form-b@nsdl.co.in for faster and easier communication. In this context, Participants can choose one of the following options: 1. Digitally Signed Emails using Class 2 or Class 3 DSC issued by recognised Certifying Authorities or NSDL Certifying Authority. 2. Scanned Form B. Explanation: Participants may generate the paper Form B, obtain authorized officials signature, put their official stamp & scan the same. The original paper document can be retained by Participant for their record, whereas scanned image of Form B may be sent to NSDL by email. Participants can also maintain the aforesaid record in electronic form. NSDL, after verification of submitted Form B, will send confirmation email to the Participants email ID. Participants are also requested to take care of the size (not more than 2 MB) of the email as NSDL has enabled the restriction on the size of the emails. In case the size of email is more than 2 MB, Participants are requested to segregate the contents of such email into separate emails restricting the size of each email to 2 MB. In case of any further information/ clarification is required, Participants may contact Mr.Sanjay Mirchandani/ Mr.Sankalp Parlia/ Mr.Ganesh Pawar/ Mr.Rahul Mehta/ Mr.Vikas Gorule on 24994454/ 4451/ 4447/ 4456/ 4455.

Compliance Schedule Annexure A					
Sr. No.	**Periodic compliance requirement**	**Frequency of submission**	**Deadline for submission**	**Manner of sending**	**Reference**
1	Investor Grievance Report	Monthly	By 10th of the following month.	Through e-PASS	Circular No. NSDL/ POLICY/2015/00 96 dated October 29, 2015
2 (A)	Compliance Certificate July - December	Half Yearly	January 31st	Digitally signed compliance certificate by email at nsdl-bp-inspection@ nsdl.co.in. Alternatively, by hard copy to Inspection Department	Circular No. NSDL/ POLICY/2010/00 17 dated February 22, 2010 and Circular No. NSDL/ POLICY/2018/00 28 dated May 21, 2018.
(B)	January - June		July 31st		
3 (A)	Risk Assessment Template April - September	Half Yearly	October 31st	Through e-PASS	Circular No. NSDL/ POLICY/2015/00 46 dated April 30, 2015
(B)	October - March		April 30th		
4 (A)	Internal/ Concurrent Audit Report April - September	Half Yearly	November 15th	Through e-PASS	Circular No. NSDL/ POLICY/2018/00 16 dated March 16, 2018
(B)	October - March		May 15th		
5	Tariff Sheet	Yearly	April 30th.	By email at dpfees@ nsdl.co.in	Circular No. NSDL/ POLICY/2007/00 03 dated January 8, 2007.
6	Networth Certificate and Audited Financial Statements.	Yearly	September 30th	By hard copy to Participant Interface Department.	Circular No. NSDL/ PI/98/414 dated September 1, 1998.

Circular No.: NSDL/POLICY/ 2018/0050
Date: September 25, 2018

Subject: Compliance Schedule for reports/ certificates by Participants.

As all Participants are aware, Participants are required to submit information related to risk assessment of the Participant which is required to be provided by Participants in Risk Assessment template (RAT) on half-yearly basis to depositories for onward submission to SEBI.

Participants are advised to take note to submit the RAT as per below timelines:-

Period	Due date for submission to NSDL
April 1 to September 30	**October 31**
October 1 to March 31	**April 30**

In view of the above and other changes in the periodic submissions, we request you to take note of the revised compliance schedule enclosed as Annexure 'A.'

Participants are requested to refer to Bye Laws and Business Rules of NSDL and circulars issued thereunder for detailed guidance.

Circular No. NSDL/POLICY/ 2009/0066 Date: July 28, 2009	***Sub: Compliance Schedule for reports/ certificates by Participants*** All Participants are hereby informed that a "Compliance Schedule" for reports/certificates to be submitted by Participants based on various circulars issued from time to time is enclosed at Annexure to facilitate compliance by Participants. Participants are requested to refer to Bye Laws and Business Rules of NSDL and circulars issued thereunder for detailed guidance.

Annexure

Sr. No.	Particulars	Reference	Deadline	Manner of sending
1.	Investor Grievance Report (Monthly)	(i) Circular No. NSDL/PI/98/500 dated October 6, 1998. (ii) Circular No. NSDL/ PI/2004/1688 dated September 16, 2004.	By 10th of the following month	By email at dp_igreport@nsdl.co.in. Alternatively, by hard copy to the Investor Relationship Cell.
2.	Compliance Certificate (July - December)	Circular No. NSDL/ POLICY/2006/0023 dated July 6, 2006.	January 31st every year	By hard copy to Business Partner Inspection Department.
3.	Charge Structure.	(i) Circular No. NSDL/ POLICY/2006/0064 dated December 26, 2006. (ii) Circular No. NSDL/ POLICY/2007/0003 dated January 8, 2007.	April 30th every year	By email at dpfees@nsdl.co.in
4.	Internal/ Concurrent Audit Report (October - March)	Circular No. NSDL/ POLICY/2008/0077 dated November 3, 2008.	May 15th every year	By hard copy to Business Partner Inspection Department.
5.	Details of all service centres.	Circular No. NSDL/ POLICY/2007/0055 dated September 25, 2007.	June 30th every year	By email at servicecentreinfo@nsdl.co.in
6.	Compliance Certificate (January - June)	Circular No. NSDL/ POLICY/2006/0023 dated July 6, 2006.	July 31st every year	By hard copy to Business Partner Inspection Department.
7.	Networth Certificate and Audited Financial Statements.	Circular No. NSDL/PI/98/414 dated September 1, 1998.	September 30th every year	By hard copy to Participant Interface Department.
8.	Internal/ Concurrent Audit Report (April - September)	Circular No. NSDL/ POLICY/2008/0077 dated November 3, 2008.	November 15th every year	By hard copy to Business Partner Inspection Department.

Written communication to NSDL

Circular No. NSDL/POLICY/ 2005/1393 Date: August 3, 2005	Attention of Participants is invited to our circular no. NSDL/PI/2002/1528 dated September 9, 2002, wherein Participants were advised to send all written communication to NSDL, duly signed by its compliance officer or any senior officials mentioning the name and designation. However, it has been observed that a few Participants are not adhering to the above circular even after repeated reminders to them. In view of the foregoing, NSDL would like to advise the Participants to strictly ensure compliance of the above circular failing which any correspondence received from the Participants would not be acted upon by NSDL.
Circular No. NSDL/POLICY/2002/1528 Date: September 9, 2002	NSDL has been receiving letters from Participants without mentioning the name and designation of the person who has written the letter. Such letters are being signed by an Authorised Signatory. In this regard, all Participants are hereby informed that all communications to NSDL should be written either by the Compliance Officer or by any other senior official of the Participant, clearly mentioning the name & designation of such person. All Participants are further advised to provide details of their existing Compliance Officers alongwith their specimen signatures, as per the form enclosed, latest by September 20, 2002. In case of change of Compliance Officer, Participants are advised to inform NSDL by submitting the enclosed form alongwith a letter signed by the existing Compliance Officer of the Participant or by any other official (e.g. Director of the company, Head of the Depository operations, etc.) senior to the Compliance Officer.
Compliance Officer details	
Circular No. NSDL/POLICY/ 2010/0017 Date: February 22, 2010	***Sub: Submission of internal/concurrent audit report and Compliance Certificate electronically.*** As Participants are aware, the internal/concurrent audit report and the compliance certificate are required to be given by Participants in hard copy form [Ref.: Circular no.: NSDL/POLICY/2009/0105 dated November 10, 2009 and Circular no. NSDL/POLICY/2008/0077 dated November 3, 2008]. Participants can now submit the internal/concurrent audit report and the Compliance Certificate, if they so desire, in electronic form subject to the conditions mentioned in the Annexure 'A'. Accordingly, the 'Compliance Schedule' informed to Participants vide Circular No. NSDL/POLICY/2010/0006 dated January 13, 2010 is revised and enclosed as Annexure 'B' highlighting the changes and as Annexure 'C' without highlighting any changes.

Annexure A

Procedure for electronic submission of Internal/Concurrent audit report and Compliance certificate:

1. Internal / Concurrent Audit Report

   1.1. The auditors must sign the report using a class II or class III digital signature certificate (DSC) issued in his/her name and valid in terms of provisions of Information Technology Act, 2000 and rules framed there under.

   1.2. Audit report must be prepared in MS Excel format as per prevalent guidelines (Ref.: Circular No. NSDL/POLICY/2009/0105 dated November 10, 2009). Annexures, if any, must also be prepared in MS Excel format.

   1.3. The auditor may digitally sign the report using the features available in MS Excel itself. Annexures, if any, may be part of the same file (as different sheet in same file) or may be prepared as a separate Excel file. In case Annexures are prepared as separate Excel file, they need to be digitally signed individually.

2. Compliance Certificate

   2.1. The Compliance Officer / Alternate Compliance Officer of the Participant must sign the compliance certificate using a class II or class III DSC issued in his/her name and valid in terms of provisions of Information Technology Act, 2000 and rules framed thereunder.

   2.2. Compliance certificate may be prepared as a MS Excel or MS Word or PDF file as per prevalent guidelines (Ref.: Circular No. NSDL/POLICY/2006/0023 dated July 6, 2006). Annexures, if any, should also be prepared as MS Excel or MS Word or PDF file.

   2.3. The Compliance Officer / Alternate Compliance Officer may digitally sign using the features available in MS Excel / Word or some other specialized software. Annexures, if any, may be part of the same file or may be prepared as a separate Excel / Word / PDF file. In case, Annexures are prepared as a separate file(s), they need to be digitally signed individually.

3. The holder of the DSC shall give following declaration as part of the audit report/compliance certificate -

   "I hereby declare that digital signature certificate being used by me for signing this document is a valid digital signature certificate in terms of provisions of Information Technology Act, 2000 and rules framed thereunder on this date and that it has not been revoked by the issuing authority till this date."

4. The Compliance Officer / Alternate Compliance Officer / authorised person of Participant shall forward the digitally signed audit report and/or certificate (and Annexures, if any) to NSDL from an email ID which is present in the database maintained by Participant Interface Department of NSDL to nsdl-bp-inspection@nsdl.co.in.

Annexure B				
Sr. No.	**Particulars**	**Reference**	**Deadline**	**Manner of sending**
1.	Investor Grievance Report (Monthly)	(i) Circular No. NSDL/PI/98/500 dated October 6, 1998. (ii) Circular No. NSDL/ PI/2004/1688 dated September 16, 2004.	By 10th of the following month	By email at dp_igreport@nsdl.co.in. Alternatively, by hard copy to the Investor Relationship Cell.
2.	Compliance Certificate (July - December)	Circular No. NSDL/ POLICY/2006/0023 dated July 6, 2006.	January 31st every year	Digitally signed compliance certificate by email at nsdl-bp-inspection@nsdl.co.in. Alternatively, by hard copy to Business Partner Inspection Department.
3.	Charge Structure.	(i) Circular No. NSDL/ POLICY/2006/0064 dated December 26, 2006. (ii) Circular No. NSDL/ POLICY/2007/0003 dated January 8, 2007.	April 30th every year	By email at dpfees@nsdl.co.in
4.	Internal/ Concurrent Audit Report (October - March)	Circular No. NSDL/ POLICY/2008/0077 dated November 3, 2008.	May 15th every year	Digitally signed report by email at nsdl-bp-inspection@nsdl.co.in. Alternatively, by hard copy to Business Partner Inspection Department.
5.	Compliance Certificate (January - June)	Circular No. NSDL/ POLICY/2006/0023 dated July 6, 2006.	July 31st every year	Digitally signed compliance certificate by email at nsdl-bp-inspection@nsdl.co.in. Alternatively, by hard copy to Business Partner Inspection Department.
6.	Networth Certificate and Audited Financial Statements.	Circular No. NSDL/PI/98/414 dated September 1, 1998.	September 30th every year.	By hard copy to Participant Interface Department.
7.	Internal/ Concurrent Audit Report (April - September)	Circular No. NSDL/ POLICY/2008/0077 dated November 3, 2008.	November 15th every year	Digitally signed report by email at nsdl-bp-inspection@nsdl.co.in. Alternatively, by hard copy to Business Partner Inspection Department.

Annexure C				
Sr. No.	**Particulars**	**Reference**	**Deadline**	**Manner of sending**
1.	Investor Grievance Report (Monthly)	(i) Circular No. NSDL/PI/98/500 dated October 6, 1998. (ii) Circular No. NSDL/ PI/2004/1688 dated September 16, 2004.	By 10th of the following month	By email at dp_igreport@nsdl.co.in. Alternatively, by hard copy to the Investor Relationship Cell.
2.	Compliance Certificate (July - December)	Circular No. NSDL/ POLICY/2006/0023 dated July 6, 2006.	January 31st every year	Digitally signed compliance certificate by email at nsdl-bp-inspection@nsdl.co.in. Alternatively, by hard copy to Business Partner Inspection Department.
3.	Charge Structure.	(i) Circular No. NSDL/ POLICY/2006/0064 dated December 26, 2006. (ii) Circular No. NSDL/ POLICY/2007/0003 dated January 8, 2007.	April 30th every year	By email at dpfees@nsdl.co.in
4.	Internal/ Concurrent Audit Report (October - March)	Circular No. NSDL/ POLICY/2008/0077 dated November 3, 2008.	May 15th every year	Digitally signed report by email at nsdl-bp-inspection@nsdl.co.in. Alternatively, by hard copy to Business Partner Inspection Department.
5.	Compliance Certificate (January - June)	Circular No. NSDL/ POLICY/2006/0023 dated July 6, 2006.	July 31st every year	Digitally signed compliance certificate by email at nsdl-bp-inspection@nsdl.co.in. Alternatively, by hard copy to Business Partner Inspection Department.
6.	Networth Certificate and Audited Financial Statements.	Circular No. NSDL/PI/98/414 dated September 1, 1998.	September 30th every year.	By hard copy to Participant Interface Department.
7.	Internal/ Concurrent Audit Report (April - September)	Circular No. NSDL/ POLICY/2008/0077 dated November 3, 2008.	November 15th every year	Digitally signed report by email at nsdl-bp-inspection@nsdl.co.in. Alternatively, by hard copy to Business Partner Inspection Department.

Circular No.: NSDL/POLICY/2020/0152 November 19, 2020	**Subject: SEBI circular on advisory for Financial Sector Organizations regarding Software as a Service (SaaS) based Solutions.** Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD2/DOR/CIR/P/2020/221 dated November 03, 2020 (copy enclosed) regarding Advisory for Financial Sector Organizations regarding Software as a Service (SaaS) based Solutions. 1. Participants are informed as under: Participants are advised to take note of the Advisory issued by Indian Computer Emergency Response Team (CERT-in) for Financial Sector Organisation as enclosed with the above SEBI circular, which shall be applicable with immediate effect. 2. Point nos. 3 & 4 of the above SEBI Circular states as under: "3. It is advised to ensure complete protection and seamless control over the critical systems at your organizations by continuous monitoring through direct control and supervision protocol mechanisms while keeping the critical data within the legal boundary of India. 4. The compliance of the advisory shall be reported in the half yearly report by stock brokers and DP to stock exchanges and depositories respectively and by direct intermediaries to SEBI with an undertaking, "Compliance of the SEBI circular for Advisory for Financial Sector Organizations regarding Software as a Service (SaaS) based solutions has been made." 3. As Participants are aware that the Compliance Certificate is required to be submitted to NSDL by all the Participants on half yearly basis in electronic form through e-PASS platform by January 31 (for Half Year ended December 31) & by July 31 (for Half Year ended June 30) as per NSDL Circular No. NSDL/POLICY/2019/0088 dated December 17, 2019. In accordance with point no. 4 of the SEBI Circular as mentioned above, amendments are made to the prescribed format of half yearly Compliance Certificate, and enclosed as Annexure A. 4. Revised format of Compliance Certificate as enclosed at Annexure A shall become applicable for the half year ended December 31, 2020 and onwards.

CIRCULAR

SEBI/HO/MIRSD2/DOR/CIR/P/2020/221 November 03, 2020

All Stock Brokers through exchanges
All Depository Participants through Depositories
All Merchant Bankers
All Registrar to an Issue and Share Transfer Agent
All Debenture Trustee
All Credit Rating Agencies
All Bankers to an issue
All STP Service Providers
All Approved Intermediaries
Dear Sir / Madam,

Sub: Advisory for Financial Sector Organizations regarding Software as a Service (SaaS) based solutions

Ministry of Electronics & Information Technology, Govt. of India (MoE&IT), has informed SEBI that the financial sector institutions are availing or thinking of availing Software as a Service (SaaS) based solution for managing their Governance, Risk & Compliance (GRC) functions so as to improve their cyber Security Posture. As observed by MoE&IT, though SaaS may provide ease of doing business and quick turnaround, but it may bring significant risk to health of financial sector as many a time risk and compliance data of the institution moves beyond the legal and jurisdictional boundary of India due to nature of shared cloud SaaS, thereby posing risk to the data safety and security.

In this regard, Indian Computer Emergency Response Team (CERT-in) has issued an advisory for Financial Sector organizations. The advisory has been forwarded to SEBI for bringing the same to the notice of financial sector organization. The advisory is enclosed at Annexure A of this circular.

It is advised to ensure complete protection and seamless control over the critical systems at your organizations by continuous monitoring through direct control and supervision protocol mechanisms while keeping the critical data within the legal boundary of India.

The compliance of the advisory shall be reported in the half yearly report by stock brokers and DP to stock exchanges and depositories respectively and by direct intermediaries to SEBI with an undertaking, “Compliance of the SEBI circular for Advisory for Financial Sector Organizations regarding Software as a Service (SaaS) based solutions has been made.”

The advisory annexed with this circular shall be effective with immediate effect.

This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Annexure A

(To be provided on Participant's letterhead)

Date: _____

To

National Securities Depository Limited Trade World,
A Wing, 4th floor Kamala Mills
Compound Senapati Bapat Marg,
Lower Parel Mumbai - 400 013.

Dear Sir/Madam,

Sub: Compliance Certificate for the period _____ to_____

1. I _____ (Name of the Compliance Officer) hereby certify that the depository operations of _____ (DP Name and DP Id) are in compliance with all applicable laws and especially with respect to the following:

   a) The Depositories Act, 1996;

   b) The SEBI (Depositories and Participants) Regulations, 2018;

   c) The Bye Laws and Business Rules of NSDL.

   d) Directives / Circulars / Clarifications / Guidelines issued by SEBI, the Government of India, Regulatory Bodies and NSDL, from time to time.

   e) Prevention of Money Laundering Act, 2002 and the Rules and Guidelines notified thereunder by SEBI or Statutory / Regulatory Authorities.

2. Fit and Proper Status:

   I _____ (Name of the Compliance Officer) hereby certify that the <DP Name>, its directors and the key management persons are fit and proper as per regulation 23(2) of the SEBI (Depositories and Participants) Regulations, 2018 read with the criteria specified under regulation 20 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

3. I _____ (Name of the Compliance Officer) hereby undertake that Compliance of the SEBI Circular for Advisory for Financial Sector Organizations regarding Software as a Service (SaaS) based solutions has been made by <DP Name and DP ID>.

4. Activities in which the Participant has not been in Compliance, if any, are as under:

Sr. No.	Activities in which the Participant has not been in compliance	Steps taken to ensure compliance in future
1		
2		

Name and Designation of Compliance Officer : Signature of Compliance Officer :

Circular No.: NSDL/ POLICY/2019/0088 December 17, 2019	**Subject: Facility for submission of Compliance Certificate in electronic form through e-PASS.** Attention of Participants is invited to Circular No. NSDL/POLICY/2018/0028 dated May 21, 2018 regarding submission of half yearly Compliance Certificate by Participants in prescribed format by January 31 and July 31 of every year. In this context, Participants are hereby informed that NSDL has developed a facility for online submission of Compliance Certificate in electronic form through e-PASS platform. Accordingly, Participants are requested to take note to submit Compliance Certificate for half year ended December 31, 2019 and onwards through e-PASS platform only. The Compliance Officer will be required to submit the digitally signed Compliance Certificate online through e-PASS platform using its login credentials, the detailed procedure of which is enclosed at Annexure A and the applicable format of 'Compliance Certificate' is enclosed at Annexure B. For further information / assistance, Participants are requested to contact Ms. Nisha Purushnani (Tel: (022) 2499 4710), Mr. Ganesh Choure, Tel: (022) 24994273 or send an email on NSDL-BP-INSPECTION@nsdl.co.in and for technical queries, Participants are requested to contact Mr. Shiv Kumar, Tel: (022) 2499 4785 / shivkumari@nsdl.co.in.

Annexure A

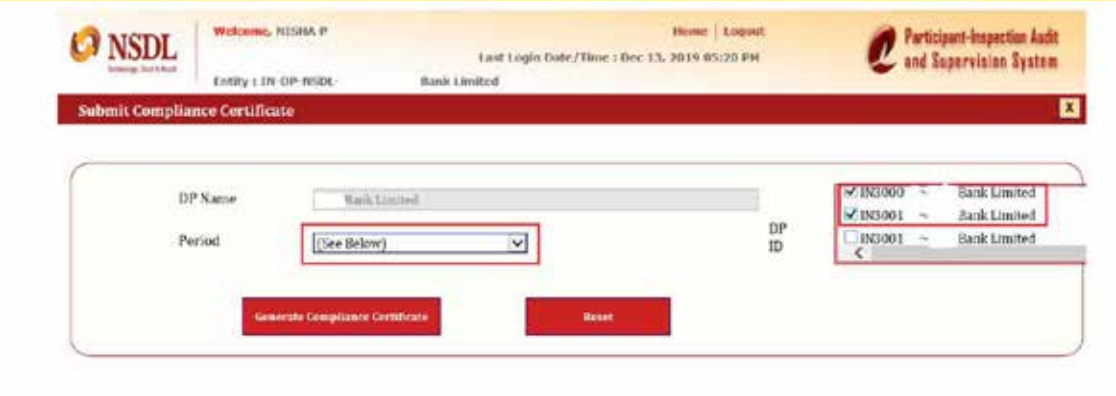
Procedure of submission of Compliance Certificate through e-PASS

1) **Compliance Officer Login :**

a) Compliance Officer shall login to e-PASS portal (https://www.epass.nsdl.com) using its existing login credential.

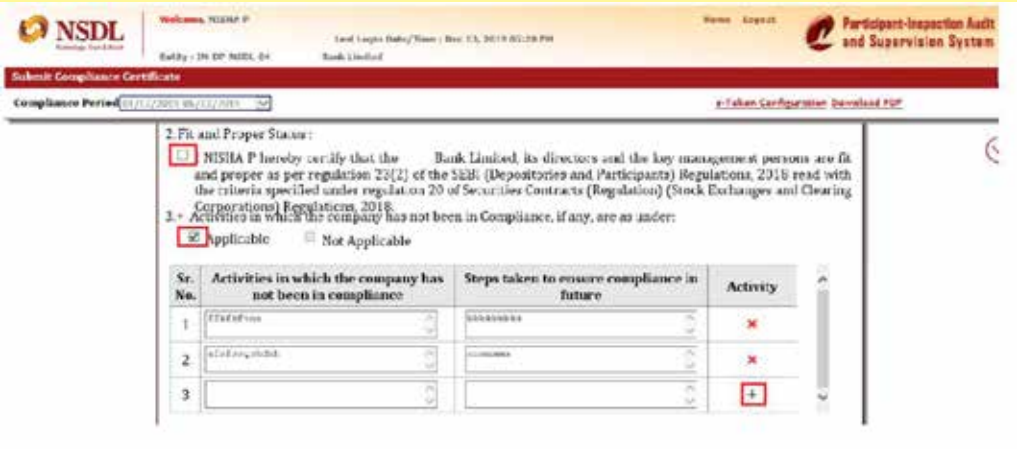
b) After login to e-PASS, for submission of Compliance Certificate, click on 'Submit Compliance Certificate' under the 'Compliance Certificate' head.

c) Upon Clicking 'Submit Compliance Certificate' screen as exhibited below will be displayed. Compliance Officer has to select period and DP ID and click on 'Generate Compliance Certificate' button.

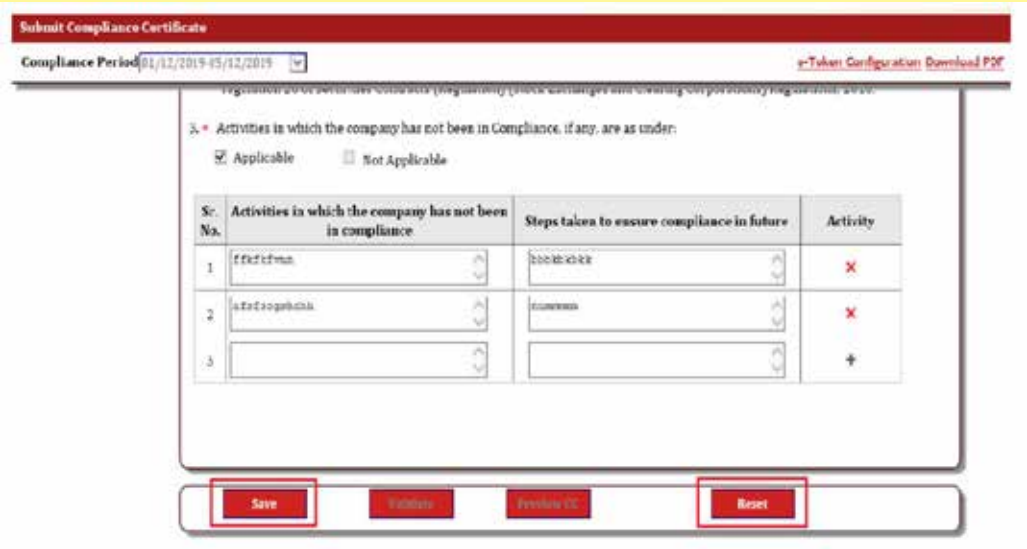


d) Once the Compliance Officer selects period and DP ID and clicks on 'Generate Compliance Certificate' button, the Compliance Certificate will be displayed on the screen as exhibited below, which has to be ticked/filled by the Compliance Officer.

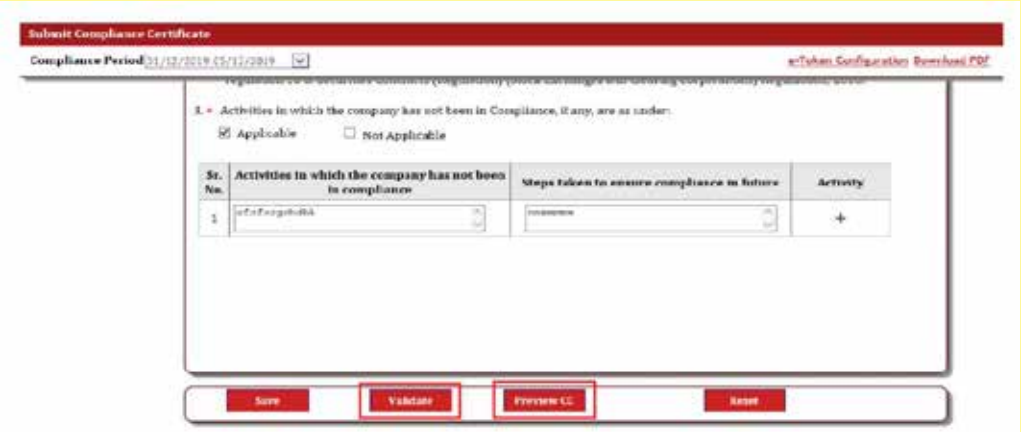
e) If there is more than one non-compliance, the Compliance Officer can report the same by clicking '+' sign as shown below and incorporate the non-compliance. The non-compliance would also be applicable, in case if there is any compliance point which is kept unticked by the Compliance officer.



f) Compliance Officer can click "Save" button to save the draft at any point in time while filling the Compliance Certificate. The Compliance Officer can view the saved Compliance Certificate under 'view/search reports' option. Further, Compliance Officer can click "Reset" button to reset the filled Compliance Certificate [as exhibited below].



g) Once the Compliance Certificate is filled completely, the Compliance Officer will need to click on 'validate' button. If there are any error/s the same would be highlighted which are required to be corrected by the Compliance Officer and once again click on button 'validate'. Compliance Officer can preview the Compliance Certificate by clicking 'Preview CC' button [as exhibited below].



h) Once Compliance Certificate checklist is validated successfully then the Compliance Officer is required to digitally sign the same and submit the Compliance Certificate to NSDL by clicking on "Sign and submit to NSDL" button.

2) Change in details of Compliance Officer / Alternate Compliance Officer of Participant:

In case there is any change in details of Compliance Officer's/ Alternative Compliance Officer's name, email ID and mobile number, Participants are requested to inform the same on email ID NSDL-BP-INSPECTION@nsdl.co.in.

Annexure B

(To be provided on Participant's letterhead)

Date: _____

To

National Securities Depository Limited Trade
World, A Wing, 4th floor Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai - 400 013.

Dear Sir/Madam,

Sub : Compliance Certificate for the period _____ to _____

1. I _____ (Name of the Compliance Officer) hereby certify that the depository operations of _____ (DP Name and DP Id) are in compliance with all applicable laws and especially with respect to the following:

   a) The Depositories Act, 1996;

   b) The SEBI (Depositories and Participants) Regulations, 2018;

   c) The Bye Laws and Business Rules of NSDL.

   d) Directives / Circulars / Clarifications / Guidelines issued by SEBI, the Government of India, Regulatory Bodies and NSDL, from time to time.

   e) Prevention of Money Laundering Act, 2002 and the Rules and Guidelines notified thereunder by SEBI or Statutory / Regulatory Authorities.

2. Fit and Proper Status:

   I _____ (Name of the Compliance Officer) hereby certify that the <DP Name>, its directors and the key management persons are fit and proper as per regulation 23(2) of the SEBI (Depositories and Participants) Regulations, 2018 read with the criteria specified under regulation 20 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

3. Activities in which the Participant has not been in Compliance, if any, are as under:

Sr. No.	Activities in which the Participant has not been in compliance	Steps taken to ensure compliance in future
1		
2		

Name and Designation of Compliance Officer :

Signature of Compliance Officer :

Circular No.: NSDL POLICY / 2018/0028 Date: May 21, 2018	***Subject: Submission of Compliance Certificate by Participants.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2006/0023 dated July 6, 2006 in which format of the Compliance certificate was provided. In this regard, format of 'Compliance Certificate' to be submitted by the Participants (for the period January to June and July to December to be submitted by July 31 and January 31 respectively) has been revised and enclosed as Annexure I.

Annexure I

(To be provided on DPS letterhead)

Date:_____

To

Participant Interface & Inspection Department National Securities Depository Limited Trade World, A Wing, 4th floor Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai - 400 013.

Dear Sir/Madam,

Sub : Compliance Certificate for the period _____ to _____

I _____ (Name of the Compliance Officer) hereby certify that the depository operations of

_____ (DP Name and DP Id) are in compliance with all applicable laws and especially with

respect to the following:

The Depositories Act, 1996;

The SEBI (Depositories and Participants) Regulations, 1996 ;

The Bye Laws and Business Rules of NSDL.

Directives / Circulars / Clarifications / Guidelines issued by SEBI, the Government of India, Regulatory Bodies and NSDL, from time to time.

Prevention of Money Laundering Act, 2002 and the Rules and Guidelines notified thereunder by SEBI or Statutory / Regulatory Authorities.

Fit and Proper Status :

I _____ (Name of the Compliance Officer) hereby certify that the <DP Name>, its principal officer,

directors, promoters and the key management persons are fit and proper as per the criteria specified at Schedule II of SEBI (Intermediaries) Regulations, 2008.

Activities in which the company has not been in Compliance, if any, are as under

Sr. No.	Activities in which the company has not been in compliance	Steps taken to ensure compliance in future
1		
2		

Circular No. NSDL/POLICY/ 2006/0023 Date: July 6, 2006	***Sub: Submission of Compliance Certificate by Participants*** As all Participants are aware, as SEBI registered Intermediaries, Participants are required to comply with the following: (i) The Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Guidelines / Directives / Instructions issued by SEBI, the Government of India and other Regulatory Bodies from time to time; (ii) The Bye Laws & Business Rules and various circulars issued by NSDL, from time to time. Further, Participants are required to comply with the provisions of Prevention of Money Laundering Act, 2002 and the rules and guidelines issued, thereunder. In this regard, Participants are advised to submit a **'Compliance Certificate'** to NSDL in the format given in Annexure I, duly signed and stamped by the Compliance Officer of the Participant, at half yearly intervals (January to June and July to December to be submitted by July 31 and January 31 of every year respectively). **Annexure I** (To be provided on DP's letterhead) Date: _____ To The Vice President Business Partner Inspection Department National Securities Depository Limited Trade World, A Wing, 5th floor Kamala Mills Compound Senapati Bapat Marg Lower Parel Mumbai - 400 013. Dear Sir, **Sub : Compliance Certificate for the period _____ to _____** I _____ (name of the Compliance Officer) hereby certify that the depository operations of _____ (DP Name and DP Id) are in compliance with all applicable laws and especially with respect to the following: (a) The Depositories Act, 1996; (b) The SEBI (Depositories and Participants) Regulations, 1996; (c) The Bye Laws and Business Rules of NSDL. (d) Directives / Circulars / Clarifications / Guidelines issued by SEBI, the Government of India, Regulatory Bodies and NSDL, from time to time. (e) Prevention of Money Laundering Act, 2002 and the Rules and Guidelines notified thereunder by SEBI or Statutory / Regulatory Authorities. Activities in which the company has not been in Compliance, if any, are as under: a) b) c) d)

	In respect of the areas of non- compliance, the following steps have been taken so as to ensure compliance in future. a) b) c) d) Name and Designation of Compliance Officer : Signature of Compliance Officer : DP Id : Stamp of the DP :

Acknowledgment by NSDL for submission of Compliance reports by Depository Participants

Circular No. NSDL/POLICY/ 2006/0050 Date: October 19, 2006	***Sub : Acknowledgment by NSDL for submission of Compliance reports by Depository Participants*** Depository Participants (DPs) are required to submit various reports such as Internal Audit, Concurrent Audit, Investor Grievances, KYC, Compliance certificates etc. to the different departments of NSDL to meet the respective compliance requirements. In this regard, DPs are requested to note that with effect from November 1, 2006, the recipient department of NSDL will give an acknowledgment about the receipt of the report(s) at the email address of the Compliance Officer. In view of the above, DPs are requested to submit the email id(s) of the Compliance Officer, if not submitted earlier or if there are any changes at participant-interface@nsdl.co.in (Refer Circular No. NSDL/PI/2005/2550 dated December 29, 2005).

Format for filing charge structure

Circular No. NSDL/POLICY/ 2007/0003 Date: January 8, 2007	***Sub : Format for filing charge structure with NSDL every year by April 30*** Attention of Depository Participants (DPs) is invited to NSDL Circular No. NSDL/PI/2006/0064 dated December 26, 2006 (copy enclosed) regarding filing of charge structure with NSDL and penalty therefor in case of non-compliance. The details of charge structure should be provided as per the enclosed format (in MS Excel) and e-mailed to NSDL at dpfees@nsdl.co.in Further, any subsequent changes (addition/deletion/modification) in the charge structure of the DP should also be intimated to NSDL in the above format, at the above e-mail Id before such changes become effective.

Annexure

DP Name	Statutory charges at the time of account opening	Advance/ Deposit	Account Mainte-nance	Demat	Remat	Transac-tion (Debit)	Pledge Creation	Pledge Creation confir-mation	Pledge Closure	Pledge Closure confir-mation	Pledge Invo-cation	Failed instru-ction charges	Other charges, if any	Remarks

Audited networth certificate - Financial statement

Circular No. NSDL/POLICY/ 2009/0084 Date: September 16, 2009 (Relevant Extracts)	***Sub : Amendments to Bye Laws*** All Participants are hereby notified that Bye Law 6.2.1 (iv) and Bye Law 10.2.1 of the Bye Laws of NSDL have been amended. The amended Bye Law 6.2.1 (iv) and Bye Law 10.2.1 are given below: **Amended Bye Law 6.2.1 (iv):** The Participant (both prospective and existing) in the category of stock broker has a minimum networth of rupees three crore. Provided further that in case of non-banking finance company (NBFC) and a registrar to an issue or share transfer agent, minimum networth as specified in the SEBI Regulations will apply. Provided, however, that if the Participant is already acting as a Participant on March 14, 2008, it will be required to fulfill this requirement by March 31, 2010.
Circular No. NSDL/POLICY/ 2003/1979 Date: December 11, 2003 (Relevant Extracts)	All Participants are hereby notified that Rules 21.1.1 (i), 21.2.2.1 (i), (iii) & (iv) of the Business Rules of NSDL have been amended and will come into effect from January 1, 2004. Further, Annexure A pertaining to computation of networth has also been amended. The revised Rules 21.1.1 (i), 21.2.2.1 (i), (iii) & (iv) and Annexure A are enclosed.

Annexure 'A' of the Business Rules of NSDL:
COMPUTATION OF NETWORTH

Sr. No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)
	Paid-up Capital + Free Reserves - Share Application Money (total reserves less Revaluation Reserves and Specified Reserves)		
	Less:		
A	Accumulated Losses		
B	Receivable (more than 6 months old)		
C	Receivable from Group Companies		
D	Intangible Assets		
E	Preliminary and Preoperative expenses not written off		
F	Value of Stock Exchange Card		
G	Loan in excess of value of Pledged Securities		
H	Loan in excess of value of Pledged Assets		
I	Investment in Group Companies		
J	Networth required for other depositories		
K	Loans and advances to group Companies		
L	Statutory Contingent Liabilities		

Notes:

1. Details of item mentioned under Sr. no. C, F, G, H, I, K and L shall be provided as annexure to the certificate.
2. In case of statutory contingent liabilities, only 50% of the liabilities shall be deducted.
3. In case of Bank DPs, if provisions for NPAs have been made as per RBI guidelines and Auditor's certificate to this effect has been provided, no deduction to be made for receivables more than six months old.
4. Security-wise details of all investments (quoted as well as unquoted securities) shall be provided as annexure to the certificate.

The applicant for Participantship should submit a certificate of Net worth computed in accordance with these guidelines from the Chartered Accountant in the following format:

CERTIFICATE FOR PARTNERSHIP FIRMS

This is to certify that the Networth of M/s _____ as on _____ as per the statement of computation of even date annexed to this report is Rupees _____ only.

It is further certified that the computation of Networth based on my/ our scrutiny of the books of accounts, records and documents is true and correct to the best of my/our knowledge and as per information provided to my/our satisfaction.

Place:

Date:

For (Name of Accounting Firm)

Name of Partner

Chartered Accountant

Membership Number

CERTIFICATE FOR INDIVIDUALS

This is to certify that the Networth of Mr/Ms as on as per the statement of computation of even date annexed to this report is Rupees only.

It is further certified that the computation of Networth based on my/ our scrutiny of the books of accounts, records and documents is true and correct to the best of my/our knowledge and as per information provided to my/our satisfaction.

Place:

Date:

For (Name of Accounting Firm)

Name of Partner

Chartered Accountant

Membership Number

	CERTIFICATE FOR CORPORATES This is to certify that the Networth of _____ as on _____ as per the statement of computation of even date annexed to this report is Rupees _____ only. It is further certified that the computation of Networth based on my/ our scrutiny of the books of accounts, records and documents is true and correct to the best of my/our knowledge and as per information provided to my/our satisfaction. Place: Date: For (Name of Accounting Firm) Name of Partner Chartered Accountant Membership Number
Off-market transactions report	
Circular No. NSDL/POLICY/ 98/002 Date: January 1, 1998	Attention of the Participants is invited to Bye Law 6.3.6 (iv) of NSDL, in terms of which the Participants are required to submit a return pertaining to the number of transfers effected for off-market settlement of trades once every month. Since such information is available at the DM in the electronic form, the Participants need not submit the same in a paper form separately. NSDL, however, reserves the right to call for such information from the Participants at any point of time.
b. Internal / Concurrent Audit	
Bye Law 10.3.1	Every Participant shall ensure that an internal audit in respect of its depository operations is conducted at intervals of not more than six months by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant, holding a Certificate of Practice and a copy of the internal audit report shall be furnished to the Depository.
Bye Law 10.3.4	The Chartered Accountants, Company Secretaries or Cost and Management Accountants who are engaged in Internal Audit or Inspection of the Participant in respect of its depository operations, should not have any conflict of interest with the said Participant.

Circular No. NSDL/POLICY/ 2014/0014 Date: February 10, 2014	***Sub: Guidelines for inspection of Depository Participants (DPs) by Depositories*** All Participants are hereby informed that SEBI has vide its Circular No. CIR/ MRD/DMS / 05 /2014 dated February 7, 2014 issued guidelines for inspection of Depository Participants (DPs) by Depositories. Copy of the same is enclosed for information.

CIRCULAR

CIR/MRD/DMS / 05 /2014 February 07, 2014

To

All Depositories.

Dear Sir / Madam,

Subject: Guidelines for inspection of Depository Participants (DPs) by Depositories

1. Depository System Review Committee (DSRC) was constituted by SEBI to undertake a comprehensive review of the depository system of Indian Securities market.
2. As a first measure, DSRC has reviewed framework adopted by the depositories with regard to the inspection of depository participants (DPs). Considering the recommendations of the committee, it has been decided that depositories shall ensure the following while inspecting their DPs.

Inspection Areas and Sample Size

3. For conducting inspection of DPs, depositories shall inspect the areas as mentioned in **Annexure - I**. During inspection, depositories shall cover implementation of circulars / guidelines issued by SEBI and guidelines / operating instructions / directions by depositories in respect of these areas. In addition, Depositories may include such other areas as felt appropriate.
4. For the purpose of determining the size of sample, depositories shall be guided by 'Adaptive Sample Size determination methodology' as mentioned at **Annexure - II**.

Categorization / Risk Rating of DPs

5. For the purpose of computing total risk score of DPs, depositories shall be guided by "DP Rating Model / Categorization" as mentioned at **Annexure – III**.
6. Depositories should periodically undertake risk - impact analysis for each of the inspection areas, assign appropriate risk weightage, calculate risk scores for each DPs in the lines mentioned below.
   a) Risk Weightage: Depositories shall assign risk weights for each of inspection areas after taking into consideration following factors:
      1. Operational risks in each of the inspection areas.
      2. Category of DPs (such as stock broker DPs, bank DP, etc)
      3. Size of Operation
      4. Repetitive violations
      5. IT Security and BCP
      6. Complaints received and redressed
   b) Quantitative Score Calculation: Depositories shall arrive at a Quantitative Risk Score for each inspection area by multiplying percentage of non-compliance to the sample size with the corresponding assigned risk weight.
   c) Qualitative Score Calculation: Depositories shall arrive at a Qualitative Risk Score for each qualitative area by multiplying the score assigned by inspection team to DP with corresponding assigned risk weight.
   d) Total DP Risk Score shall be the summation of quantitative and qualitative scores assigned to the DP.

e) Depositories shall suitably normalize the scales of the qualitative and quantitative scores in arriving at the Total DP risk score.

7. Depositories shall categorize their DPs as 'High Risk', 'Medium to High Risk', 'Medium Risk', and 'Low Risk' DPs based on the percentile of risk score.

DP Risk Rating / Categorization	Percentile of Risk Score
High	¤ 80
Medium-High	46-79
Medium	21-45
Low	¤ 20

Other requirements

8. After arriving at the risk rating / categorization as mentioned above, for subsequent inspections, depositories shal use the DP risk rating /categorization to decide on the frequency of inspection of DPs.

9. Apart from the above, depositories may undertake specific purpose inspections for DPs which score high in the specific inspection areas as mentioned at Annexure - I.

10. Depositories shall jointly inspect DPs which are registered with both depositories to have better control over DPs, avoid duplicity of manpower, time and cost and also to reduce the possibility of regulatory arbitrage, if any. Depositories shall share the risk rating / categorization of common DPs with each other. For the purpose of determining sample size and frequency of the joint inspection of such common DPs, the higher risk categorization assigned by any of the Depository shall prevail.

11. Depositories shall put in place appropriate technological tools to undertake off-site inspections of DPs in order to reduce time and manpower resources. Depositories are directed to:
    a. take necessary steps and put in place necessary systems for implementation of the above.
    b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision, wherever applicable.
    c. bring the provisions of this circular to the notice of their DPs and also disseminate the same on their website.

12. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 read with Section 19 of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

DILIP B. J.
Deputy General Manager
email: dilipbj@sebi.gov.in

Enclosures:

(i) Annexure –I : List of inspection areas
(ii) Annexure – II: Adaptive sample size determination methodology
(iii) Annexure – III: DP Rating / Categorization Model

Annexure –I

List of Inspection Areas

1. Depositories shall inspect the areas mentioned at para 2 below during inspection of DPs with regards to any
   - 1.1. Circulars / Guidelines issued by SEBI on the areas mentioned below.
   - 1.2. Guidelines / Operating Instructions / Directions from depositories on the areas mentioned below.
2. In case there are built in system checks at the depository that ensure compliance of any of the inspection areas / sub –areas with regard to point 1.1 and 1.2 above, the depository may decide on the including the same during the inspection of DPs

Inspection Areas

A. Account Opening / KYC Documents
- A.1. Account Opening forms
- A.2. KYC Documents
  - A.2.1. PAN Verification
  - A.2.2. In-person verification
  - A.2.3. Forwarding of Documents to KYC Registration Agency (KRA)
- A.3. Proof of Identity (POI)
- A.4. Proof of Address
- A.5. Correspondence Address
- A.6. Authorized Signatories
- A.7. Completeness / Validation of data entered into DPM with data provided in the Account Opening forms
- A.8. Minor BO / Joint / HUF accounts
- A.9. Account Activation
- A.10. PMS Accounts
- A.11. Nomination
- A.12. Any other area as may be specified by the depository

B. Basic Service Demat Account (BSDA)
- B.1. Procedures and Checks pertaining to BSDA
- B.2. Any other area as may be specified by the depository

C. Client Data Modification (CDM)
- C.1. Procedure for CDM
- C.2. Any other area as may be specified by the depository

D. Demat / Remat / Conversion /Reconversion request
- D.1. Procedure for receiving/processing requests pertaining to Demat / Remat / Conversion /Reconversion request
- D.2. Procedure for forwarding requests pertaining to Demat / Remat / Conversion / Reconversion request to RTA / issuer
- D.3. Arrangement for Safekeeping of Security / Share Certificates
- D.4. Tracking of demat requests
- D.5. Rejection of above requests attributable to DPs
- D.6. Checks pertaining to processing of Demat / Remat / Conversion / Reconversion request
- D.7. Any other area as may be specified by the depository

E. Delivery Instruction Slip (DIS)
- E.1. Issuance of DIS
- E.2. Inventory Control of DIS

E.3. First Instruction Slip Booklet
E.4. Requisition Slip
E.5. Procedure for Loose DIS
E.6. Depository specific areas
E.7. Verification of DIS
E.8. Procedure for accepting DIS
E.9. Time Stamping and related Areas
E.10. Accepting DIS by Fax
E.11. Accepting DIS in form of Annexure
E.12. Completeness of DIS
E.13. Accepting DIS in electronic form
E.14. Procedure for Verification of DIS
E.15. Signature Verification
E.16. Corrections / Cancellations to DIS
E.17. Blocking of used / executed / lost / misplaced / Stolen DIS
E.18. Procedure for processing of DIS
E.19. Any other area as may be specified by the depository

F. Transaction
F.1. Checks pertaining to setting up / processing of transactions
F.2. Future dated transactions
F.3. Transfer of all ISINs of BO account having 5 or more ISINs
F.4. Any other area as may be specified by the depository

G. Transaction Statement (TS)
G.1. Validation of TS
G.2. Maintenance of records of TS
G.3. Issuance of TS to BOs
G.4. Any other area as may be specified by the depository

H. Compliance under Prevention of Money Laundering Act, 2002 (PMLA)
H.1. Compliance with PMLA Act, 2002 and SEBI Guidelines on areas such as Customer due diligence, suspicious transaction monitoring, reporting and record keeping
H.2. Appointment of Principal officer as required under PMLA Act,2002
H.3. Mechanism to deal with alerts provided by Depository
H.4. Suspicious Transactions reports to FIU
H.5. Any other area as may be specified by the depository

I. Maintenance of record and documents
I.1. Information regarding place(s) of record keeping
I.2. Outsourcing of record keeping activities
I.3. Any other area as may be specified by the depository

J. Service Centre Opening and closing/ modification of service centers
J.1. Procedure for Opening /Closure of Service centers
J.2. Details of Service centre on Depository website
J.3. Qualified persons at service centers
J.4. Any other area as may be specified by the depository

K. Information Technology areas
K.1. Hardware, Software and Network requirements / configurations
K.2. Logical and Physical restrictions / safeguards
K.3. IT Security

K.4. Procedure for alteration of parameters / configurations
K.5. Redundancy
K.6. Any other area as may be specified by the depository

L. Power of Attorney (POA)
L.1. Documents executed
L.2. Maintenance of POA Register
L.3. Clauses of POA
L.4. Registration of BO for SMS Alert facility for POA
L.5. Any other area as may be specified by the depository

M. Inter Depository Transfers (IDT)
M.1. Processing of IDT
M.2. Checks pertaining to IDT
M.3. Any other area as may be specified by the depository

N. Account Transfer
N.1. Procedure followed for account transfer
N.2. Checks pertaining to Account transfer
N.3. Waiver claimed for inter depository transfer
N.4. Any other area as may be specified by the depository

O. Transmission
O.1. Procedure followed for transmission
O.2. Checks pertaining to Transmission
O.3. Waiver Claimed for inter depository transfer
O.4. Any other area as may be specified by the depository

P. Pledge / Unpledge
P.1. Procedure followed for Pledge / Unpledge
P.2. Checks pertaining to Pledge / Unpledge
P.3. Any other area as may be specified by the depository

Q. Freeze / Unfreeze
Q.1. Freeze facility
Q.2. Procedure followed for Freeze
Q.3. Checks pertaining to freeze
Q.4. Any other area as may be specified by the depository

R. Miscellaneous areas
R.1. Investor Grievance
R.2. Forms for various activities
R.3. Execution of any supplementary agreement/ Letter of Confirmation
R.4. Submission of Internal Audit / Concurrent Audit / Net worth Certificate
R.5. Submission of Annual Financial Statement
R.6. Outsourcing of Activities
R.7. Closure / transfer of Balances
R.8. Submission of Information sought by Depositories specifically through Circulars / Letters.
R.9. Half Yearly Compliance
R.10. Any other area as may be specified by the depository

S. Status of compliance for deviations / observations noted in last inspection

T. Complaints
T.1. Account Opening

T.2. Demat / Remat
T.3. Transaction Statement
T.4. Improper Service
T.5. Charges
T.6. Delivery Instruction Related (DIS)
T.7. Closure
T.8. Manipulation / Unauthorized Action
T.9. Monthly report for client complaints
T.10. Other Complaints

Annexure -II

Adaptive Sample Size Determination methodology

1. Sample Size for inspection area of 'Account Opening'

- The sample selection for account opening shall cover all categories of clients such as individuals, HUF, Corporate, FIIs etc.
- Base sample size: 5% of Account Opening Forms (AOFs) or 150 AOFs whichever is higher, with a maximum cap of 1000 accounts.
- Final Sample Size: The final sample size shall also be dependent on past rating / categorization of DP. The following multipliers shall be used to determine the final sample size for the current inspection. In case the total number of instances / cases is less than the final sample size, then 100% of the samples shall be verified.

DP Rating / Categorization	Multiplier
High risk	3
Medium High risk	2
Medium risk	1.5
Low risk	1

- The selected sample shall maintain the proportion of new accounts opened in each category, except for Account Opening Forms (AOF) relating to FIIs where it shall be checked on a 100% basis.

2. Sample Size for inspection area relating to DIS

- Base sample size: 10% of total DIS processed or 200 processed DIS whichever is higher, with a maximum cap of 1000 DIS.
- Final Sample Size: The sample size shall also be dependent on rating / categorization of DP. The following multipliers shall be used to determine the final sample size for the current inspection. In case the total number of instances / cases is less than the final sample size, then 100% of the samples shall be verified.

DP Rating / Categorization	Multiplier
High risk	3
Medium High risk	2
Medium risk	1.5
Low risk	1

- Out of total intra depository instructions to be verified, the percentage of on and off market instructions would be in the ratio of 1/3 and 2/3.
- DIS issuance sample size shall be 5% of the total samples verified for DIS.

3. Sample Sizes for inspection areas of 'Demat / Remat request' and 'Pledge / Unpledge'

- 5% of Demat / Remat request processed or 100 requests whichever is higher with a maximum

cap of 500 such requests.

- 5% of Pledge / Unpledge request processed or 100 requests whichever is higher with a maximum cap of 500 such requests.

4. Sample Size for inspection area of 'Client Data Modification', 'Miscellaneous areas' and 'Other depository specific requirements'

- Base Sample Size
  - Address change = 50
    - Samples from Urban, Semi Urban and Rural Areas shall be equally represented if available.
  - Nomination Change = 25
  - Signature change = 100
  - Addition / Deletion / Modification of POA = 100
  - Freeze / Unfreeze = 50
  - Bank Details Change = 100
  - PAN modification = 100
  - Account closure initiated by clients = 25
  - Closure initiated by DPs = 25
  - Demat rejection = 30
  - Transactions = 25
  - Change in e-mail Id = 25
  - Change in mobile number = 25
  - Change in SMS flag = 50
  - Change in standing instruction flag = 50
  - Transmission = 50% of total transmission cases
  - Previous compliance = 100% of total samples
  - Final sample size shall be arrived at after multiplying with the respective multiplier corresponding to the DP Risk rating /categorization as given below. In case the total number of instances / cases is less than the final sample size, then 100% of the samples shall be verified.

DP Rating / Categorization	Multiplier
High risk	3
Medium High risk	2
Medium risk	1.5
Low risk	1

5. Other Aspects

- A uniform Base sample size of 100 shall be adopted in case of all other activities. In case the total number of samples is less than 100, then 100% of the samples shall be verified.

Annexure-III

DP Rating / Categorization Model

I. **Quantitative Score Calculation:** Specific weights shall be assigned to each area as decided by each depository. The Total Quantitative Score shall be the summation of all individual inspection scores.

Table: Indicative Table for calculation of Quantitative Score

Sr No	Inspection Areas	Weight (A) Sample size	B = No of Instances divided by IS = A*B	Inspection Score
A.	**Inspection Area 1**			
A.1.	Inspection Sub Area A 1			
A.2.	Inspection Sub Area 2			
	Total Score for ***Inspection Area 1***			
B.	**Inspection Area 2**			
B.1.	Inspection Sub Area B 1			
B.1.	Inspection Sub Area B 1			
B.3.	Inspection Sub Area B 3			
	Total Score for ***Inspection Area 2***			

Depositories shall include all inspection areas and sub areas, as per Annexure –I (List of Inspection Areas) of this circular, in the above model to arrive at the Quantitative Score for a DP.

Table: Indicative Table for calculation of Quantitative Score for Complaints Received

Sr No	Type and Nature of Complaint	Weight (A)	(Number of Complaints redressed)/ Number of Complaints received)	Inspection Score IS = A*B
T.	**Complaints**			
T.1.	Complaint Sub Area A 1			
T.2.	Complaint Sub Area 2			
	Total Score for **Complaint**			

Quantitative Score = ▫ (Scores of Inspection Areas including Total score for Complaints)

II. **Qualitative Score Calculation:** Specific weights shall be assigned to each area as decided by depository. The Total Qualitative Score shall be the summation of all area scores.

Sr No	Qualitative Factors	Weight (A)	Point on the scale of 1 to 10. [10 being the Worst] (B)	Area Score =(A) * (B)
1	Ownership and Governance			
2	IT security and Business Continuity			
3	Regulatory / procedural Compliance			
4	Automation of systems and processes for critical activities			

5	Quality of Management			
6	Financial Status / profitability of DPs Pending enquires / Penalties			
7	imposed by SEBI / Depositories on DP operations			
8	Complaints redressal			
9	Adverse findings of other activities (eg. Broking / custodian / banks etc)			
Total Qualitative Score = (Area Scores)				

Following indicative factors shall be taken into account for arriving at above mentioned qualitative score:

(a) Ownership and Governance

1. Constitution of Board of DP – Number of promoter directors, Independent Directors etc.
2. Role of non-executive directors / Independent directors.

(b) Quality of Management

1. Experience, Fit and Proper and Qualification of Key Personnel.
2. Existence of Succession planning for top management especially in control functions.
3. Chinese walls between the activities in terms of manpower, resources etc.
4. Training and development of employees.
5. Adequacy of staff strength.
6. Compliance level of previous inspection observations/ directions of regulatory bodies

(c) IT security and Business Continuity

1. High Availability.
2. Appropriate Interconnected Architecture.
3. Appropriate Recovery Time Objective (RTO) and Recovery Point Objective (RPO) and near "Zero Data Loss".
4. Periodic drills that simulate the real life disaster scenarios on a regular basis.
5. Technological glitches in the past period and remedies taken.
6. Information security.
7. Upgradation of technology

(d) Financial Status / profitability of DPs

1. The net-worth of the DPs (whether reducing or increasing from previous years)
2. Net Profits of DPs operations.

(e) Complaints redressal

1. Complaint redressal system
2. Percentage of complaints pending and resolved.

(f) Other adverse findings

1. Actions taken by Stock exchange and SEBI / RBI with respect to other activities
2. Actions taken by other depository.

III. Total Score = Qualitative Score + Quantitative Score

Circular No.: NSDL/POLICY/2020/0136
October 19, 2020

Subject: Internal and Concurrent Audit of depository operations.

Participants are aware that as per Bye Law 10.3, each Participant is required to have its depository operations audited by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant holding a Certificate of Practice. Based on such audit, a copy of the report should be submitted to NSDL on half yearly basis.

Attention of Participants is invited to Circular No. NSDL/POLICY/2020/0045 dated April 7, 2020 in which guidelines related to scope of the audit and format of the audit report were provided. The audit report format has been modified and enclosed as Annexure 1 in track change mode and as Annexure 2 (without highlighting the changes). The broad objectives / guidelines for the internal / concurrent audit are enclosed as Annexure 3. Participants are advised to take note of the following:

1. Audit should cover all facets of the depository operations. Auditor may expand the scope of audit / add more audit points to achieve the objectives enclosed as Annexure 3. Participants are advised to extend full co-operation to their auditors to enable them to perform an effective audit. All circulars / guidelines issued by NSDL / SEBI from time to time and other information / records desired by the auditors should be made available to them within a reasonable time.
2. Participants should forward the audit report as per schedule given below to NSDL -

Audit Period	Due date for submission of report to NSDL
April 1 to September 30	November 15
October 1 to March 31	May 15

3. The Participants which remain operational for less than three months in an audit period can submit audit report for that audit period along with the audit report for next audit period. For example, if a Participant is made operational by NSDL on July 1, 2019, then it can submit first audit report for period July 1, 2019 - March 31, 2020.
4. Audit work for areas which are covered under the scope of concurrent audit should be completed by next working day. If audit cannot be completed by next working day due to large volume, it must be completed within a week. Concurrent audit includes following areas:
   i) Account opening,
   ii) Delivery Instruction Slip (DIS) book issuance,
   iii) Execution of DIS.
   iv) Power of Attorney modifications,
   v) Account closure requests initiated by Participant,
   vi) Investor grievances received by Participant,
   vii) Providing Transaction Statements to clearing members (process level)
   viii) KYC reconfirmation intimated by NSDL and initiated by Participant,
   ix) Replacement of Original DIS image in tamper proof storage
   x) Non Disposal Undertakings (NDU)

	xi) Modification in the name of client (including minor correction in name) xii) Client data modifications xiii) Accreditation of investors (IGP) xiv) Freezes due to statutory orders (freeze reason codes 15 to 33) xv) Pledge & Hypothecation (w.e.f October 1, 2020) xvi) Margin Pledge / Re-Pledge xii) Client data modifications xiii) Accreditation of investors (IGP) xiv) Freezes due to statutory orders (freeze reason codes 15 to 33) xv) Pledge & Hypothecation (w.e.f October 1, 2020) xvi) Margin Pledge / Re-Pledge 5. Participants may appoint same auditor for concurrent and internal audit. If both audits are done by same auditor, then a consolidated report must be submitted instead of two separate reports. If both audits are being done by different auditors, then two separate reports must be submitted. 6. Participants are advised to note that the audit report format provided in this circular is applicable for audit period April 1, 2020 to September 30, 2020 and onwards. 7. Participants are hereby informed that internal and/or concurrent audit reports which are not as per guidelines will be treated as non-submission of the report. NSDL reserves the right to advise a Participant to change its auditor if quality of the report is found to be not satisfactory or the audit is not carried out as per guidelines. 8. The auditors may visit service centers (on sample basis) to check whether proper procedures are being followed at such centers. 9. Any one person conducting the internal and/or concurrent audit (risk prone areas) should obtain certification from the National Institute of Securities Markets (NISM) by passing the NISM-Series-VI: Depository Operations Certification Examination DOCE). Alternatively, such persons, if eligible, may undergo Continuing Professional Education (CPE) program for depository operations (details available on www.nism.ac.in). 10. Internal/concurrent audit report needs to be submitted in electronic form through e-PASS platform as mentioned in circular NSDL/POLICY/2016/0091 dated November 9, 2016

Cover page	
Internal / Concurrent Audit Report for Depository Operations	
Type of Audit Report	□ Internal Audit Report (IAR) □ Concurrent Audit Report (CAR) □ Combined IAR and CAR
Name of the auditee	
DP ID(s)	INXXXXXX
	INXXXXXX
SEBI Registration Number	
Audit period	From DD-MMM-YYYY to DD-MMM-YYYY
Name of the auditor	
PAN of the auditor	
Membership no. of the auditor	
NISM - DOCE / CPE Certificate no. *[of any one person conducting the internal and/or concurrent audit]*	
Date till which certificate is valid	DD-MMM-YYYY
Name of the audit firm	
Registration No. of audit firm	
Full postal address of the audit firm	
Contact number along with STD code / mobile number of auditor	
email ID of auditor	
Signature of the auditor	
Date	

Activity wise sampling details				
Sr. No.	**Area**	**Count for the audit period (total number of accounts opened, demat request processed, etc.)**	**No. of samples checked**	**Percentage of samples checked**
1	Account Opening (100%)			
2	KYC re-confirmation cases: - Initiated by Participant (100%)			
	- Intimated by NSDL (100%)			
3	Demat requests			
4	Remat requests			
5	Conversion requests			
6	Reconversion requests			
7	Redemption requests			
8	DIS book issuance (Including loose slip issuance) (100%)			
9	Total DIS execution (at least 25%)			
	a) Digitally signed DIS images (having DP as well as NSDL digital signature) extracted from tamper proof storage at least 10% of samples)			
	b) Physical DIS			
10	Replacement of Original DIS image in tamper proof storage (100%)			
11	Pledge / hypothecation Instructions (100%)			
12	Margin Pledge / Re-pledge (100%)			
13	Client data modifications [100%]			
14	Account Freeze			
	a) Freezes due to statutory orders (100%)			
	b) Other Freezes			
15	Account Unfreeze			
	a) Unfreezes due to statutory orders (100%)			
	b) Other Unfreezes			
16	Modification in the name of client(including minor correction in name) (100%)			
17	Power of Attorney modifications (100%)			

18	Account Closure requests - Initiated by Participant (100%)			
	- Initiated by client			
19	Transmission (100%)			
20	Investor grievances received by Participant (100%)			
21	Non Disposal Undertakings (NDU) (100%)			
22	Accreditation of investors (IGP) (100%)			
23	Providing statement of accounts to clearing member (100% process level) (For count / samples checked, specify number of occasions of dispatch during audit period - typically it would be six for the six month period). [In case a Participant does not have any clearing member account and has only beneficial owner account then 'Not Applicable' may be specified].	**Specify number of occasions of dispatch of statement during audit period by Participant**	**Specify number of occasions of dispatch checked by auditor**	
24	Any other samples picked by Auditors (Please provide detailed break-up of areas verified alongwith sample count for that particular area)			

Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1	KYC and Account Opening			
1.1	Checklist		If no, then number of accounts with discrepancies must be mentioned here	
1.2	Whether PANs and copies of PAN Cards have been obtained for all the accounts, wherever applicable?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.3	Whether PANs are verified with the database of Income Tax Department and stamp of "PAN Verified" has been affixed on the photocopy of the PAN card(s) for all the accounts?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.4	If correspondence address of a third party has been accepted, whether guidelines prescribed by SEBI, PMLA and NSDL have been followed?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.5	Whether all KYC application forms and account opening forms are completely filled in respect of all account holder(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.6	Whether photograph(s) of client(s)/ Authorised signatories/Director(s)/ Promoter(s)/ Trustee(s)/ Partner(s) etc. provided on KYC Form matches with the photograph on Proof of Identity and PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.7	Whether signature(s) of client(s)/ Authorised signatories provided on Account Opening Form and KYC Documents matches with the signature(s) on Proof of Identity and / or PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.8	Whether copies of all the documents submitted by the applicant are self-attested?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	

1.9	Whether copies of all the documents submitted by the applicant are accompanied with originals for verification / properly attested by entities authorized for attesting the documents in cases where the original of the said document is not produced for verification?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.10	Whether the 'in - person' verification of the account holders has been done before activation of the account and the record of in-person verification is maintained as per SEBI, PMLA and NSDL guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.11	Whether Participant has provided a copy of the "Rights and Obligations of the Beneficial Owner and Depository Participant" document to the client either in electronic or physical form, depending upon the preference of the client and obtained an acknowledgement of the same from the client?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.12	Whether data entered in DPM system matches with the details mentioned in the account opening form?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.13	Whether mobile number and email id captured are of the client or family member as per the circular of NSDL and SEBI?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.14	Whether the bank details have been correctly captured in compliance with SEBI and NSDL circular?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.15	Whether signature of account holder(s) as given in the account opening form has been scanned in the DPM system clearly and correctly?	□ Yes □ No	If no, then number of accounts with discrepancies	
1.16	Whether the scanned images of the KYC documents of the clients have been furnished to KRA within 10 working days from the date of execution of documents by clients?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.17	Whether required information / documents are forwarded by Participant to KRA for cases which are informed as incomplete by KRA?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	

1.18	Whether the Participant has uploaded existing clients' KYC data on KRA system and sent scanned images of KYC documents to KRA as per SEBI guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether the Participant has used the KYC data of a client obtained from the KRA only for the purposes it is meant for?	□ Yes □ No	If no, then details must be mentioned here	
1.20	Whether Participant has downloaded KYC information of client(s) who are KYC compliant from KRA platform?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.21	Whether sufficient information has been obtained from clients, to identify and verify the identity of persons who beneficially own or control the securities account (i.e. Ultimate Beneficial Owner) as per SEBI, PMLA and NSDL guidelines (especially for non- individual clients)?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.22	Reliance on the records of client due diligence (KYC) carried out by a third party			
	(a) Whether Participant is in compliance with PMLA/ SEBI guidelines related to 'Reliance on the records of client due diligence (KYC) carried out by a third party'?	□ Yes □ No □ Not Applicable		
	(b) Whether Participant has maintained logs of client authentication or records of client request authenticated ?	□ Yes □ No □ Not Applicable		
	(c) Whether Participant has obtained consent of client for opening of demat account by relying on third party KYC?	□ Yes □ No □ Not Applicable		
	(d) Whether data entered in DPM system matches with the client details as available in third party KYC?	□ Yes □ No □ Not Applicable		
1.23	Whether FATCA/CRS declaration is obtained by Participant?	□ Yes □ No	If no, then details must be mentioned here	
1.24	Whether SARAL account is opened as per SEBI/NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.25	Whether Participant has captured the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PMLA Rules, as per the KYC template for "individuals" finalised by CERSAI?	□ Yes □ No	If no, then details must be mentioned here	
1.26	Whether Participant has uploaded the existing clients' KYC details with Central KYC Records Registry (CKYCR) System?	□ Yes □ No	If no, then details must be mentioned here	
1.27	Whether Participant is in compliance with the clauses of undertaking submitted to NSDL for availing the facility of advance generation of separate series of Client ID from the DPM system?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	

1.28	Whether participant is doing online KYC?	□ Yes □ No		
1.29	If answer to 1.28 is "Yes" whether participants has followed necessary guidelines prescribed by SEBI under circular no.: SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020 ?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.30	Whether participant has closed/suspended the account opened through online KYC, where intimation for account opening has returned undelivered due to reasons such as wrong / incorrect address, addressee not available etc?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.31	Whether DP is registered as SUB KUA for Aadhaar authentication?	□ Yes □ No □ Not Applicable		
1.32	If answer to 1.31 is "Yes" then whether Aadhar authentication has been done as per SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/80 dated May 12,2020?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
2	KYC Re-Confirmation			
2.1	Initiated by Participant			
2.1.1.	Whether periodicity for updation of all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is defined?	□ Yes □ No	If no, then details must be mentioned here	
2.1.2	Whether all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is updated as per defined periodicity and as and when there are suspicions of money laundering or financing of terrorism?	□ Yes □ No	If no, then details must be mentioned here	
2.2	Intimated by NSDL			
2.2.1	Whether KYC confirmation response is updated on i-assist intranet site of NSDL within the stipulated time as prescribed by NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with delayed responses must be mentioned here or enclosed as Annexure	
2.2.2	For all such accounts for which KYC is confirmed on i-assist, whether all KYC documents (as per the KYC guidelines issued by SEBI, PMLA and NSDL) are in possession of Participant?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.3	Whether all such KYC documents (referred in point no. 2.2.2) are verified with originals / properly attested by entities authorized for attesting the documents?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	

2.2.4	Whether all such KYC documents are verified by the auditor before KYC confirmation response is updated by the Participant on i-assist on concurrent basis and auditor has provided certification to that effect?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.5	Whether Participant has suspended for debits all such accounts which are reported as KYC non-compliant on i-assist after giving appropriate notice to the client(s) till the time such client(s) submits necessary KYC documents as per the KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.6	For accounts reported as non-compliant by the Participant on i-assist where the client(s) subsequently submits necessary KYC documents as per the stipulated KYC guidelines, whether the Participant has provided KYC confirmation response to NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
3	Client Data Modification			
3.1	Whether clients' request for changes in data (e.g. name of client (including minor correction in name), address, signature, bank details, mobile number, E-mail, mode of receiving annual report, AGM notice and other communications, Type & Sub type, RGESS Flag, BSDA Flag, Mode of receiving statement of account in electronic form, Family flag, SI indicator etc.) have been processed as per prescribed procedure?	Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.2	Whether Client name modification pursuant to error of Participant has been processed as per prescribed procedure ?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.3	Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.4	Whether Participant has sent communication to Client informing about the modification made in the demat account of the Client?	□Yes □ No □Not Applicable		
3.5	Whether Email ID captured by the participant in DPM, matches with the details provided by client?	□Yes □ No □Not Applicable		
3.6	Whether the Participant has processed the request of the client to link/delink UCC in the demat account properly?	□Yes □ No □Not Applicable		

4	Power of Attorney (POA)			
4.1	Whether POA documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of POA holder(s)) have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4.2	Whether POA contains clauses which are as per the SEBI stipulated guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.3	Whether specific purpose POA contains list of demat accounts where securities can be transferred based on POA?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.4	Whether Participant has created POA ID for all POA holders in DPM and map the same to the respective demat account where DIS is issued to POA holder?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.5	For specific purpose POA, list of demat accounts where securities can be transferred are mapped with POA ID in DPM?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.6	Whether modification/cancellation of Power of Attorney is done as per SEBI/NSDL prescribed guidelines and details have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.7	Whether Participant has complied with the requirement of not obtaining POA in its capacity as a Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5	Nomination			
5.1	Whether nomination is made as per the prescribed procedure and based on the duly filled nomination form?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.2	Whether Nomination details are entered in DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.3	Whether nomination is modified / cancelled in demat account as per NSDL prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

6	Demat / Remat / Conversion / Reconversion / Redemption request			
6.1	Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.2	Whether Participant refers to the list of Distinctive Numbers of certificates submitted for dematerialisation as made available by NSDL and ensures that the appropriate International Securities Identification Number (ISIN) is filled in DRF?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.3	Whether Participant refers to lists of companies having high demat pendency and non-responding/services stopped by Registrar and Transfer Agent(s) as displayed on NSDL website and informs clients suitably while accepting demat requests of these companies?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.4	Whether Participant has obtained additional documents prescribed by SEBI, in case of mismatch of name on the share certificate(s) vis-a-vis name of the beneficial owner of demat account and forwarded the same alongwith the demat request to Issuer/RTA?	□ Yes □ No □ Not Applicable		
6.5	Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.6	Whether demat requests received have been sent to Issuer / Registrar & Transfer Agent within seven days from the date of receipt of the request from the account holder?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.7	Whether Participant has generated the Conversion Request Number within five days from the date of receipt of the request from its Client by initiating the request in the DPM system.	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.8	Whether Participant has enclosed covering letter or client master report alongwith demat request form sent to Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

6.9	Whether there are sufficient provisions / arrangements for safe keeping of security certificates received from account holders for dematerialisation and certificates received after rejection of the demat request from Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then details must be mentioned here	
6.10	Whether any demat / conversion request was rejected due to error attributable to Participant?	□ Yes □ No	If ,yes then number of cases with discrepancies must be mentioned here	
6.11	Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.12	Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.13	Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.14	Whether the Mutual Fund redemption requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7	Delivery Instruction Slip (DIS)			
7.1	Issuance of DIS			
7.1.1	Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically?	□ Yes □ No	If no, then details must be mentioned here	
7.1.2	Whether the DIS issued to client has pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID or POA ID in case of DIS issued to POA holder?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.3	Whether DIS booklets have been issued on receipt of requisition slips signed by the client (all holders in case of joint account)?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

7.1.4	Whether issuance of loose DIS to account holder is done as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.5	If DIS booklet is handed over to the authorized person other than account holder, then whether the signature of authorized person and his proof of identity are verified before issuance of DIS booklet?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.6	Whether the details regarding issuance of DIS (booklet and loose slips) to the clients have been entered in the DPM within two days of issuance?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.7	Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.8	Whether Participant has a system in place to ensure that the DIS issued prior January 7, 2014 are not accepted?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.9	Whether in cases of inter depository account closure, inter depository transmission of securities and execution of instructions based on court/regulatory orders, Participant has captured the required codes such as 'CL9999999999', 'TR9999999999' and 'RO9999999999' respectively against DIS serial number for execution of instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2	Verification of DIS			
7.2.1	Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.2	Whether serial number of all the DIS(s) reported as lost / misplaced / stolen by the account holder or undelivered DIS are blocked in the DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

7.2.3	Whether DIS(s) given by account holder are available for all instructions executed in DPM (instruction other than those given by account holders through Speed-e electronically)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.4	Whether signature(s) on DIS match with the signature(s) scanned in the DPM system?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.5	Whether corrections / cancellation on DIS, if any, are authenticated by the client (all holders for joint accounts)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.6	Whether Participant accepts instructions by fax from account holder?	□ Yes □ No		
7.2.7	If reply to 7.2.6 is yes, then whether original DIS has been received within three working days for all faxed instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.8	If reply to 7.2.6 is yes, then whether Participant has obtained an indemnity from account holders who want to give instruction over fax?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.9	If Participant is accepting delivery instruction in form of an annexure to a DIS, whether it is done as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.10	Whether Participant is ensuring that information under columns "Consideration" and "Reason / Purpose /code" and payment details in case of off market sale are mentioned for off market instructions by clients and the same are captured in DPM system ?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.11	Whether Participant has collected supporting documents for cases of "Off Market Transfers", where it is required to be collected?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

7.2.12	Whether Participant follows maker - checker system to process the instructions?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.13	Whether there is an additional level of verification for high value instructions in a single DIS (DIS with value of Rs. 5 lakhs and above)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.14	Whether in case active accounts has five or more ISINs and all such ISIN balances are transferred at a time, Participant has verified with the client before execution of DIS and recorded the details of the same on DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.15	Whether instructions executed in the DPM system are as per DIS?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.16	Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)?	□ Yes □ No		
7.2.17	If reply to 7.2.16 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
7.2.18	If reply to 7.2.16 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.2.19	Whether participant has obtained a one-time self-declaration (as per the format Annexure A prescribed by Circular No.: NSDL/POICY/2020/0017) from the demat account holders that the transactions involved is a bonafide transfer instruction before executing IDT instructions in Government Securities in their demat accounts?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3	Scanning of Delivery Instruction Slips (DIS) and Tamper proof storage of D			S images
7.3.1	Whether every DIS executed in the DPM is scanned alongwith all annexures / computer printouts (if any) by the end of the next working day and digitally signed image of the same is posted on DIVS system successfully for validation and digitally signature of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

7.3.2	Whether the Participant scans the DIS received through fax and post the same to the DIVS and whenever original DIS is received the same is also scanned and posted on DIVS system within one working day from receipt of original DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.3	Whether scanned images of DIS are legible	□ Yes □ No	If no, then	
	and tagged to the correct DIS serial number?	□ Not Applicable	number of cases along with the nature of discrepancies must be mentioned here	
7.3.4	Whether the NSDL signed DIS images are	□ Yes □ No	If no, then	
	stored in the system set up by the Participant	□ Not	number of cases	
	as per the specification of NSDL?	Applicable	along with the nature of discrepancies must be mentioned here	
7.3.5	Whether authorized replacement of the original DIS image is carried out as per NSDL guidelines and the reason for such replacement is appropriately recorded in the Index file?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
7.3.6	Whether tamper proof storage system of DIS images in which the NSDL signed DIS images (i.e. response files generated by DIVS) are stored, maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS images?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.7	Whether tamper proof storage system restricts unauthorized alteration or deletion?	□ Yes □ No	If no, then details of the non compliance must be mentioned Here	
7.3.8	Whether tamper proof storage system is in compliance with the specification prescribed by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned Here	
7.3.9	Whether tamper proof storage system has facility to check integrity of the system?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.10	Whether alert generated by tamper proof storage system during integrity check are monitored, corrective actions are taken and reported the same to NSDL by the Participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned Here	

7.4	Dormant Account Monitoring			
7.4.1	Whether in case of an accounts which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months and whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time, Participant has verified with the client before execution of DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.4.2	Whether authorized official of the Participant verifying such transactions with the Client has recorded the details of the process, date, time, etc., of the verification on the instruction slip under his signature?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8	Account Closure			
8.1	Whether clients' request for closure of account has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.2	Whether DIS has been obtained in case of transfer of securities to an account other than clients' own account pursuant to account closure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.3	Whether 30 days notice is given to the client as well as to the depository before closing client account, in case account closure is initiated by Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.4	Whether Participant has refunded the account maintenance charges collected upfront on annual/half yearly basis (if so), to the client for the balance of the quarter/s, in the event of closing of the demat account or shifting of the demat account from one Participant to another?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.5	Whether Participant uses 'Transfer of Holding' module to process account closure and transmission requests where the target account is in NSDL (Except transmission cases having multiple nominations)?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

8.6	Whether Participant has freezed the demat account in case Participant is unable to close the account due to pending demat/ remat requests, ISIN in suspended status or due to open pledges, etc?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9	Transmission of Securities			
9.1	Whether all transmission cases have been processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9.2	Whether all transmission cases have been processed within 7 days of receipt of the transmission request?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10	Freeze/Unfreeze			
10.1	Whether freeze and unfreeze instructions received from the clients' are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.2	Whether PAN card is obtained and verified as per prescribed procedure before unfreezing an account which was frozen due to non-availability of PAN?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.3	Whether appropriate reason has been captured while freezing/unfreezing clients' account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
11	Investor Grievances			
11.1	Whether all investors' grievances have been redressed as per the procedure and within the stipulated time?	□ Yes □ No □ Not Applicable	If no, then give details of grievances pending for redressal	
11.2	Whether Participant has prominently displayed basic information about the grievance redressal mechanism available to investors in their offices?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

11.3	Whether grievances received directly from clients at service center or DPM setup location through NSDL or SEBI are included in the monthly Investor grievance report submitted to NSDL by Participant?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
11.4	Whether Participant has dedicated email ID for informing investor grievances?	□ Yes □ No	If no, then details must be mentioned here	
11.5	Whether Participant has provided the link to SCORES portal on its website from where the client can view details of the demat account?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
11.6	Whether Participant has displayed procedure for filing of complaints on SCORES and benefits for the same on its website and has incorporated this information in the welcome kit given to the client after account opening?	□ Yes □ No	If no, then details must be mentioned here	
12	Statement of Account (including transaction statement and holdings statement)			
12.1	Whether statements provided to the clearing member accounts are as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.2	In case of Participant registered as Custodian and has obtained exemption from receiving CAS for their institutional clients, whether transaction statements are provided as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.3	Whether statements are provided to the client as and when requested?	□ Yes □ No	If no, then details must be mentioned here	
12.4	In case a third party address has been captured in the demat account, whether a statement is sent to the address of the Client once a year?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
12.5	Whether statements are generated from back office or DPM system?	□ Back office □ DPM System		
12.6	If generated from back office, whether the details match with statement generated from DPM system?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.7	Whether the narration of corporate action / ISIN description (especially in case of debt) appearing in the statement of accounts are meaningful to the Client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

12.8	If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
13	Compliance under Prevention of Money Laundering Act, 2002 (PMLA)			
13.1	Whether Participant has adopted a policy to comply with its obligations under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.2	If reply to 13.1 is yes, whether the policy is in line with SEBI / NSDL requirements, approved by Board of Participant and reviewed periodically?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.3	Whether Participant has complied with all the policies and procedures as prescribed under PMLA and SEBI guidelines such as customer due diligence, suspicious transaction monitoring and reporting, record keeping etc.?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.4	Whether AML Policy is updated to reflect recent changes as prescribed by SEBI?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.5	In case of applicable Non Individual clients, whether Participant obtains copy of balance sheet and latest share holding pattern, including list of all those holding control, either directly or indirectly, in terms of SEBI takeover Regulations, duly certified by the company secretary / Whole Time Director/ MD, every year?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.6	Whether Participant has carried out risk assessment to mitigate its money laundering and terrorist financing risk with respect to its clients, as required under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.7	Whether necessary checks and balances are put in place to ensure that the identity of the clients (both existing and new) does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.8	Whether the Participant has internal mechanism to monitor and detect suspicious transactions as per the requirements of PMLA/SEBI/NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

13.9	Whether Participant has submitted STR within 7 days of arriving at a conclusion that any transaction, or a series of transactions integrally connected are of suspicious nature?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.10	Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.11	Whether enhanced due diligence measures have been applied for clients categorised as high risk / special category including clients who are residents of jurisdictions listed in FATF statements?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.12	In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.13	Whether ongoing due diligence and scrutiny of the transactions and account throughout the course of the business relationship is conducted by the Participant to ensure that the transactions being conducted are consistent with the Participant's knowledge of the client, its business and risk profile and where necessary, the client's source of funds is also taken into consideration?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.14	Whether Participant has revisited the CDD process when there are suspicions of money laundering or financing of terrorism and the matter has been disposed off after carrying necessary due diligence?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.15	Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.16	Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.17	Whether there is a mechanism to deal appropriately with the alerts provided by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.18	If any suspicious transaction is reported to FIU-India India then whether count of STRs reported to FIU-India are informed to NSDL?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	

13.19	Whether suspicious transaction register (physical and/or in electronic form) has been maintained?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
14	Operations Manual			
14.1	Whether Participant has prepared an operations manual?	□ Yes □ No		
14.2	If reply to 14.1 is yes, whether operations manual covers all depository activities?	□ Yes □ No □ Not Applicable	If no, then mention the areas not covered in operations manual	
14.3	If reply to 14.1 is yes, whether operations manual is updated as and when required?	□ Yes □ No □ Not Applicable	If no, then mention when is it updated	
14.4	If reply to 14.1 is yes, whether operations manual is available to persons who need to refer it?	□ Yes □ No □ Not Applicable	If no, then mention how is the work done by those persons	
14.5	If reply to 14.1 is yes, whether procedures mentioned in the operations manual are followed?	□ Yes □ No □ Not Applicable	If no, then give details here	
15	Maintenance of record			
15.1	Whether Participant has informed NSDL about place(s) of record keeping?	□ Yes □ No	If no, then mention the place of record keeping	
15.2	Whether an internal mechanism has been evolved by Participant for proper maintenance and preservation of such records and information in the manner that allows easy and quick retrieval of data as and when requested by competent authorities?	□ Yes □ No	If no, then give details here	
16	Outsourced activities			
16.1	Whether Participant has outsourced record keeping activity (partly or fully)?	□ Yes □ No	If yes, then the name of the agency / firm and nature of arrangement must be mentioned here	
16.2	If reply to 16.1 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.3	Whether any business activity other than record maintenance is outsourced?	□ Yes □ No		
16.4	If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	

16.5	If reply to 16.1 and / or 16.3 is yes - a) Whether Participant has entered into legally binding written contract/ agreement/terms and conditions with the Vendor(s) as per the stipulated guidelines issued by SEBI?	□ Yes □ No □ Not Applicable	If no, then various outsourcing risks inherent in the process must be mentioned here	
	b) Whether proper checks and control mechanism has been implemented by the vendor/agency?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	c) Whether during the course of periodic review, material outsourcing risks if any, are properly mitigated?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	d) Whether Participant has a comprehensive policy to guide the assessment of whether and how the above activities are outsourced in terms of stipulated SEBI guidelines?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
17	Service centre (whether offering the services as a DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name)			
17.1	Whether NSDL's approval has been obtained for all the service centres opened during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.2	Whether prescribed procedure has been followed for any service centre closed / terminated during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.3	Whether the data of all the service centres (DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name) displayed on the NSDL website is updated and correct?	□ Yes □ No	If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact information, etc. must be mentioned here	
17.4	Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person?	□ Yes □ No	If no, then details of non compliance must be mentioned here	
17.5	Whether internal audit has been conducted at adequate number of service centres other than DPM setup to verify guidelines prescribed by SEBI, PMLA and NSDL have been followed ?	□ Yes □ No □ Not Applicable	If yes, then mention count of service centres audited and Service Centre codes thereof and If no, then details of non compliance must be mentioned here	

17.6	Whether the depository services offered at the service center are displayed at the service centers (where all depository services are not offered by the service center)?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
18	Status of compliance for deviations / observations noted in last NSDL inspection and internal / concurrent audit report			
18.1	Whether Participant has complied with all the deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.2	Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable		
18.3	Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	□ Yes □ No	If yes, then provide details / comments on issues	
18.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	□ Yes □ No	If yes, provide details along with supporting documents	
19	Reporting by Participant to its Board of Directors			
19.1	Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? (same may be verified from the extract of the minutes of the Board Meeting).	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	
19.2	Whether Participant has placed last internal/concurrent audit findings alongwith management comment before its Board of Directors / Audit Committee? (same may be verified from the extract of the minutes of the Board Meeting)	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	
20	Billing			
20.1	Whether all account holder are billed as per the tariff sheet?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.2	Whether Participant has given atleast one month's prior notice for any increase in the tariff sheet?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	

20.3	Whether charges levied for demat accounts are in accordance with SEBI/NSDL guidelines?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.4	Whether Participant has not charged account holder(s), for transfer of all the securities lying in his account to another account of client with another branch of the same Participant or to another Participant of the same depository or another depository, provided the account holder(s) at transferee Participant and at transferor Participant are identical in all respects?	□ Yes □ No □ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	
20.5	Whether increase or decrease made in charges i.e changes in tariff sheet has been intimated to NSDL for making it available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
21	Back Office			
21.1	If Participant is using backoffice software for depository operations like providing statement, billing etc., whether balances as per back office are reconciled on a daily basis with DPM?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22	Miscellaneous areas			
22.1	Whether there is any supplementary agreement / letter of confirmation / power of attorney obtained / executed with account holder which are in contravention to 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines?	□ Yes □ No □ Not Applicable	If yes, then details of the non compliance must be mentioned here	
22.2	Whether Participant has collected requisite documents to claim waiver of settlement fees?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.3	Whether pledge and hypothecation instructions are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.4	Whether Margin Pledge/ Re-pledge (initiation, release, invocation) transactions are processed as per prescribed guidelines.	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.5	Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

22.6	Whether forms in use for various activities are as prescribed?	□ Yes □ No	If no, then mention the forms and the discrepancies observed therein.	
22.7	Whether Participant has a policy for dealing with conflicts of interest?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.8	Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.9	Whether Participant has offered BSDA facility to all eligible Beneficial Owners?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.10	Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility of BSDA and has converted all eligible demat accounts into BSDA until such BOs specifically opt to continue to avail the facility of a regular demat account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.11	Whether Participant has displayed various tickers on its website to create awareness among clients to subscribe for SMS alerts, for KYC registration and that ASBA has been made mandatory payment mechanism for all investors including retail investors for all public issues opening on or after Jan 1, 2016??	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.12	Whether Participant has taken up the matter with Clients where same mobile number and email ID is captured for more than one Client?	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.13	Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.14	Whether 'Document Received Date' has been captured correctly in DPM/eDPM by the Participant in respect of various service requests?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.15	Whether Participant is in Compliance with SEBI Circular on Implementation of the Multilateral Competent Authority Agreement and Foreign Account Tax Compliance Act?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

22.16	Whether request of Hold / Hold Release for Non Disposal Undertaking/ Agreement are processed as per the prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.17	Whether reclassification of the existing accounts which require a change in type and sub-type are completed in accordance with NSDL Circular on Reclassification of type and sub-type?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.18	Whether accreditation of investors for the purpose of Innovators Growth Platform is carried out as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.19	Whether Participant has devised a mechanism to verify the details of target demat accounts pertaining to Bank/NBFC to ensure that IDT instructions by Trading Members/Clearing Members are executed as per the guidelines prescribed by SEBI?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.20	Comment on improvements made in the operations since last audit.		Views of the auditor on the improvements, if any (or nil), in operations of the Participant	
23	System areas			
23.1	Whether hardware and software installed on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL and made available on i-Assist?	□ Yes □ No	If no, then mention the mismatch	
23.2	Whether Participant is taking backup on a daily basis?	□ Yes □ No		
23.3	Whether Participant has kept remote backup media as per prescribed guidelines?	□ Yes □ No		
23.4	Whether updated antivirus is installed on the server and all the client machines?	□ Yes □ No		
23.5	Whether log shipping facility for log generation is working and Backup/DR server (if available) are in Sync?	□ Yes □ No		
23.6	Whether all the software installed on server and client machines are licensed?	□ Yes □ No		
23.7	Whether RAID has been configured as per the prescribed guidelines?	□ Yes □ No		
23.8	Whether database reorg and shrinking are done as per the prescribed guidelines?	□ Yes □ No		
23.9	Whether scheduled switch to fallback connectivity (internet) is done and the record thereof is maintained?	□ Yes □ No		

23.10	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	□ Yes □ No	If no, then mention whether the Participant has obtained approval for the same?	
23.11	Whether UPS / alternate power arrangement is available for all the hardware / equipments used for depository operations?	□ Yes □ No		
23.12	Whether adequate physical and logical access restrictions for usage of system are in place?	□ Yes □ No		
23.13	Whether backup of back office data is taken?	□ Yes □ No □ Not Applicable		
23.14	Whether back office is directly connected to DPM system?	□ Yes □ No		
23.15	If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.16	Whether atleast one staff managing the systems is NSDL trained?	□ Yes □ No		
23.17	Whether physical access to client machines and server is restricted only to authorised persons?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
23.18	Whether the operating system and other softwares installed on the machines used for depository operations are as per NSDL specifications and upgraded as per NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.19	Whether the Participant has adequate safeguards as regards cyber security?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24	Additional information about Participant			
24.1	Whether Participant is satisfying the eligibility criteria as specified at Regulation 35 (a) of SEBI (Depositories and Participants) Regulations, 2018?	□ Yes □ No	If no, then details of the same must be mentioned here	
24.2	Whether the Compliance Officer of the Participant has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE)?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

24.3	Whether the Participant is a fit and proper person as per Regulation 23(2) of the SEBI (Depositories & Participants) Regulations, 2018 read with the criteria specified under regulation 20 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.4	Whether Risk Assessment Template (RAT), Internal and/or Concurrent Audit Report, Net worth Certificate, and Compliance Certificate has been submitted periodically by participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.5	Whether AI/ML reporting form (if applicable) and cyber attacks and threats reports, if any have been submitted as per prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
24.6	Whether change in Director / compliance officer/Principle officer/Designated director/ Shareholding pattern of the Participant /name of the participant/ registered address of the participant and any such changes have been informed to NSDL?	□ Yes □ No □ No such changes	If no, then details of the non compliance must be mentioned here	
24.7	Whether any other deviation/non-complaince observed by internal auditor which is not specifically covered above?	□ Yes □ No	If Yes, then details must be mentioned here	
24.8	Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it?	□ Yes □ No □ Not Applicable	If Yes, please provide details of order/ indictment. If no, details of the non compliance must be mentioned here	
25	Auditor's Certification			
25.1	Whether management comments are adequate for the deviations highlighted?	□ Yes □ No □ Not Applicable	If no, kindly provide the necessary details	
25.2	Whether any high risk activity was identified as part of the audit and focused on, as part of the audit?	□ Yes □ No	If Yes, kindly provide the necessary details	
25.3	Whether all audit checkpoints have been completed as per the stipulated timelines?	□ Yes □ No	If no, kindly provide the necessary details	
25.4	If reply to 25.3 is no, whether the delay and attribution, if any, to the Participant have been highlighted to the management?	□ Yes □ No □ Not Applicable	If no, kindly provide the necessary details	
26	Unique Document Identification Number (UDIN)		To be filled by Practicing Chartered Accountants (if applicable)	
Management's Comment* - Mandatory if auditor's observation is negative.				

Auditor's Report on Internal / Concurrent Audit

I/ We have carried out audit of depository operations of <Name of Participant> and I/We hereby declare the following:

1. The operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 2018, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.
2. The system related to depository operations is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.
3. The capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.
4. The business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.
5. The operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.
6. The business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.
7. The Participant has required internal controls, checks, risk management procedure in place.
8. The procedures with respect to maintenance of records (electronic and physical) are adequate.
9. To the best of our knowledge and belief and according to the information and explanations sought by us, no material fraud / non-compliance / violation by the Participant is observed during the course of this Audit
10. We do not have any direct / indirect interest in or relationship with the Participant or its shareholders / directors / partners / proprietors / management and also confirm that we do not have any conflict of interest in such relationship / interest while conducting internal/concurrent audit of the said Participant.
11. The Report provided by us covers the entire scope of the Internal/concurrent audit, is true and correct.
12. Working papers and evidences for the audit are available in our record.

Annexure 3

Objectives of audit of depository operations

i. To assure the management that the operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 2018, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.

ii. To assure management that the DPM is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.

iii. To assure management that the capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.

iv. To assure management and NSDL that the business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.

v. To assure management that the operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.

vi. To assure management and NSDL that the business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.

Circular No.: NSDL/ POLICY/2020/0045 April 7, 2020	***Subject: Internal and Concurrent Audit of depository operations.*** Participants are aware that as per Bye Law 10.3, each Participant is required to have its depository operations audited by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant holding a Certificate of Practice. Based on such audit, a copy of the report should be submitted to NSDL on half yearly basis. Attention of Participants is invited to Circular No. NSDL/POLICY/2019/0063 dated September 25, 2019 in which guidelines related to scope of the audit and format of the audit report were provided. The audit report format has been modified and enclosed as **Annexure 1** in track change mode and as **Annexure 2** (without highlighting the changes). The broad objectives / guidelines for the internal / concurrent audit are enclosed as **Annexure 3**. Participants are advised to take note of the following: 1. Audit should cover all facets of the depository operations. Auditor may expand the scope of audit / add more audit points to achieve the objectives enclosed as Annexure 3. Participants are advised to extend full co-operation to their auditors to enable them to perform an effective audit. All circulars / guidelines issued by NSDL / SEBI from time to time and other information / records desired by the auditors should be made available to them within a reasonable time. 2. Participants should forward the audit report as per schedule given below to NSDL – **Audit Period** | **Due date for submission of report to NSDL** April 1 to September 30 | November 15 October 1 to March 31 | May 15 3. The Participants which remain operational for less than three months in an audit period can submit audit report for that audit period along with the audit report for next audit period. For example, if a Participant is made operational by NSDL on July 1, 2019, then it can submit first audit report for period October 1, 2019 – March 31, 2020. 4. Audit work for areas which are covered under the scope of concurrent audit should be completed by next working day. If audit cannot be completed by next working day due to large volume, it must be completed within a week. Concurrent audit includes following areas: i) Account opening, ii) Delivery Instruction Slip (DIS) book issuance, iii) Execution of DIS. iv) Power of Attorney modifications, v) Account closure requests initiated by Participant, vi) Investor grievances received by Participant, vii) Providing Transaction Statements to clearing members (process level) viii) KYC reconfirmation intimated by NSDL and initiated by Participant, ix) Replacement of Original DIS image in tamper proof storage x) Non Disposal Undertakings (NDU) xi) Modification in the name of client (including minor correction in name) xii) Client data modifications xiii) Accreditation of investors (IGP) xiv) Freezes due to statutory orders (freeze reason codes 15 to 33)

	5. Participants may appoint same auditor for concurrent and internal audit. If both audits are done by same auditor, then a consolidated report must be submitted instead of two separate reports. If both audits are being done by different auditors, then two separate reports must be submitted. 6. Participants are advised to note that the audit report format provided in this circular is applicable for audit period October 1, 2019 to March 31, 2020 and onwards. 7. Participants are hereby informed that internal and/or concurrent audit reports which are not as per guidelines will be treated as non-submission of the report. NSDL reserves the right to advise a Participant to change its auditor if quality of the report is found to be not satisfactory or the audit is not carried out as per guidelines. 8. The auditors may visit service centers (on sample basis) to check whether proper procedures are being followed at such centers. 9. Any one person conducting the internal and/or concurrent audit (risk prone areas) should obtain certification from the National Institute of Securities Markets (NISM) by passing the NISM-Series-VI: Depository Operations Certification Examination DOCE). Alternatively, such persons, if eligible, may undergo Continuing Professional Education (CPE) program for depository operations (details available on www.nism.ac.in). 10. Internal/concurrent audit report needs to be submitted in electronic form through e-PASS platform as mentioned in circular NSDL/POLICY/2016/0091 dated November 9, 2016. For and on behalf of **National Securities Depository Limited** **Chirag Shah** **Senior Manager** Enclosed: Three

Cover page	
Internal / Concurrent Audit Report for Depository Operations	
Type of Audit Report	□ Internal Audit Report (IAR) □ Concurrent Audit Report
	(CAR) □ Combined IAR and CAR
Name of the auditee	
DP ID(s)	INXXXXXX
	INXXXXXX
SEBI Registration Number	
Audit period	From DD-MMM-YYYY to DD-MMM-YYYY
Name of the auditor	
PAN of the auditor	
Membership no. of the auditor	
NISM - DOCE / CPE Certificate no. *[of any one person conducting the internal and/or concurrent audit]*	
Date till which certificate is valid	DD-MMM-YYYY
Name of the audit firm	
Registration No. of audit firm	
Full postal address of the audit firm	
Contact number along with STD	
code / mobile number of auditor	
email ID of auditor	
Signature of the auditor	
Date	

Activity wise sampling details				
Sr. No.	**Area**	**Count for the audit period (total number of accounts opened, demat request processed, etc.)**	**No. of samples checked**	**Percentage of samples checked**
1	Account Opening (100%)			
2	KYC re-confirmation cases: - Initiated by Participant (100%)			
	- Intimated by NSDL (100%)			
3	Demat requests			
4	Remat requests			
5	Conversion requests			
6	Reconversion requests			
7	Redemption requests			
8	DIS book issuance (Including loose slip issuance) (100%)			
9	Total DIS execution (at least 25%)			
	a) Digitally signed DIS images (having DP as well as NSDL digital signature) extracted from tamper proof storage (at least 10% of samples)			
	b) Physical DIS			
10	Replacement of Original DIS image in tamper proof storage (100%)			
11	Pledge / hypothecation instructions			
12	Client data modifications [100%]			
13	Account Freeze			
	a) Freezes due to statutory orders (100%)			
	b) Other Freezes			
14	Account Unfreeze			
	a) Unfreezes due to statutory orders (100%)			
	b) Other Unfreezes			
15	Modification in the name of client(including minor correction in name) (100%)			
16	Power of Attorney modifications (100%)			
17	Account Closure requests - Initiated by Participant (100%)			
	- Initiated by client			
18	Transmission (100%)			
19	Investor grievances received by Participant (100%)			
20	Non Disposal Undertakings (NDU) (100%)			
21	Accreditation of investors (IGP) (100%)			

22	Providing statement of accounts to clearing member (100% process level) (For count / samples checked, specify number of occasions of dispatch during audit period - typically it would be six for the six month period). [In case a Participant does not have any clearing member account and has only beneficial owner account then 'Not Applicable' may be specified].	**Specify number of occasions of dispatch of statement during audit period by Participant**	**Specify number of occasions of dispatch checked by auditor**	
23	Any other samples picked by Auditors (Please provide detailed break-up of areas verified alongwith sample count for that particular area)			

Checklist

1	**KYC and Account Opening**			
1.1	Whether proof of identity, proof of address and other stipulated documents have been obtained for all the accounts as per KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.2	Whether PANs and copies of PAN Cards have been obtained for all the accounts, wherever applicable?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.3	Whether PANs are verified with the database of Income Tax Department and stamp of "PAN Verified" has been affixed on the photocopy of the PAN card(s) for all the accounts?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.4	If correspondence address of a third party has been accepted, whether guidelines prescribed by SEBI, PMLA and NSDL have been followed?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.5	Whether all KYC application forms and account opening forms are completely filled in respect of all account holder(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.6	Whether photograph(s) of client(s)/ Authorised signatories/Director(s)/ Promoter(s)/ Trustee(s)/ Partner(s) etc. provided on KYC Form matches with the photograph on Proof of Identity and PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	

1.7	Whether signature(s) of client(s)/ Authorised signatories provided on Account Opening Form and KYC Documents matches with the signature(s) on Proof of Identity and / or PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.8	Whether copies of all the documents submitted by the applicant are self-attested?	□ Yes □ No	If no, then number of accounts with	
1.9	Whether copies of all the documents submitted by the applicant are accompanied with originals for verification / properly attested by entities authorized for attesting the documents in cases where the original of the said document is not produced for verification?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.10	Whether the 'in - person' verification of the account holders has been done before activation of the account and the record of in-person verification is maintained as per SEBI, PMLA and NSDL guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.11	Whether Participant has provided a copy of the "Rights and Obligations of the Beneficial Owner and Depository Participant" document to the client either in electronic or physical form, depending upon the preference of the client and obtained an acknowledgement of the same from the client?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.12	Whether data entered in DPM system matches with the details mentioned in the account opening form?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.13	Whether mobile number and email id captured are of the client or family member as per the circular of NSDL and SEBI?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.14	Whether the bank details have been correctly captured in compliance with SEBI and NSDL circular?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.15	Whether signature of account holder(s) as given in the account opening form has been scanned in the DPM system clearly and correctly?	□ Yes □ No	If no, then number of accounts with discrepancies	

1.16	Whether the scanned images of the KYC documents of the clients have been furnished to KRA within 10 working days from the date of execution of documents by clients?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.17	Whether required information / documents are forwarded by Participant to KRA for cases which are informed as incomplete by KRA?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.18	Whether the Participant has uploaded existing clients' KYC data on KRA system and sent scanned images of KYC documents to KRA as per SEBI guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether the Participant has used the KYC data of a client obtained from the KRA only for the purposes it is meant for?	□ Yes □ No	If no, then details must be mentioned here	
1.20	Whether Participant has downloaded KYC information of client(s) who are KYC compliant from KRA platform?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.21	Whether sufficient information has been obtained from clients, to identify and verify the identity of persons who beneficially own or control the securities account (i.e. Ultimate Beneficial Owner) as per SEBI, PMLA and NSDL guidelines (especially for non- individual clients)?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.22	Whether Participant has complied with guidelines issued by PMLA/SEBI/NSDL for the clients where Participant has relied on the KYC and in person verification carried out by a third party?	□ Yes □ No Applicable	If no, then details must be mentioned here	
1.22	Reliance on the records of client due diligence (KYC) carried out by a third party			
	(a) Whether Participant is in compliance with PMLA/ SEBI guidelines related to 'Reliance on the records of client due diligence (KYC) carried out by a third party'?	□ Yes □ No □ Not Applicable		
	(b) Whether Participant has maintained logs of client authentication or records of client request authenticated ?	□ Yes □ No □ Not Applicable		
	(c) Whether Participant has obtained consent of client for opening of demat account by relying on third party KYC?	□ Yes □ No □ Not Applicable		
	(d) Whether data entered in DPM system matches with the client details as available in third party KYC?	□ Yes □ No □ Not Applicable		

1.23	Whether FATCA/CRS declaration is obtained by Participant?	□ Yes □ No	If no, then details must be mentioned here	
1.24	Whether SARAL account is opened as per SEBI/NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.25	Whether Participant has captured the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PMLA Rules, as per the KYC template for "individuals" finalised by CERSAI?	□ Yes □ No	If no, then details must be mentioned here	
1.26	Whether Participant has uploaded the existing clients' KYC details with Central KYC Records Registry (CKYCR) System?	□ Yes □ No	If no, then details must be mentioned here	
1.27	Whether Participant is in compliance with the clauses of undertaking submitted to NSDL for availing the facility of advance generation of separate series of Client ID from the DPM system?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
2	**KYC Re-Confirmation**			
2.1	**Initiated by Participant**			
2.1.1.	Whether periodicity for updation of all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is defined?	□ Yes □ No	If no, then details must be mentioned here	
2.1.2	Whether all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is updated as per defined periodicity and as and when there are suspicions of money laundering or financing of terrorism?	□ Yes □ No	If no, then details must be mentioned here	
2.2	**Intimated by NSDL**			
2.2.1	Whether KYC confirmation response is updated on i-assist intranet site of NSDL within the stipulated time as prescribed by NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with delayed responses must be mentioned here or enclosed as Annexure	
2.2.2	For all such accounts for which KYC is confirmed on i-assist, whether all KYC documents *(as per the KYC guidelines issued by SEBI, PMLA and NSDL)* are in possession of Participant?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	

2.2.3	Whether all such KYC documents (referred in point no. 2.2.2) are verified with originals / properly attested by entities authorized for attesting the documents?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.4	Whether all such KYC documents are verified by the auditor before KYC confirmation response is updated by the Participant on i-assist on concurrent basis and auditor has provided certification to that effect?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.5	Whether Participant has suspended for debits all such accounts which are reported as KYC non-compliant on i-assist after giving appropriate notice to the client(s) till the time such client(s) submits necessary KYC documents as per the KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.6	For accounts reported as non-compliant by the Participant on i-assist where the client(s) subsequently submits necessary KYC documents as per the stipulated KYC guidelines, whether the Participant has provided KYC confirmation response to NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
3	**Client Data Modification**			
3.1	Whether clients' request for changes in data (e.g. name of client (including minor correction in name), address, signature, bank details, mobile number, E-mail, mode of receiving annual report, AGM notice and other communications, Type & Sub type, RGESS Flag, BSDA Flag, Mode of receiving statement of account in electronic form, Family flag, SI indicator etc.) have been processed as per prescribed procedure?	Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.2	Whether Client name modification pursuant to error of Participant has been processed as per prescribed procedure ?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	

3.3	Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
	Whether Participant has sent communication to Client informing about the modification made in the demat account of the Client?	□Yes □ No □Not Applicable		
4	**Power of Attorney (POA)**			
4.1	Whether POA documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of POA holder(s)) have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4.2	Whether POA contains clauses which are as per the SEBI stipulated guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.3	Whether specific purpose POA contains list of demat accounts where securities can be transferred based on POA?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.4	Whether Participant has created POA ID for all POA holders in DPM and map the same to the respective demat account where DIS is issued to POA holder?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.5	For specific purpose POA, list of demat accounts where securities can be transferred are mapped with POA ID in DPM?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.6	Whether modification/cancellation of Power of Attorney is done as per SEBI/ NSDL prescribed guidelines and details have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.7	Whether Participant has complied with the requirement of not obtaining POA in its capacity as a Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5	**Nomination**			
5.1	Whether nomination is made as per the prescribed procedure and based on the duly filled nomination form?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

5.2	Whether Nomination details are entered in DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.3	Whether nomination is modified / cancelled in demat account as per NSDL prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6	**Demat / Remat / Conversion / Reconversion / Redemption request**			
6.1	Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.2	Whether Participant refers to the list of Distinctive Numbers of certificates submitted for dematerialisation as made available by NSDL and ensures that the appropriate International Securities Identification Number (ISIN) is filled in DRF?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.3	Whether Participant refers to lists of companies having high demat pendency and non-responding/services stopped by Registrar and Transfer Agent(s) as displayed on NSDL website and informs clients suitably while accepting demat requests of these companies?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.4	Whether Participant has obtained additional documents prescribed by SEBI, in case of mismatch of name on the share certificate(s) vis-a-vis name of the beneficial owner of demat account and forwarded the same alongwith the demat request to Issuer/RTA?	□ Yes □ No □ Not Applicable		
6.5	Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.6	Whether demat / conversion requests received have been sent to Issuer / Registrar & Transfer Agent within seven days from the date of receipt of the request from the account holder?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

6.7	Whether Participant has enclosed covering letter or client master report alongwith demat request form sent to Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.8	Whether there are sufficient provisions / arrangements for safe keeping of security certificates received from account holders for dematerialisation and certificates received after rejection of the demat request from Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then details must be mentioned here	
6.9	Whether any demat / conversion request was rejected due to error attributable to Participant?	□ Yes □ No	If ,yes then number of cases with discrepancies must be mentioned here	
6.10	Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.11	Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.1211	Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.1342	Whether the Mutual Fund redemption requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7	**Delivery Instruction Slip (DIS)**			
7.1	***Issuance of DIS***			
7.1.1	Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically?	□ Yes □ No	If no, then details must be mentioned here	
7.1.2	Whether the DIS issued to client has pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID or POA ID in case of DIS issued to POA holder?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

7.1.3	Whether DIS booklets have been issued on receipt of requisition slips signed by the client (all holders in case of joint account)?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.4	Whether issuance of loose DIS to account holder is done as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.5	If DIS booklet is handed over to the authorized person other than account holder, then whether the signature of authorized person and his proof of identity are verified before issuance of DIS booklet?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.6	Whether the details regarding issuance of DIS (booklet and loose slips) to the clients have been entered in the DPM within two days of issuance?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.7	Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.8	Whether Participant has a system in place to ensure that the DIS issued prior January 7, 2014 are not accepted?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.9	Whether in cases of inter depository account closure, inter depository transmission of securities and execution of instructions based on court/regulatory orders, Participant has captured the required codes such as 'CL9999999999', 'TR9999999999' and 'RO9999999999' respectively against DIS serial number for execution of instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2	***Verification of DIS***			
7.2.1	Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

7.2.2	Whether serial number of all the DIS(s) reported as lost / misplaced / stolen by the account holder or undelivered DIS are blocked in the DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.3	Whether DIS(s) given by account holder are available for all instructions executed in DPM (instruction other than those given by account holders through Speed-e electronically)?	□ Yes □ No	If no, then number of cases with discrepancies must be	
7.2.4	Whether signature(s) on DIS match with the signature(s) scanned in the DPM system?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.5	Whether corrections / cancellation on DIS, if any, are authenticated by the client (all holders for joint accounts)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.6	Whether Participant accepts instructions by fax from account holder?	□ Yes □ No		
7.2.7	If reply to 7.2.6 is yes, then whether original DIS has been received within three working days for all faxed instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.8	If reply to 7.2.6 is yes, then whether Participant has obtained an indemnity from account holders who want to give instruction over fax?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.9	If Participant is accepting delivery instruction in form of an annexure to a DIS, whether it is done as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.10	Whether Participant is ensuring that information under columns "Consideration" and "Reason / Purpose /code" and payment details in case of off market sale are mentioned for off market instructions by clients and the same are captured in DPM system ?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

7.2.11	Whether Participant has collected supporting documents for cases of "Off Market Transfers", where it is required to be collected?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.12 7211	Whether Participant follows maker - checker system to process the instructions?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.13 7212	Whether there is an additional level of verification for high value instructions in a single DIS (DIS with value of Rs. 5 lakhs and above)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.14 7213	Whether in case active accounts has five or more ISINs and all such ISIN balances are transferred at a time, Participant has verified with the client before execution of DIS and recorded the details of the same on DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.15 7214	Whether instructions executed in the DPM system are as per DIS?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.16 7215	Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)?	□ Yes □ No		
7.2.17 7216	If reply to 7.2.165 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
7.2.187	If reply to 7.2.165 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3	**Scanning of Delivery Instruction Slips (DIS) and Tamper proof storage of DIS images**			
7.3.1	Whether every DIS executed in the DPM is scanned alongwith all annexures / computer printouts (if any) by the end of the next working day and digitally signed image of the same is posted on DIVS system successfully for validation and digitally signature of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

7.3.2	Whether the Participant scans the DIS received through fax and post the same to the DIVS and whenever original DIS is received the same is also scanned and posted on DIVS system within one working day from receipt of original DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.3	Whether scanned images of DIS are legible and tagged to the correct DIS serial number?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.4	Whether the NSDL signed DIS images are stored in the system set up by the Participant as per the specification of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.5	Whether authorized replacement of the original DIS image is carried out as per NSDL guidelines and the reason for such replacement is appropriately recorded in the Index file?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
7.3.6	Whether tamper proof storage system of DIS images in which the NSDL signed DIS images (i.e. response files generated by DIVS) are stored, maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS images?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.7	Whether tamper proof storage system restricts unauthorized alteration or deletion?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.8	Whether tamper proof storage system is in compliance with the specification prescribed by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.9	Whether tamper proof storage system has facility to check integrity of the system?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.10	Whether alert generated by tamper proof storage system during integrity check are monitored, corrective actions are taken and reported the same to NSDL by the Participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

7.4	**Dormant Account Monitoring**			
7.4.1	Whether in case of an accounts which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months and whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time, Participant has verified with the client before execution of DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.4.2	Whether authorized official of the Participant verifying such transactions with the Client has recorded the details of the process, date, time, etc., of the verification on the instruction slip under his signature?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8	**Account Closure**			
8.1	Whether clients' request for closure of account has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.2	Whether DIS has been obtained in case of transfer of securities to an account other than clients' own account pursuant to account closure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.3	Whether 30 days notice is given to the client as well as to the depository before closing client account, in case account closure is initiated by Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.4	Whether Participant has refunded the account maintenance charges collected upfront on annual/half yearly basis (if so), to the client for the balance of the quarter/s, in the event of closing of the demat account or shifting of the demat account from one Participant to another?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.5	Whether Participant uses 'Transfer of Holding' module to process account closure and transmission requests where the target account is in NSDL (Except transmission cases having multiple nominations)?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

8.6	Whether Participant has freezed the demat account in case Participant is unable to close the account due to pending demat/ remat requests, ISIN in suspended status or due to open pledges, etc?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9	**Transmission of Securities**			
9.1	Whether all transmission cases have been processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9.2	Whether all transmission cases have been processed within 7 days of receipt of the transmission request?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10	**Freeze/Unfreeze**			
10.1	Whether freeze and unfreeze instructions received from the clients' are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.2	Whether PAN card is obtained and verified as per prescribed procedure before unfreezing an account which was frozen due to non-availability of PAN?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.3	Whether appropriate reason has been captured while freezing/unfreezing clients' account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
11	**Investor Grievances**			
11.1	Whether all investors' grievances have been redressed as per the procedure and within the stipulated time?	□ Yes □ No □ Not Applicable	If no, then give details of grievances pending for redressal	
11.2	Whether Participant has prominently displayed basic information about the grievance redressal mechanism available to investors in their offices?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

11.3	Whether grievances received directly from clients at service center or DPM setup location through NSDL or SEBI are included in the monthly Investor grievance report submitted to NSDL by Participant?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
11.4	Whether Participant has dedicated email ID for informing investor grievances?	□ Yes □ No	If no, then details must be mentioned here	
11.5	Whether Participant has provided the link to SCORES portal on its website from where the client can view details of the demat account?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
11.6	Whether Participant has displayed procedure for filing of complaints on SCORES and benefits for the same on its website and has incorporated this information in the welcome kit given to the client after account opening?	□ Yes □ No	If no, then details must be mentioned here	
12	**Statement of Account (including transaction statement and holdings statement)**			
12.1	Whether statements provided to the clearing member accounts are as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.2	In case of Participant registered as Custodian and has obtained exemption from receiving CAS for their institutional clients, whether transaction statements are provided as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.3	Whether statements are provided to the client as and when requested?	□ Yes □ No	If no, then details must be mentioned here	
12.4	In case a third party address has been captured in the demat account, whether a statement is sent to the address of the Client once a year?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
12.5	Whether statements are generated from back office or DPM system?	□ Back office □ DPM system		
12.6	If generated from back office, whether the details match with statement generated from DPM system?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.7	Whether the narration of corporate action / ISIN description *(especially in case of debt)* appearing in the statement of accounts are meaningful to the Client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

12.8	If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
13	**Compliance under Prevention of Money Laundering Act, 2002 (PMLA)**			
13.1	Whether Participant has adopted a policy to comply with its obligations under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.2	If reply to 13.1 is yes, whether the policy is in line with SEBI / NSDL requirements, approved by Board of Participant and reviewed periodically?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.3	Whether Participant has complied with all the policies and procedures as prescribed under PMLA and SEBI guidelines such as customer due diligence, suspicious transaction monitoring and reporting, record keeping etc.?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.4	Whether AML Policy is updated to reflect recent changes as prescribed by SEBI?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.5	In case of applicable Non Individual clients, whether Participant obtains copy of balance sheet and latest share holding pattern, including list of all those holding control, either directly or indirectly, in terms of SEBI takeover Regulations, duly certified by the company secretary / Whole Time Director/ MD, every year?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.6	Whether Participant has carried out risk assessment to mitigate its money laundering and terrorist financing risk with respect to its clients, as required under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.7	Whether necessary checks and balances are put in place to ensure that the identity of the clients (both existing and new) does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.8	Whether the Participant has internal mechanism to monitor and detect suspicious transactions as per the requirements of PMLA/SEBI/NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

13.9	Whether Participant has submitted STR within 7 days of arriving at a conclusion that any transaction, or a series of transactions integrally connected are of suspicious nature?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.10	Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.11	Whether enhanced due diligence measures have been applied for clients categorised as high risk / special category including clients who are residents of jurisdictions listed in FATF statements?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.12	In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.13	Whether ongoing due diligence and scrutiny of the transactions and account throughout the course of the business relationship is conducted by the Participant to ensure that the transactions being conducted are consistent with the Participant's knowledge of the client, its business and risk profile and where necessary, the client's source of funds is also taken into consideration?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.14	Whether Participant has revisited the CDD process when there are suspicions of money	□ Yes □ No □ Not	If no, then details of the non	
	laundering or financing of terrorism and the matter has been disposed off after carrying necessary due diligence?	Applicable	compliance must be mentioned here	
13.15	Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.16	Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.17	Whether there is a mechanism to deal appropriately with the alerts provided by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

13.18	If any suspicious transaction is reported to FIU-India India then whether count of STRs reported to FIU-India are informed to NSDL?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.19	Whether suspicious transaction register (physical and/or in electronic form) has been maintained?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
14	**Operations Manual**			
14.1	Whether Participant has prepared an operations manual?	□ Yes □ No		
14.2	If reply to 14.1 is yes, whether operations manual covers all depository activities?	□ Yes □ No □ Not Applicable	If no, then mention the areas not covered in operations manual	
14.3	If reply to 14.1 is yes, whether operations manual is updated as and when required?	□ Yes □ No □ Not Applicable	If no, then mention when is it updated	
14.4	If reply to 14.1 is yes, whether operations manual is available to persons who need to refer it?	□ Yes □ No □ Not Applicable	If no, then mention how is the work done by those persons	
14.5	If reply to 14.1 is yes, whether procedures mentioned in the operations manual are followed?	□ Yes □ No □ Not Applicable	If no, then give details here	
15	**Maintenance of record**			
15.1	Whether Participant has informed NSDL about place(s) of record keeping?	□ Yes □ No	If no, then mention the place of record keeping	
15.2	Whether an internal mechanism has been evolved by Participant for proper maintenance and preservation of such records and information in the manner that allows easy and quick retrieval of data as and when requested by competent authorities?	□ Yes □ No	If no, then give details here	
16	**Outsourced activities**			
16.1	Whether Participant has outsourced record keeping activity (partly or fully)?	□ Yes □ No	If yes, then the name of the agency / firm and nature of arrangement must be mentioned here	
16.2	If reply to 16.1 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.3	Whether any business activity **other than record maintenance** is outsourced?	□ Yes □ No		

16.4	If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.5	If reply to 16.1 and / or 16.3 is yes -			
	a) Whether Participant has entered into legally binding written contract/ agreement/terms and conditions with the Vendor(s) as per the stipulated guidelines issued by SEBI?	□ Yes □ No □ Not Applicable	If no, then various outsourcing risks inherent in the process must be mentioned here	
	b) Whether proper checks and control mechanism has been implemented by the vendor/agency?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	c) Whether during the course of periodic review, material outsourcing risks if any, are properly mitigated?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	d) Whether Participant has a comprehensive policy to guide the assessment of whether and how the above activities are outsourced in terms of stipulated SEBI guidelines?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
17	**Service centre (whether offering the services as a DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name)**			
17.1	Whether NSDL's approval has been obtained for all the service centres opened during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.2	Whether prescribed procedure has been followed for any service centre closed / terminated during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.3	Whether the data of all the service centres (DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name) displayed on the NSDL website is updated and correct?	□ Yes □ No	If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact information, etc. must be mentioned here	
17.4	Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE/ NCFM/NCDO) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person?	□ Yes □ No	If no, then details of non compliance must be mentioned here	

17.5	Whether internal audit has been conducted at adequate number of service centres other than DPM setup to verify guidelines prescribed by SEBI, PMLA and NSDL have been followed ?	□ Yes □ No □ Not Applicable	If yes, then mention count of service centres audited and Service Centre codes thereof and If no, then details of non compliance must be mentioned here	
17.6	Whether the depository services offered at the service center are displayed at the service centers (where all depository services are not offered by the service center)?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
18	**Status of compliance for deviations / observations noted in last NSDL inspection and internal / concurrent audit report**			
18.1	Whether Participant has complied with all the deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.2	Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable		
18.3	Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	□ Yes □ No	If yes, then provide details / comments on issues	
18.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	□ Yes □ No	If yes, provide details along with supporting documents	
19	**Reporting by Participant to its Board of Directors**			
19.1	Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? *(same may be verified from the extract of the minutes of the Board Meeting)*.	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	
19.2	Whether Participant has placed last internal/concurrent audit findings alongwith management comment before its Board of Directors / Audit Committee? *(same may be verified from the extract of the minutes of the Board Meeting)*	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	

20	**Billing**			
20.1	Whether all account holder are billed as per the tariff sheet?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.2	Whether Participant has given atleast one month's prior notice for any increase in the tariff sheet?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
20.3	Whether charges levied for demat accounts are in accordance with SEBI/ NSDL guidelines?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.4	Whether Participant has not charged account holder(s), for transfer of all the securities lying in his account to another account of client with another branch of the same Participant or to another Participant of the same depository or another depository, provided the account holder(s) at transferee Participant and at transferor Participant are identical in all respects?	□ Yes □ No □ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	
20.5	Whether increase or decrease made in charges i.e changes in tariff sheet has been intimated to NSDL for making it available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
21	**Back Office**			
21.1	If Participant is using backoffice software for depository operations like providing statement, billing etc., whether balances as per back office are reconciled on a daily basis with DPM?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22	**Miscellaneous areas**			
22.1	Whether there is any supplementary agreement / letter of confirmation / power of attorney obtained / executed with account holder which are in contravention to 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines?	□ Yes □ No □ Not Applicable	If yes, then details of the non compliance must be mentioned here	
22.2	Whether Participant has collected requisite documents to claim waiver of settlement fees?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.3	Whether pledge and hypothecation instructions are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	

22.4	Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.5	Whether forms in use for various activities are as prescribed?	□ Yes □ No	If no, then mention the forms and the discrepancies observed therein.	
22.6	Whether Participant has a policy for dealing with conflicts of interest?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.7	Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.8	Whether Participant has provided 'Annual Statement- RGESS' to account holders who have availed RGESS facility or has informed to client that the Annual Statement for RGESS is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.9	Whether Participant has provided 'RGESS Compliance Report to client who have availed RGESS facility or has informed to client that the RGESS Compliance Report is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.10	Whether Participant has offered BSDA facility to all eligible Beneficial Owners?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.11	Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility of BSDA and has converted all eligible demat accounts into BSDA until such BOs specifically opt to continue to avail the facility of a regular demat account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.12	Whether Participant has displayed various tickers on its website to create awareness among clients to subscribe for SMS alerts, for KYC registration and that ASBA has been made mandatory payment mechanism for all investors including retail investors for all public issues opening on or after Jan 1, 2016?? Whether Participant has taken up the matter	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.13	with Clients where same mobile number and email ID is captured for more than one Client?	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	

22.14	Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.15	Whether 'Document Received Date' has been captured correctly in DPM/eDPM by the Participant in respect of various service requests?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.16	Whether Participant is in Compliance with SEBI Circular on Implementation of the Multilateral Competent Authority Agreement and Foreign Account Tax Compliance Act?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.17	Whether request of Hold / Hold Release for Non Disposal Undertaking/ Agreement are processed as per the prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.18	Whether review and identification reclassification of the existing accounts which require a change in type and sub-type are completed in accordance with NSDL Circular on Reclassification of type and sub-type?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.19	Whether accreditation of investors for the purpose of Innovators Growth Platform is carried out as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.20	Whether Participant has devised a mechanism to verify the details of target demat accounts pertaining to Bank/NBFC to ensure that IDT instructions by Trading Members/Clearing Members are executed as per the guidelines prescribed by SEBI?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.21	Comment on improvements made in the operations since last audit.		Views of the auditor on the improvements, if any (or nil), in operations of the Participant should be mentioned here	
23	**System areas**			
23.1	Whether hardware and software installed on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL and made available on i-Assist?	□ Yes □ No		
23.2	Whether Participant is taking backup on a daily basis?	□ Yes □ No		

23.3	Whether Participant has kept remote backup media as per prescribed guidelines?	□ Yes □ No		
23.4	Whether updated antivirus is installed on the server and all the client machines?	□ Yes □ No		
23.5	Whether log shipping facility for log generation is working and Backup/DR server (if available) are in Sync?	□ Yes □ No		
23.6	Whether all the software installed on server and client machines are licensed?	□ Yes □ No		
23.7	Whether RAID has been configured as per the prescribed guidelines?	□ Yes □ No		
23.8	Whether database reorg and shrinking are done as per the prescribed guidelines?	□ Yes □ No		
23.9	Whether scheduled switch to fallback connectivity- (internet) is done and the record thereof is maintained?	□ Yes □ No		
23.10	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	□ Yes □ No	If no, then mention whether the Participant has obtained approval for the same?	
23.11	Whether UPS / alternate power arrangement is available for all the hardware / equipments used for depository operations?	□ Yes □ No		
23.12	Whether adequate physical and logical access restrictions for usage of system are in place?	□ Yes □ No		
23.13	Whether backup of back office data is taken?	□ Yes □ No □ Not Applicable		
23.14	Whether back office is directly connected to DPM system?	□ Yes □ No		
23.15	If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.16	Whether atleast one staff managing the systems is NSDL trained?	□ Yes □ No		
23.17	Whether physical access to client machines and server is restricted only to authorised persons?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
23.18	Whether the operating system and other softwares installed on the machines used for depository operations are as per NSDL specifications and upgraded as per NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	

23.19	Whether the Participant has adequate safeguards as regards cyber security?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24	**Additional information about Participant**			
24.1	Whether Participant is satisfying the eligibility criteria as specified at Regulation 19 (a) of SEBI (Depositories and Participants) Regulations, 2018?	□ Yes □ No	If no, then details of the same must be mentioned here	
24.2	Whether the Compliance Officer of the Participant has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE)?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.3	Whether the Participant is a fit and proper person as per Regulation 23(2) of the SEBI (Depositories & Participants) Regulations, 2018 read with the criteria specified under regulation 20 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.4	Whether Risk Assessment Template (RAT), Internal and/or Concurrent Audit Report, Net worth Certificate, and Compliance Certificate has been submitted periodically by participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.5	Whether AI/ML reporting form (if applicable) and cyber attacks and threats reports, if any have been submitted as per prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
24.6	Whether change in Director / compliance officer/Principle officer/Designated director/ Shareholding pattern of the Participant /name of the participant/ registered address of the participant and any such changes have been informed to NSDL?	□ Yes □ No □ No such changes	If no, then details of the non compliance must be mentioned here	
24.7	Whether any other deviation/non-complaince observed by internal auditor which is not specifically covered above?	□ Yes □ No	If Yes, then details must be mentioned here	
24.8	Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it?	□ Yes □ No □ Not Applicable	If Yes, please provide details of order/indictment. If no, details of the non compliance must be mentioned here	

25	Auditor's Certification			
25.1	Whether management comments are adequate for the deviations highlighted?	□ Yes □ No □ Not Applicable	If no, kindly provide the necessary details	
25.2	Whether any high risk activity was identified as part of the audit and focused on, as part of the audit?	□ Yes □ No	If Yes, kindly provide the necessary details	
25.3	Whether all audit checkpoints have been completed as per the stipulated timelines?	□ Yes □ No	If no, kindly provide the necessary details	
25.4	If reply to 25.3 is no, whether the delay and attribution, if any, to the Participant have been highlighted to the management?	□ Yes □ No □ Not Applicable	If no, kindly provide the necessary details	
26	Unique Document Identification Number (UDIN)		To be filled by Practicing Chartered Accountants (if applicable)	
Management's Comment* - Mandatory if auditor's observation is negative.				

Auditor's Report on Internal / Concurrent Audit

I/ We have carried out audit of depository operations of <Name of Participant> and I/We hereby declare the following:

1. The operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 2018, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.
2. The system related to depository operations is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.
3. The capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.
4. The business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.
5. The operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.
6. The business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.
7. The Participant has required internal controls, checks, risk management procedure in place.
8. The procedures with respect to maintenance of records (electronic and physical) are adequate.
9. To the best of our knowledge and belief and according to the information and explanations sought by us, no material fraud / non-compliance / violation by the Participant is observed during the course of this Audit
10. We do not have any direct / indirect interest in or relationship with the Participant or its shareholders / directors / partners / proprietors / management and also confirm that we do not have any conflict of interest in such relationship / interest while conducting internal/concurrent audit of the said Participant.
11. The Report provided by us covers the entire scope of the Internal/concurrent audit, is true and correct.
12. Working papers and evidences for the audit are available in our record.
13. We have considered adequate samples for the purpose of audit.
14. I hereby declare that digital signature certificate being used by me for signing this document is a valid digital signature certificate on this date in terms of provisions of Information Technology Act, 2000 and rules framed thereunder and that it has not been revoked by the issuing authority till this date.

Signed by the auditor using its Digital Certificate.

Cover page	
Internal / Concurrent Audit Report for Depository Operations	
Type of Audit Report	□ Internal Audit Report (IAR) □ Concurrent Audit Report (CAR) □ Combined IAR and CAR
Name of the auditee	
DP ID(s)	INXXXXXX
	INXXXXXX
SEBI Registration Number	
Audit period	From DD-MMM-YYYY to DD-MMM-YYYY
Name of the auditor	
PAN of the auditor	
Membership no. of the auditor	
NISM - DOCE / CPE Certificate no. [*of any one person conducting the internal and/or concurrent audit*]	
Date till which certificate is valid	DD-MMM-YYYY
Name of the audit firm	
Registration No. of audit firm	
Full postal address of the audit firm	
Contact number along with STD code / mobile number of auditor	
email ID of auditor	
Signature of the auditor	
Date	

Activity wise sampling details				
Sr. No.	Area	Count for the audit period (total number of accounts opened, demat request processed, etc.)	No. of samples checked	Percentage of samples checked
1	Account Opening (100%)			
2	KYC re-confirmation cases: - Initiated by Participant (100%)			
	- Intimated by NSDL (100%)			
3	Demat requests			
4	Remat requests			
5	Conversion requests			
6	Reconversion requests			
7	Redemption requests			
8	DIS book issuance (Including loose slip issuance) (100%)			
9	Total DIS execution (at least 25%)			
	a) Digitally signed DIS images (having DP as well as NSDL digital signature) extracted from tamper proof storage (at least 10% of samples)			
	b) Physical DIS			
10	Replacement of Original DIS image in tamper proof storage (100%)			
11	Pledge / hypothecation instructions			
12	Client data modifications [100%]			
13	Account Freeze			
	a) Freezes due to statutory orders (100%)			
	b) Other Freezes			
14	Account Unfreeze			
	a) Unfreezes due to statutory orders (100%)			
	b) Other Unfreezes			
15	Modification in the name of client (including minor correction in name) (100%)			
16	Power of Attorney modifications (100%)			
17	Account Closure requests - Initiated by Participant (100%)			
	- Initiated by client			
18	Transmission (100%)			

19	Investor grievances received by Participant (100%)			
20	Non Disposal Undertakings (NDU) (100%)			
21	Accreditation of investors (IGP) (100%)			
22	Providing statement of accounts to clearing member (100% process level) (For count / samples checked, specify number of occasions of dispatch during audit period - typically it would be six for the six month period). [In case a Participant does not have any clearing member account and has only beneficial owner account then 'Not Applicable' may be specified].	**Specify number of occasions of dispatch of statement during audit period by Participant**	**Specify number of occasions of dispatch checked by auditor**	
23	Any other samples picked by Auditors (Please provide detailed break-up of areas verified alongwith sample count for that particular area)			

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1	KYC and Account Opening			
1.1	Whether proof of identity, proof of address and other stipulated documents have been obtained for all the accounts as per KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.2	Whether PANs and copies of PAN Cards have been obtained for all the accounts, wherever applicable?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.3	Whether PANs are verified with the database of Income Tax Department and stamp of "PAN Verified" has been affixed on the photocopy of the PAN card(s) for all the accounts?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.4	If correspondence address of a third party has been accepted, whether guidelines prescribed by SEBI, PMLA and NSDL have been followed?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.5	Whether all KYC application forms and account opening forms are completely filled in respect of all account holder(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.6	Whether photograph(s) of client(s)/ Authorised signatories/Director(s)/ Promoter(s)/ Trustee(s)/ Partner(s) etc. provided on KYC Form matches with the photograph on Proof of Identity and PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.7	Whether signature(s) of client(s)/ Authorised signatories provided on Account Opening Form and KYC Documents matches with the signature(s) on Proof of Identity and / or PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.8	Whether copies of all the documents submitted by the applicant are self-attested?	□ Yes □ No	If no, then number of accounts with	
			discrepancies must be mentioned here	

1.9	Whether copies of all the documents submitted by the applicant are accompanied with originals for verification / properly attested by entities authorized for attesting the documents in cases where the original of the said document is not produced for verification?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.10	Whether the 'in - person' verification of the account holders has been done before activation of the account and the record of in-person verification is maintained as per SEBI, PMLA and NSDL guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.11	Whether Participant has provided a copy of the "Rights and Obligations of the Beneficial Owner and Depository Participant" document to the client either in electronic or physical form, depending upon the preference of the client and obtained an acknowledgement of the same from the client?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.12	Whether data entered in DPM system matches with the details mentioned in the account opening form?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.13	Whether mobile number and email id captured are of the client or family member as per the circular of NSDL and SEBI?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.14	Whether the bank details have been correctly captured in compliance with SEBI and NSDL circular?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.15	Whether signature of account holder(s) as given in the account opening form has been scanned in the DPM system clearly and correctly?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.16	Whether the scanned images of the KYC documents of the clients have been furnished to KRA within 10 working days from the date of execution of documents by clients?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	

1.17	Whether required information / documents are forwarded by Participant to KRA for cases which are informed as incomplete by KRA?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.18	Whether the Participant has uploaded existing clients' KYC data on KRA system and sent scanned images of KYC documents to KRA as per SEBI guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether the Participant has used the KYC data of a client obtained from the KRA only for the purposes it is meant for?	□ Yes □ No	If no, then details must be mentioned here	
1.20	Whether Participant has downloaded KYC information of client(s) who are KYC compliant from KRA platform?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.21	Whether sufficient information has been obtained from clients, to identify and verify the identity of persons who beneficially own or control the securities account (i.e. Ultimate Beneficial Owner) as per SEBI, PMLA and NSDL guidelines (especially for non- individual clients)?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.22	Reliance on the records of client due diligence (KYC) carried out by a third party			
	(a) Whether Participant is in compliance with PMLA/ SEBI guidelines related to 'Reliance on the records of client due diligence (KYC) carried out by a third party'?	□ Yes □ No □ Not Applicable		
	(b) Whether Participant has maintained logs of client authentication or records of client request authenticated ?	□ Yes □ No □ Not Applicable		
	(c) Whether Participant has obtained consent of client for opening of demat account by relying on third party KYC?	□ Yes □ No □ Not Applicable		
	(d) Whether data entered in DPM system matches with the client details as available in third party KYC?	□ Yes □ No □ Not Applicable		
1.23	Whether FATCA/CRS declaration is obtained by Participant?	□ Yes □ No	If no, then details must be mentioned here	
1.24	Whether SARAL account is opened as per SEBI/NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.25	Whether Participant has captured the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PMLA Rules, as per the KYC template for "individuals" finalised by CERSAI?	□ Yes □ No	If no, then details must be mentioned here	

1.26	Whether Participant has uploaded the existing clients' KYC details with Central KYC Records Registry (CKYCR) System?	□ Yes □ No	If no, then details must be mentioned here	
1.27	Whether Participant is in compliance with the clauses of undertaking submitted to NSDL for availing the facility of advance generation of separate series of Client ID from the DPM system?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
2	KYC Re-Confirmation			
2.1	Initiated by Participant			
2.1.1.	Whether periodicity for updation of all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is defined?	□ Yes □ No	If no, then details must be mentioned here	
2.1.2	Whether all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is updated as per defined periodicity and as and when there are suspicions of money laundering or financing of terrorism?	□ Yes □ No	If no, then details must be mentioned here	
2.2	Intimated by NSDL			
2.2.1	Whether KYC confirmation response is updated on i-assist intranet site of NSDL within the stipulated time as prescribed by NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with delayed responses must be mentioned here or enclosed as Annexure	
2.2.2	For all such accounts for which KYC is confirmed on i-assist, whether all KYC documents (as per the KYC guidelines issued by SEBI, PMLA and NSDL) are in possession of Participant?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.3	Whether all such KYC documents (referred in point no. 2.2.2) are verified with originals / properly attested by entities authorized for attesting the documents?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.4	Whether all such KYC documents are verified by the auditor before KYC confirmation response is updated by the Participant on i-assist on concurrent basis and auditor has provided certification to that effect?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	

2.2.5	Whether Participant has suspended for debits all such accounts which are reported as KYC non-compliant on i-assist after giving appropriate notice to the client(s) till the time such client(s) submits necessary KYC documents as per the KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.6	For accounts reported as non-compliant by the Participant on i-assist where the client(s) subsequently submits necessary KYC documents as per the stipulated KYC guidelines, whether the Participant has provided KYC confirmation response to NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
3	Client Data Modification			
3.1	Whether clients' request for changes in data (e.g. name of client (including minor correction in name), address, signature, bank details, mobile number, E-mail, mode of receiving annual report, AGM notice and other communications, Type & Sub type, RGESS Flag, BSDA Flag, Mode of receiving statement of account in electronic form, Family flag, SI indicator etc.) have been processed as per prescribed procedure?	Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.2	Whether Client name modification pursuant to error of Participant has been processed as per prescribed procedure ?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.3	Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.4	Whether Participant has sent communication to Client informing about the modification made in the demat account of the Client?	□Yes □ No □Not Applicable		
4	Power of Attorney (POA)			
4.1	Whether POA documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of POA holder(s)) have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4.2	Whether POA contains clauses which are as per the SEBI stipulated guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	

4.3	Whether specific purpose POA contains list of demat accounts where securities can be transferred based on POA?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.4	Whether Participant has created POA ID for all POA holders in DPM and map the same to the respective demat account where DIS is issued to POA holder?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.5	For specific purpose POA, list of demat accounts where securities can be transferred are mapped with POA ID in DPM?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.6	Whether modification/cancellation of Power of Attorney is done as per SEBI/NSDL prescribed guidelines and details have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.7	Whether Participant has complied with the requirement of not obtaining POA in its capacity as a Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5	Nomination			
5.1	Whether nomination is made as per the prescribed procedure and based on the duly filled nomination form?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.2	Whether Nomination details are entered in DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.3	Whether nomination is modified / cancelled in demat account as per NSDL prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6	Demat / Remat / Conversion / Reconversion / Redemption request			
6.1	Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

6.2	Whether Participant refers to the list of Distinctive Numbers of certificates submitted for dematerialisation as made available by NSDL and ensures that the appropriate International Securities Identification Number (ISIN) is filled in DRF?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.3	Whether Participant refers to lists of companies having high demat pendency and non-responding/services stopped by Registrar and Transfer Agent(s) as displayed on NSDL website and informs clients suitably while accepting demat requests of these companies?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.4	Whether Participant has obtained additional documents prescribed by SEBI, in case of mismatch of name on the share certificate(s) vis-a-vis name of the beneficial owner of demat account and forwarded the same alongwith the demat request to Issuer/RTA?	□ Yes □ No □ Not Applicable		
6.5	Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.6	Whether demat / conversion requests received have been sent to Issuer / Registrar & Transfer Agent within seven days from the date of receipt of the request from the account holder?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.7	Whether Participant has enclosed covering letter or client master report alongwith demat request form sent to Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.8	Whether there are sufficient provisions / arrangements for safe keeping of security certificates received from account holders for dematerialisation and certificates received after rejection of the demat request from Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then details must be mentioned here	
6.9	Whether any demat / conversion request was rejected due to error attributable to Participant?	□ Yes □ No	If ,yes then number of cases with discrepancies must be mentioned here	
6.10	Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	

6.11	Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.12	Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.13	Whether the Mutual Fund redemption requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7	Delivery Instruction Slip (DIS)			
7.1	Issuance of DIS			
7.1.1	Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically?	□ Yes □ No	If no, then details must be mentioned here	
7.1.2	Whether the DIS issued to client has pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID or POA ID in case of DIS issued to POA holder?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.3	Whether DIS booklets have been issued on receipt of requisition slips signed by the client (all holders in case of joint account)?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.4	Whether issuance of loose DIS to account holder is done as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.5	If DIS booklet is handed over to the authorized person other than account holder, then whether the signature of authorized person and his proof of identity are verified before issuance of DIS booklet?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.6	Whether the details regarding issuance of DIS (booklet and loose slips) to the clients have been entered in the DPM within two days of issuance?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

7.1.7	Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.8	Whether Participant has a system in place to ensure that the DIS issued prior January 7, 2014 are not accepted?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.9	Whether in cases of inter depository account closure, inter depository transmission of securities and execution of instructions based on court/regulatory orders, Participant has captured the required codes such as 'CL9999999999', 'TR9999999999' and 'RO9999999999' respectively against DIS serial number for execution of instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2	Verification of DIS			
7.2.1	Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.2	Whether serial number of all the DIS(s) reported as lost / misplaced / stolen by the account holder or undelivered DIS are blocked in the DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.3	Whether DIS(s) given by account holder are available for all instructions executed in DPM (instruction other than those given by account holders through Speed-e electronically)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.4	Whether signature(s) on DIS match with the signature(s) scanned in the DPM system?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.5	Whether corrections / cancellation on DIS, if any, are authenticated by the client (all holders for joint accounts)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.6	Whether Participant accepts instructions by fax from account holder?	□ Yes □ No		

7.2.7	If reply to 7.2.6 is yes, then whether original DIS has been received within three working days for all faxed instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.8	If reply to 7.2.6 is yes, then whether Participant has obtained an indemnity from account holders who want to give instruction over fax?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.9	If Participant is accepting delivery instruction in form of an annexure to a DIS, whether it is done as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.10	Whether Participant is ensuring that information under columns "Consideration" and "Reason / Purpose /code" and payment details in case of off market sale are mentioned for off market instructions by clients and the same are captured in DPM system ?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.11	Whether Participant has collected supporting documents for cases of "Off Market Transfers", where it is required to be collected?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.12	Whether Participant follows maker - checker system to process the instructions?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.13	Whether there is an additional level of verification for high value instructions in a single DIS (DIS with value of Rs. 5 lakhs and above)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.14	Whether in case active accounts has five or more ISINs and all such ISIN balances are transferred at a time, Participant has verified with the client before execution of DIS and recorded the details of the same on DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.15	Whether instructions executed in the DPM system are as per DIS?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

7.2.16	Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)?	□ Yes □ No		
7.2.17	If reply to 7.2.16 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
7.2.18	If reply to 7.2.16 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3	Scanning of Delivery Instruction Slips (DIS) and Tamper proof storage of DIS images			
7.3.1	Whether every DIS executed in the DPM is scanned alongwith all annexures / computer printouts (if any) by the end of the next working day and digitally signed image of the same is posted on DIVS system successfully for validation and digitally signature of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.2	Whether the Participant scans the DIS received through fax and post the same to the DIVS and whenever original DIS is received the same is also scanned and posted on DIVS system within one working day from receipt of original DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.3	Whether scanned images of DIS are legible and tagged to the correct DIS serial number?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.4	Whether the NSDL signed DIS images are stored in the system set up by the Participant as per the specification of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.5	Whether authorized replacement of the original DIS image is carried out as per NSDL guidelines and the reason for such replacement is appropriately recorded in the Index file?	□ Yes □ Not □ No Applicable	If no, then details of the non compliance must be mentioned here	
7.3.6	Whether tamper proof storage system of DIS images in which the NSDL signed DIS images (i.e. response files generated by DIVS) are stored, maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS images?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

7.3.7	Whether tamper proof storage system restricts unauthorized alteration or deletion?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.8	Whether tamper proof storage system is in compliance with the specification prescribed by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.9	Whether tamper proof storage system has facility to check integrity of the system?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.10	Whether alert generated by tamper proof storage system during integrity check are monitored, corrective actions are taken and reported the same to NSDL by the Participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.4	Dormant Account Monitoring			
7.4.1	Whether in case of an accounts which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months and whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time, Participant has verified with the client before execution of DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.4.2	Whether authorized official of the Participant verifying such transactions with the Client has recorded the details of the process, date, time, etc., of the verification on the instruction slip under his signature?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8	Account Closure			
8.1	Whether clients' request for closure of account has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.2	Whether DIS has been obtained in case of transfer of securities to an account other than clients' own account pursuant to account closure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

8.3	Whether 30 days notice is given to the client as well as to the depository before closing client account, in case account closure is initiated by Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.4	Whether Participant has refunded the account maintenance charges collected upfront on annual/half yearly basis (if so), to the client for the balance of the quarter/s, in the event of closing of the demat account or shifting of the demat account from one Participant to another?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.5	Whether Participant uses 'Transfer of Holding' module to process account closure and transmission requests where the target account is in NSDL (Except transmission cases having multiple nominations)?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.6	Whether Participant has freezed the demat account in case Participant is unable to close the account due to pending demat/ remat requests, ISIN in suspended status or due to open pledges, etc?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9	Transmission of Securities			
9.1	Whether all transmission cases have been processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9.2	Whether all transmission cases have been processed within 7 days of receipt of the transmission request?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10	Freeze/Unfreeze			
10.1	Whether freeze and unfreeze instructions received from the clients' are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

10.2	Whether PAN card is obtained and verified as per prescribed procedure before unfreezing an account which was frozen due to non-availability of PAN?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.3	Whether appropriate reason has been captured while freezing/unfreezing clients' account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
11	Investor Grievances			
11.1	Whether all investors' grievances have been redressed as per the procedure and within the stipulated time?	□ Yes □ No □ Not Applicable	If no, then give details of grievances pending for redressal	
11.2	Whether Participant has prominently displayed basic information about the grievance redressal mechanism available to investors in their offices?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
11.3	Whether grievances received directly from clients at service center or DPM setup location through NSDL or SEBI are included in the monthly Investor grievance report submitted to NSDL by Participant?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
11.4	Whether Participant has dedicated email ID for informing investor grievances?	□ Yes □ No	If no, then details must be mentioned here	
11.5	Whether Participant has provided the link to SCORES portal on its website from where the client can view details of the demat account?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
11.6	Whether Participant has displayed procedure for filing of complaints on SCORES and benefits for the same on its website and has incorporated this information in the welcome kit given to the client after account opening?	□ Yes □ No	If no, then details must be mentioned here	
12	Statement of Account (including transaction statement and holdings statement)			
12.1	Whether statements provided to the clearing member accounts are as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.2	In case of Participant registered as Custodian and has obtained exemption from receiving CAS for their institutional clients, whether transaction statements are provided as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.3	Whether statements are provided to the client as and when requested?	□ Yes □ No	If no, then details must be mentioned here	

12.4	In case a third party address has been captured in the demat account, whether a statement is sent to the address of the Client once a year?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
12.5	Whether statements are generated from back office or DPM system?	□ Back office □ DPM system		
12.6	If generated from back office, whether the details match with statement generated from DPM system?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.7	Whether the narration of corporate action / ISIN description (especially in case of debt) appearing in the statement of accounts are meaningful to the Client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.8	If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
13	Compliance under Prevention of Money Laundering Act, 2002 (PMLA)			
13.1	Whether Participant has adopted a policy to comply with its obligations under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.2	If reply to 13.1 is yes, whether the policy is in line with SEBI / NSDL requirements, approved by Board of Participant and reviewed periodically?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.3	Whether Participant has complied with all the policies and procedures as prescribed under PMLA and SEBI guidelines such as customer due diligence, suspicious transaction monitoring and reporting, record keeping etc.?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.4	Whether AML Policy is updated to reflect recent changes as prescribed by SEBI?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

13.5	In case of applicable Non Individual clients, whether Participant obtains copy of balance sheet and latest share holding pattern, including list of all those holding control, either directly or indirectly, in terms of SEBI takeover Regulations, duly certified by the company secretary / Whole Time Director/ MD, every year?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.6	Whether Participant has carried out risk assessment to mitigate its money laundering and terrorist financing risk with respect to its clients, as required under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.7	Whether necessary checks and balances are put in place to ensure that the identity of the clients (both existing and new) does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.8	Whether the Participant has internal mechanism to monitor and detect suspicious transactions as per the requirements of PMLA/SEBI/NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.9	Whether Participant has submitted STR within 7 days of arriving at a conclusion that any transaction, or a series of transactions integrally connected are of suspicious nature?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.10	Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.11	Whether enhanced due diligence measures have been applied for clients categorised as high risk / special category including clients who are residents of jurisdictions listed in FATF statements?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.12	In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.13	Whether ongoing due diligence and scrutiny of the transactions and account throughout the course of the business relationship is conducted by the Participant to ensure that the transactions being conducted are consistent with the Participant's knowledge of the client, its business and risk profile and where necessary, the client's source of funds is also taken into consideration?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

13.14	Whether Participant has revisited the CDD process when there are suspicions of money laundering or financing of terrorism and the matter has been disposed off after carrying necessary due diligence?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.15	Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.16	Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.17	Whether there is a mechanism to deal appropriately with the alerts provided by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.18	If any suspicious transaction is reported to FIU-India India then whether count of STRs reported to FIU-India are informed to NSDL?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.19	Whether suspicious transaction register (physical and/or in electronic form) has been maintained?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
14	Operations Manual			
14.1	Whether Participant has prepared an operations manual?	□ Yes □ No		
14.2	If reply to 14.1 is yes, whether operations manual covers all depository activities?	□ Yes □ No □ Not Applicable	If no, then mention the areas not covered in operations manual	
14.3	If reply to 14.1 is yes, whether operations manual is updated as and when required?	□ Yes □ No □ Not Applicable	If no, then mention when is it updated	
14.4	If reply to 14.1 is yes, whether operations manual is available to persons who need to refer it?	□ Yes □ No □ Not Applicable	If no, then mention how is the work done by those persons	
14.5	If reply to 14.1 is yes, whether procedures mentioned in the operations manual are followed?	□ Yes □ No □ Not Applicable	If no, then give details here	
15	Maintenance of record			
15.1	Whether Participant has informed NSDL about place(s) of record keeping?	□ Yes □ No	If no, then mention the place of record keeping	
16	Outsourced activities			

16.1	Whether Participant has outsourced record keeping activity (partly or fully)?	□ Yes □ No	If yes, then the name of the agency / firm and nature of arrangement must be mentioned here	
16.2	If reply to 16.1 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.3	Whether any business activity other than record maintenance is outsourced?	□ Yes □ No		
16.4	If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.5	If reply to 16.1 and / or 16.3 is yes -			
	a) Whether Participant has entered into legally binding written contract/agreement/terms and conditions with the Vendor(s) as per the stipulated guidelines issued by SEBI?	□ Yes □ No □ Not Applicable	If no, then various outsourcing risks inherent in the process must be mentioned here	
	b) Whether proper checks and control mechanism has been implemented by the vendor/agency?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	c) Whether during the course of periodic review, material outsourcing risks if any, are properly mitigated?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	d) Whether Participant has a comprehensive policy to guide the assessment of whether and how the above activities are outsourced in terms of stipulated SEBI guidelines?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
17	Service centre (whether offering the services as a DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name)			
17.1	Whether NSDL's approval has been obtained for all the service centres opened during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.2	Whether prescribed procedure has been followed for any service centre closed / terminated during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.3	Whether the data of all the service centres (DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name) displayed on the NSDL website is updated and correct?	□ Yes □ No	If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact information, etc. must be mentioned here	

17.4	Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person?	□ Yes □ No	If no, then details of non compliance must be mentioned here	
17.5	Whether internal audit has been conducted at adequate number of service centres other than DPM setup to verify guidelines prescribed by SEBI, PMLA and NSDL have been followed ?	□ Yes □ No □ Not Applicable	If yes, then mention count of service centres audited and Service Centre codes thereof and If no, then details of non compliance must be mentioned here	
17.6	Whether the depository services offered at the service center are displayed at the service centers (where all depository services are not offered by the service center)?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
18	Status of compliance for deviations / observations noted in last NSDL inspection and internal / concurrent audit report			
18.1	Whether Participant has complied with all the deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.2	Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable		
18.3	Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	□ Yes □ No	If yes, then provide details / comments on issues	
18.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	□ Yes □ No	If yes, provide details along with supporting documents	
19	Reporting by Participant to its Board of Directors			
19.1	Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? (same may be verified from the extract of the minutes of the Board Meeting).	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	

19.2	Whether Participant has placed last internal/concurrent audit findings alongwith management comment before its Board of Directors / Audit Committee? (same may be verified from the extract of the minutes of the Board Meeting)	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	
20	Billing			
20.1	Whether all account holder are billed as per the tariff sheet?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.2	Whether Participant has given atleast one month's prior notice for any increase in the tariff sheet?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
20.3	Whether charges levied for demat accounts are in accordance with SEBI/NSDL guidelines?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.4	Whether Participant has not charged account holder(s), for transfer of all the securities lying in his account to another account of client with another branch of the same Participant or to another Participant of the same depository or another depository, provided the account holder(s) at transferee Participant and at transferor Participant are identical in all respects?	□ Yes □ No □ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	
20.5	Whether increase or decrease made in charges i.e changes in tariff sheet has been intimated to NSDL for making it available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
21	Back Office			
21.1	If Participant is using backoffice software for depository operations like providing statement, billing etc., whether balances as per back office are reconciled on a daily basis with DPM?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22	Miscellaneous areas			
22.1	Whether there is any supplementary agreement / letter of confirmation / power of attorney obtained / executed with account holder which are in contravention to 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines?	□ Yes □ No □ Not Applicable	If yes, then details of the non compliance must be mentioned here	
22.2	Whether Participant has collected requisite documents to claim waiver of settlement fees?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	

22.3	Whether pledge and hypothecation instructions are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.4	Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.5	Whether forms in use for various activities are as prescribed?	□ Yes □ No	If no, then mention the forms and the discrepancies observed therein.	
22.6	Whether Participant has a policy for dealing with conflicts of interest?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.7	Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.8	Whether Participant has provided 'Annual Statement- RGESS' to account holders who have availed RGESS facility or has informed to client that the Annual Statement for RGESS is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.9	Whether Participant has provided 'RGESS Compliance Report to client who have availed RGESS facility or has informed to client that the RGESS Compliance Report is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.10	Whether Participant has offered BSDA facility to all eligible Beneficial Owners?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.11	Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility of BSDA and has converted all eligible demat accounts into BSDA until such BOs specifically opt to continue to avail the facility of a regular demat account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.12	Whether Participant has displayed various tickers on its website to create awareness among clients to subscribe for SMS alerts, for KYC registration and that ASBA has been made mandatory payment mechanism for all investors including retail investors for all public issues opening on or after Jan 1, 2016??	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	

22.13	Whether Participant has taken up the matter with Clients where same mobile number and email ID is captured for more than one Client?	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.14	Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.15	Whether 'Document Received Date' has been captured correctly in DPM/eDPM by the Participant in respect of various service requests?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.16	Whether Participant is in Compliance with SEBI Circular on Implementation of the Multilateral Competent Authority Agreement and Foreign Account Tax Compliance Act?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.17	Whether request of Hold / Hold Release for Non Disposal Undertaking/ Agreement are processed as per the prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.18	Whether reclassification of the existing accounts which require a change in type and sub-type are completed in accordance with NSDL Circular on Reclassification of type and sub-type?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.19	Whether accreditation of investors for the purpose of Innovators Growth Platform is carried out as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.20	Whether Participant has devised a mechanism to verify the details of target demat accounts pertaining to Bank/NBFC to ensure that IDT instructions by Trading Members/Clearing Members are executed as per the guidelines prescribed by SEBI? Comment on improvements made in the	□ Yes □ No	If no, then details of the non compliance must be mentioned here Views of the	
22.21	operations since last audit.		auditor on the improvements, if any (or nil), in operations of the Participant should be mentioned here	
23	System areas			
23.1	Whether hardware and software installed on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL and made available on i-Assist?	□ Yes □ No	If no, then mention the mismatch	

23.2	Whether Participant is taking backup on a daily basis?	□ Yes □ No		
23.3	Whether Participant has kept remote backup media as per prescribed guidelines?	□ Yes □ No		
23.4	Whether updated antivirus is installed on the server and all the client machines?	□ Yes □ No		
23.5	Whether log shipping facility for log generation is working and Backup/DR server (if available) are in Sync?	□ Yes □ No		
23.6	Whether all the software installed on server and client machines are licensed?	□ Yes □ No		
23.7	Whether RAID has been configured as per the prescribed guidelines?	□ Yes □ No		
23.8	Whether database reorg and shrinking are done as per the prescribed guidelines?	□ Yes □ No		
23.9	Whether scheduled switch to fallback connectivity (internet) is done and the record thereof is maintained?	□ Yes □ No		
23.10	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	□ Yes □ No	If no, then mention whether the Participant has obtained approval for the same?	
23.11	Whether UPS / alternate power arrangement is available for all the hardware / equipments used for depository operations?	□ Yes □ No		
23.12	Whether adequate physical and logical access restrictions for usage of system are in place?	□ Yes □ No		
23.13	Whether backup of back office data is taken?	□ Yes □ No □ Not Applicable		
23.14	Whether back office is directly connected to DPM system?	□ Yes □ No		
23.15	If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.16	Whether atleast one staff managing the systems is NSDL trained?	□ Yes □ No		
23.17	Whether physical access to client machines and server is restricted only to authorised persons?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
23.18	Whether the operating system and other softwares installed on the machines used for depository operations are as per NSDL specifications and upgraded as per NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	

23.19	Whether the Participant has adequate safeguards as regards cyber security?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24	Additional information about Participant			
24.1	Whether Participant is satisfying the eligibility criteria as specified at Regulation 19 (a) of SEBI (Depositories and Participants) Regulations, 2018?	□ Yes □ No	If no, then details of the same must be mentioned here	
24.2	Whether the Compliance Officer of the Participant has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE)?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.3	Whether the Participant is a fit and proper person as per Regulation 23(2) of the SEBI (Depositories & Participants) Regulations, 2018 read with the criteria specified under regulation 20 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.4	Whether Risk Assessment Template (RAT), Internal and/or Concurrent Audit Report, Net worth Certificate, and Compliance Certificate has been submitted periodically by participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.5	Whether AI/ML reporting form (if applicable) and cyber attacks and threats reports, if any have been submitted as per prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
24.6	Whether change in Director / compliance officer/Principle officer/Designated director/ Shareholding pattern of the Participant /name of the participant/ registered address of the participant and any such changes have been informed to NSDL?	□ Yes □ No □ No such changes	If no, then details of the non compliance must be mentioned here	
24.7	Whether any other deviation/non-complaince observed by internal auditor which is not specifically covered above?	□ Yes □ No	If Yes, then details must be mentioned here	
24.8	Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it?	□ Yes □ No □ Not Applicable	If Yes, please provide details of order/indictment. If no, details of the non compliance must be mentioned here	
25	Auditor's Certification			
25.1	Whether management comments are adequate for the deviations highlighted?	□ Yes □ No □ Not Applicable	If no, kindly provide the necessary details	

25.2	Whether any high risk activity was identified as part of the audit and focused on, as part of the audit?	□ Yes □ No	If Yes, kindly provide the necessary details	
25.3	Whether all audit checkpoints have been completed as per the stipulated timelines?	□ Yes □ No	If no, kindly provide the necessary details	
25.4	If reply to 25.3 is no, whether the delay and attribution, if any, to the Participant have been highlighted to the management?	□ Yes □ No □ Not Applicable	If no, kindly provide the necessary details	
26	Unique Document Identification Number (UDIN)		To be filled by Practicing Chartered Accountants (if applicable)	
Management's Comment* - Mandatory if auditor's observation is negative.				

Annexure 3

Objectives of audit of depository operations

i. To assure the management that the operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 2018, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.

ii. To assure management that the DPM is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.

iii. To assure management that the capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.

iv. To assure management and NSDL that the business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.

v. To assure management that the operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.

vi. To assure management and NSDL that the business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.

Circular No.: NSDL POLICY/ 2019/0063 September 25, 2019	**Subject: Internal and Concurrent Audit for depository operations.** Participants are aware that as per Bye Law 10.3, each Participant is required to have its jdepository operations audited by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant holding a Certificate of Practice. Based on such audit, a copy of the report should be submitted to NSDL on half yearly basis. Attention of Participants is invited to Circular No. NSDL/POLICY/2019/0017 dated March 27, 2019 in which guidelines related to scope of the audit and format of the audit report were provided. To ensure that audit objectives are being achieved and audit is in line with expected quality standards, certain additional parameters/ checkpoints have been inserted in the Audit checklist under the new heading "Auditor's Certification". The audit report format has been modified and enclosed as Annexure 1 in track change mode and as Annexure 2 (without highlighting the changes). The broad objectives / guidelines for the internal / concurrent audit are enclosed as Annexure 3. Participants are advised to take note of the following: 1. Audit should cover all facets of the depository operations. Auditor may expand the scope of audit / add more audit points to achieve the objectives enclosed as Annexure 3. Participants are advised to extend full co-operation to their auditors to enable them to perform an effective audit. All circulars / guidelines issued by NSDL / SEBI from time to time and other information / records desired by the auditors should be made available to them within a reasonable time. 2. Participants should forward the audit report as per schedule given below to NSDL - Audit Period: Due date for submission of report to NSDL **April 1 to September 30**: **November 15** **October 1 to March 31**: **May 15** 3. The Participants which remain operational for less than three months in an audit period can submit audit report for that audit period along with the audit report for next audit period. For example, if a Participant is made operational by NSDL on January 1, 2019, then it can submit first audit report for period January 1, 2019 - September 30, 2019. 4. Audit work for areas which are covered under the scope of concurrent audit should be completed by next working day. If audit cannot be completed by next working day due to large volume, it must be completed within a week. Concurrent audit includes following areas: i) Account opening, ii) Delivery Instruction Slip (DIS) book issuance, iii) Execution of DIS. iv) Power of Attorney modifications, v) Account closure requests initiated by Participant, vi) Investor grievances received by Participant, vii) Providing Transaction Statements to clearing members (process level)

	viii) KYC reconfirmation intimated by NSDL ix) Replacement of Original DIS image in tamper proof storage x) Non Disposal Undertakings (NDU) xi) Modification in the name of client (including minor correction in name) xii) Client data modifications xiii) Accreditation of investors (IGP) 5. Participants may appoint same auditor for concurrent and internal audit. If both audits are done by same auditor, then a consolidated report must be submitted instead of two separate reports. If both audits are being done by different auditors, then two separate reports must be submitted. 6. Participants are advised to note that the audit report format provided in this circular is applicable for audit period April 1, 2019 to September 30, 2019 and onwards. 7. Participants are hereby informed that internal and/or concurrent audit reports which are not as per guidelines will be treated as non-submission of the report. NSDL reserves the right to advise a Participant to change its auditor if quality of the report is found to be not satisfactory or the audit is not carried out as per guidelines. 8. The auditors may visit service centers (on sample basis) to check whether proper procedures are being followed at such centers. 9. Any one person conducting the internal and/or concurrent audit (risk prone areas) should obtain certification from the National Institute of Securities Markets (NISM) by passing the NISM- Series-VI: Depository Operations Certification Examination DOCE). Alternatively, such persons, if eligible, may undergo Continuing Professional Education (CPE) program for depository operations (details available on www.nism.ac.in). 10. Internal/concurrent audit report needs to be submitted in electronic form through e-PASS platform as mentioned in circular NSDL/POLICY/2016/0091 dated November 9, 2016.

Cover page	
Internal / Concurrent Audit Report for Depository Operations	
Type of Audit Report	□ Internal Audit Report (IAR) □ Concurrent Audit Report
	(CAR) □ Combined IAR and CAR
Name of the auditee	
DP ID(s)	INXXXXXX
	INXXXXXX
SEBI Registration Number	
Audit period	**From DD-MMM-YYYY to DD-MMM-YYYY**
Name of the auditor	
PAN of the auditor	
Membership no. of the auditor	
NISM - DOCE / CPE Certificate no. *[of any one person conducting the internal and/or concurrent audit]*	
Date till which certificate is valid	**DD-MMM-YYYY**
Name of the audit firm	
Registration No. of audit firm	
Full postal address of the audit firm	
Contact number along with STD code / mobile number of auditor	
email ID of auditor	
Signature of the auditor	
Date	

Activity wise sampling details				
Sr. No.	**Area**	**Count for the audit period (total number of accounts opened, demat request processed, etc.)**	**No. of samples checked**	**Percentage of samples checked**
1	Account Opening (100%)			
2	KYC re-confirmation cases: - Initiated by Participant (100%)			
	- Intimated by NSDL (100%)			
3	Demat requests—/—Conversion request			
4	Remat requests / Reconversion request / Redemption request			
5	Conversion requests			
6	Reconversion requests			
7	Redemption requests			
8	DIS book issuance (Including loose slip issuance) (100%)			
9	Total DIS execution (at least 25%)			
	a) Digitally signed DIS images (having DP as well as NSDL digital signature) extracted from tamper proof storage (at least 10% of samples)			
	b) Physical DIS			
10	Replacement of Original DIS image in tamper proof storage (100%)			
11	Pledge / hypothecation instructions			
12	Client data modifications [100%]			
13	Account Freeze			
	a) Freezes due to statutory orders (100%)			
	b) Other Freezes			
14	Account Unfreeze			
15	Modification in the name of client(including minor correction in name) (100%)			
16	Power of Attorney modifications (100%)			
17	Account Closure requests - Initiated by Participant (100%)			
	- Initiated by client			
18	Transmission (100%)			
19	Investor grievances received by Participant (100%)			
20	Non Disposal Undertakings (NDU) (100%)			
21	Accreditation of investors (IGP) (100%)			

2218	Providing statement of accounts to clearing member (100% process level) (For count / samples checked, specify number of occasions of dispatch during audit period - typically it would be six for the six month period). [In case a Participant does not have any clearing member account and has only beneficial owner account then 'Not Applicable' may be specified].	Specify number of occasions of dispatch of statement during audit period by Participant	Specify number of occasions of dispatch checked by auditor
2319	Any other samples picked by Auditors (Please provide detailed break-up of areas verified alongwith sample count for that particular area)		

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1	KYC and Account Opening			
1.1	Whether proof of identity, proof of address and other stipulated documents have been obtained for all the accounts as per KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.2	Whether PANs and copies of PAN Cards have been obtained for all the accounts, wherever applicable?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.3	Whether PANs are verified with the database of Income Tax Department and stamp of "PAN Verified" has been affixed on the photocopy of the PAN card(s) for all the accounts?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.4	If correspondence address of a third party has been accepted, whether guidelines prescribed by SEBI, PMLA and NSDL have been followed?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.5	Whether all KYC application forms and account opening forms are completely filled in respect of all account holder(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.6	Whether photograph(s) of client(s)/ Authorised signatories/Director(s)/ Promoter(s)/ Trustee(s)/ Partner(s) etc. provided on KYC Form matches with the photograph on Proof of Identity and PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	

1.7	Whether signature(s) of client(s)/ Authorised signatories provided on Account Opening Form and KYC Documents matches with the signature(s) on Proof of Identity and / or PAN card -of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.8	Whether copies of all the documents submitted by the applicant are self-attested?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.9	Whether copies of all the documents submitted by the applicant are accompanied with originals for verification / properly attested by entities authorized for attesting the documents in cases where the original of the said document is not produced for verification?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.10	Whether the 'in - person' verification of the account holders has been done before activation of the account and the record of in-person verification is maintained as per SEBI, PMLA and NSDL guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.11	Whether Participant has provided a copy of the "Rights and Obligations of the Beneficial Owner and Depository Participant" document to the client either in electronic or physical form, depending upon the preference of the client and obtained an acknowledgement of the same from the client?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.12	Whether data entered in DPM system matches with the details mentioned in the account opening form?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.13	Whether mobile number and email id captured are of the client or family member as per the circular of NSDL and SEBI?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.14	Whether the bank details have been correctly captured in compliance with SEBI and NSDL circular?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	

1.15	Whether signature of account holder(s) as given in the account opening form has been scanned in the DPM system clearly and correctly?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.16	Whether the scanned images of the KYC documents of the clients have been furnished to KRA within 10 working days from the date of execution of documents by clients?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.17	Whether required information / documents are forwarded by Participant to KRA for cases which are informed as incomplete by KRA?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.18	Whether the Participant has uploaded existing clients' KYC data on KRA system and sent scanned images of KYC documents to KRA as per SEBI guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether the Participant has used the KYC data of a client obtained from the KRA only for the purposes it is meant for?	□ Yes □ No	If no, then details must be mentioned here	
1.20	Whether Participant has downloaded KYC information of client(s) who are KYC compliant from KRA platform?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.21	Whether sufficient information has been obtained from clients, to identify and verify the identity of persons who beneficially own or control the securities account (i.e. Ultimate Beneficial Owner) as per SEBI, PMLA and NSDL guidelines (especially for non-individual clients)?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.22	Whether Participant has complied with guidelines issued by PMLA/SEBI/NSDL for the clients where Participant has relied on the KYC and in-person verification carried out by a third party?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.23	Whether FATCA/CRS declaration is obtained by Participant?	□ Yes □ No	If no, then details must be mentioned here	
1.24	Whether SARAL account is opened as per SEBI/NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.25	Whether Participant has captured the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PMLA Rules, as per the KYC template for "individuals" finalised by CERSAI?	□ Yes □ No	If no, then details must be mentioned here	

1.26	Whether Participant has uploaded the existing clients' KYC details with Central KYC Records Registry (CKYCR) System?	□ Yes □ No	If no, then details must be mentioned here	
1.27	Whether Participant is in compliance with the clauses of undertaking submitted to NSDL for availing the facility of advance generation of separate series of Client ID from the DPM system?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
2	KYC Re-Confirmation			
2.1	Initiated by Participant			
2.1.1.	Whether periodicity for updation of all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is defined?	□ Yes □ No	If no, then details must be mentioned here	
2.1.2	Whether all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is updated as per defined periodicity and as and when there are suspicions of money laundering or financing of terrorism?	□ Yes □ No	If no, then details must be mentioned here	
2.2	Intimated by NSDL			
2.2.1	Whether KYC confirmation response is updated on i-assist intranet site of NSDL within the stipulated time as prescribed by NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with delayed responses must be mentioned here or enclosed as Annexure	
2.2.2	For all such accounts for which KYC is confirmed on i-assist, whether all KYC documents (as per the KYC guidelines issued by SEBI, PMLA and NSDL) are in possession of Participant?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.3	Whether all such KYC documents (referred in point no. 2.2.2) are verified with originals / properly attested by entities authorized for attesting the documents?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.4	Whether all such KYC documents are verified by the auditor before KYC confirmation response is updated by the Participant on i-assist on concurrent basis and auditor has provided certification to that effect?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	

2.2.5	Whether Participant has suspended for debits all such accounts which are reported as KYC non-compliant on i-assist after giving appropriate notice to the client(s) till the time such client(s) submits necessary KYC documents as per the KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
Check-list				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
2.2.6	For accounts reported as non-compliant by the Participant on i-assist where the client(s) subsequently submits necessary KYC documents as per the stipulated KYC guidelines, whether the Participant has provided KYC confirmation response to NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
3	Client Data Modification			
3.1	Whether clients' request for changes in data (e.g. name of client (including minor correction in name), address, signature, bank details, mobile number, E-mail, mode of receiving annual report, AGM notice and other communications, Type & Sub type, RGESS Flag, BSDA Flag, Mode of receiving statement of account in electronic form, Family flag, SI indicator etc.) have been processed as per prescribed procedure?	Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.2	Whether Client name modification pursuant to error of Participant has been processed as per prescribed procedure ?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.3	Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4	Power of Attorney (POA)			
4.1	Whether POA documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of POA holder(s)) have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4.2	Whether POA contains clauses which are as per the SEBI stipulated guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.3	Whether specific purpose POA contains list of demat accounts where securities can be transferred based on POA?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	

4.4	Whether Participant has created POA ID for all POA holders in DPM and map the same to the respective demat account where DIS is issued to POA holder?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.5	For specific purpose POA, list of demat accounts where securities can be transferred are mapped with POA ID in DPM?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.6	Whether modification/cancellation of Power of Attorney is done as per SEBI/NSDL prescribed guidelines and details have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.7	Whether Participant has complied with the requirement of not obtaining POA in its capacity as a Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5	Nomination			
5.1	Whether nomination is made as per the prescribed procedure and based on the duly filled nomination form?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.2	Whether Nomination details are entered in DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.3	Whether nomination is modified / cancelled in demat account as per NSDL prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6	Demat / Remat / Conversion / Reconversion / Redemption request			
6.1	Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.2	Whether Participant refers to the list of Distinctive Numbers of certificates submitted for dematerialisation as made available by NSDL and ensures that the appropriate International Securities Identification Number (ISIN) is filled in DRF?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	

6.3	Whether Participant refers to lists of companies having high demat pendency and non-responding/services stopped by Registrar and Transfer Agent(s) as displayed on NSDL website and informs clients suitably while accepting demat requests of these companies?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.4	Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.5	Whether demat / conversion requests received have been sent to Issuer / Registrar & Transfer Agent within seven days from the date of receipt of the request from the account holder?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.6	Whether Participant has enclosed covering letter or client master report alongwith demat request form sent to Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.7	Whether there are sufficient provisions / arrangements for safe keeping of security certificates received from account holders for dematerialisation and certificates received after rejection of the demat request from Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then details must be mentioned here	
6.8	Whether any demat / conversion request was rejected due to error attributable to Participant?	□ Yes □ No	If ,yes then number of cases with discrepancies must be mentioned here	
6.9	Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.10	Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.11	Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.12	Whether the Mutual Fund redemption requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7	Delivery Instruction Slip (DIS)			
7.1	Issuance of DIS			

7.1.1	Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically?	□ Yes □ No	If no, then details must be mentioned here	
7.1.2	Whether the DIS issued to client has pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID or POA ID in case of DIS issued to POA holder?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.3	Whether DIS booklets have been issued on receipt of requisition slips signed by the client (all holders in case of joint account)?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.4	Whether issuance of loose DIS to account holder is done as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.5	If DIS booklet is handed over to the authorized person other than account holder, then whether the signature of authorized person and his proof of identity are verified before issuance of DIS booklet?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.6	Whether the details regarding issuance of DIS (booklet and loose slips) to the clients have been entered in the DPM within two days of issuance?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.7	Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.8	Whether Participant has a system in place to ensure that the DIS issued prior January 7, 2014 are not accepted?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.9	Whether in cases of inter depository account closure, inter depository transmission of securities and execution of instructions based on court/regulatory orders, Participant has captured the required codes such as 'CL9999999999', 'TR9999999999' and 'RO9999999999' respectively against DIS serial number for execution of instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2	Verification of DIS			
7.2.1	Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

7.2.2	Whether serial number of all the DIS(s) reported as lost / misplaced / stolen by the account holder or undelivered DIS are blocked in the DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.3	Whether DIS(s) given by account holder are available for all instructions executed in DPM (instruction other than those given by account holders through Speed-e electronically)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.4	Whether signature(s) on DIS match with the signature(s) scanned in the DPM system?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.5	Whether corrections / cancellation on DIS, if any, are authenticated by the client (all holders for joint accounts)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.6	Whether Participant accepts instructions by fax from account holder?	□ Yes □ No		
7.2.7	If reply to 7.2.6 is yes, then whether original DIS has been received within three working days for all faxed instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.8	If reply to 7.2.6 is yes, then whether Participant has obtained an indemnity from account holders who want to give instruction over fax?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.9	If Participant is accepting delivery instruction in form of an annexure to a DIS, whether it is done as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.10	Whether Participant is ensuring that information under columns "Consideration" and "Reason / Purpose /code" and payment details in case of off market sale are mentioned for off market instructions by clients and the same are captured in DPM system ?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.11	Whether Participant follows maker - checker system to process the instructions?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.12	Whether there is an additional level of verification for high value instructions in a single DIS (DIS with value of Rs. 5 lakhs and above)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

7.2.13	Whether in case active accounts has five or more ISINs and all such ISIN balances are transferred at a time, Participant has verified with the client before execution of DIS and recorded the details of the same on DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.14	Whether instructions executed in the DPM system are as per DIS?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.15	Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)?	□ Yes □ No		
7.2.16	If reply to 7.2.15 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
7.2.17	If reply to 7.2.15 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3	Scanning of Delivery Instruction Slips (DIS) and Tamper proof storage of DIS images			
7.3.1	Whether every DIS executed in the DPM is scanned alongwith all annexures / computer printouts (if any) by the end of the next working day and digitally signed image of the same is posted on DIVS system successfully for validation and digitally signature of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.2	Whether the Participant scans the DIS received through fax and post the same to the DIVS and whenever original DIS is received the same is also scanned and posted on DIVS system within one working day from receipt of original DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.3	Whether scanned images of DIS are legible and tagged to the correct DIS serial number?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.4	Whether the NSDL signed DIS images are stored in the system set up by the Participant as per the specification of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

7.3.5	Whether authorized replacement of the original DIS image is carried out as per NSDL guidelines and the reason for such replacement is appropriately recorded in the Index file?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
7.3.6	Whether tamper proof storage system of DIS images in which the NSDL signed DIS images (i.e. response files generated by DIVS) are stored, maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS images?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.7	Whether tamper proof storage system restricts unauthorized alteration or deletion?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.8	Whether tamper proof storage system is in compliance with the specification prescribed by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.9	Whether tamper proof storage system has facility to check integrity of the system?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.10	Whether alert generated by tamper proof storage system during integrity check are monitored, corrective actions are taken and reported the same to NSDL by the Participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.4	Dormant Account Monitoring			
7.4.1	Whether in case of an accounts which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months and whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time, Participant has verified with the client before execution of DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.4.2	Whether authorized official of the Participant verifying such transactions with the Client has recorded the details of the process, date, time, etc., of the verification on the instruction slip under his signature?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8	Account Closure			
8.1	Whether clients' request for closure of account has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

8.2	Whether DIS has been obtained in case of transfer of securities to an account other than clients' own account pursuant to account closure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.3	Whether 30 days notice is given to the client as well as to the depository before closing client account, in case account closure is initiated by Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.4	Whether Participant has refunded the account maintenance charges collected upfront on annual/half yearly basis (if so), to the client for the balance of the quarter/s, in the event of closing of the demat account or shifting of the demat account from one Participant to another?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.5	Whether Participant uses 'Transfer of Holding' module to process account closure and transmission requests where the target account is in NSDL (Except transmission cases having multiple nominations)?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.6	Whether Participant has freezed the demat account in case Participant is unable to close the account due to pending demat/ remat requests, ISIN in suspended status or due to open pledges, etc?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9	Transmission of Securities			
9.1	Whether all transmission cases have been processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9.2	Whether all transmission cases have been processed within 7 days of receipt of the transmission request?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

10	Freeze/Unfreeze			
10.1	Whether freeze and unfreeze instructions received from the clients' are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.2	Whether PAN card is obtained and verified as per prescribed procedure before unfreezing an account which was frozen due to non-availability of PAN?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.3	Whether appropriate reason has been captured while freezing/unfreezing clients' account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
11	Investor Grievances			
11.1	Whether all investors' grievances have been redressed as per the procedure and within the stipulated time?	□ Yes □ No □ Not Applicable	If no, then give details of grievances pending for redressal	
11.2	Whether Participant has prominently displayed basic information about the grievance redressal mechanism available to investors in their offices?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
11.3	Whether grievances received directly from clients at service center or DPM setup location through NSDL or SEBI are included in the monthly Investor grievance report submitted to NSDL by Participant?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
11.4	Whether Participant has dedicated email ID for informing investor grievances?	□ Yes □ No	If no, then details must be mentioned here	
11.5	Whether Participant has provided the link to SCORES portal on its website from where the client can view details of the demat account?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
12	Statement of Account (including transaction statement and holdings statement)			
12.1	Whether statements provided to the clearing member accounts are as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.2	In case of Participant registered as Custodian and has obtained exemption from receiving CAS for their institutional clients, whether transaction statements are provided as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.3	Whether statements are provided to the client as and when requested?	□ Yes □ No	If no, then details must be mentioned here	

12.4	In case a third party address has been captured in the demat account, whether a statement is sent to the address of the Client once a year?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
12.5	Whether statements are generated from back office or DPM system?	□ Back office □ DPM system		
12.6	If generated from back office, whether the details match with statement generated from DPM system?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.7	Whether the narration of corporate action / ISIN description (especially in case of debt) appearing in the statement of accounts are meaningful to the Client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.8	If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
13	Compliance under Prevention of Money Laundering Act, 2002 (PMLA)			
13.1	Whether Participant has adopted a policy to comply with its obligations under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.2	If reply to 13.1 is yes, whether the policy is in line with SEBI / NSDL requirements, approved by Board of Participant and reviewed periodically?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.3	Whether Participant has complied with all the policies and procedures as prescribed under PMLA and SEBI guidelines such as customer due diligence, suspicious transaction monitoring and reporting, record keeping etc.?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.4	Whether AML Policy is updated to reflect recent changes as prescribed by SEBI?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.5	In case of applicable Non Individual clients, Whether Participant obtains copy of balance sheet and latest share holding pattern, including list of all those holding control, either directly or indirectly, in terms of SEBI takeover Regulations, duly certified by the company secretary / Whole Time Director/ MD, every year?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

13.6	Whether Participant has carried out risk assessment to mitigate its money laundering and terrorist financing risk with respect to its clients, as required under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.7	Whether necessary checks and balances are put in place to ensure that the identity of the clients (both existing and new) does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.8	Whether the Participant has internal mechanism to monitor and detect suspicious transactions as per the requirements of PMLA/SEBI/NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.9	Whether Participant has submitted STR within 7 days of arriving at a conclusion that any transaction, or a series of transactions integrally connected are of suspicious nature?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.10	Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.11	Whether enhanced due diligence measures have been applied for clients categorised as high risk / special category including clients who are residents of jurisdictions listed in FATF statements?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.12	In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.13	Whether ongoing due diligence and scrutiny of the transactions and account throughout the course of the business relationship is conducted by the Participant to ensure that the transactions being conducted are consistent with the Participant's knowledge of the client, its business and risk profile and where necessary, the client's source of funds is also taken into consideration?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.14	Whether Participant has revisited the CDD process when there are suspicions of money laundering or financing of terrorism and the matter has been disposed off after carrying necessary due diligence?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.15	Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

13.16	Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.17	Whether there is a mechanism to deal appropriately with the alerts provided by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.18	If any suspicious transaction is reported to FIU-India India then whether count of STRs reported to FIU-India are informed to NSDL?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.19	Whether suspicious transaction register (physical and/or in electronic form) has been maintained?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
14	Operations Manual			
14.1	Whether Participant has prepared an operations manual?	□ Yes □ No		
14.2	If reply to 14.1 is yes, whether operations manual covers all depository activities?	□ Yes □ No □ Not Applicable	If no, then mention the areas not covered in operations manual	
14.3	If reply to 14.1 is yes, whether operations manual is updated as and when required?	□ Yes □ No □ Not Applicable	If no, then mention when is it updated	
14.4	If reply to 14.1 is yes, whether operations manual is available to persons who need to refer it?	□ Yes □ No □ Not Applicable	If no, then mention how is the work done by those persons	
14.5	If reply to 14.1 is yes, whether procedures mentioned in the operations manual are followed?	□ Yes □ No □ Not Applicable	If no, then give details here	
15	Maintenance of record			
15.1	Whether Participant has informed NSDL about place(s) of record keeping?	□ Yes □ No	If no, then mention the place of record keeping	
15.2	Whether an internal mechanism has been evolved by Participant for proper maintenance and preservation of such records and information in the manner that allows easy and quick retrieval of data as and when requested by competent authorities?	□ Yes □ No	If no, then give details here	
16	Outsourced activities			
16.1	Whether Participant has outsourced record keeping activity (partly or fully)?	□ Yes □ No	If yes, then the name of the agency / firm and nature of arrangement must be mentioned here	

16.2	If reply to 16.1 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.3	Whether any business activity other than record maintenance is outsourced?	□ Yes □ No		
16.4	If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.5	If reply to 16.1 and / or 16.3 is yes -			
	a) Whether Participant has entered into legally binding written contract/agreement/terms and conditions with the Vendor(s) as per the stipulated guidelines issued by SEBI?	□ Yes □ No □ Not Applicable	If no, then various outsourcing risks inherent in the process must be mentioned here	
	b) Whether proper checks and control mechanism has been implemented by the vendor/agency?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	c) Whether during the course of periodic review, material outsourcing risks if any, are properly mitigated?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	d) Whether Participant has a comprehensive policy to guide the assessment of whether and how the above activities are outsourced in terms of stipulated SEBI guidelines?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
17	Service centre (whether offering the services as a DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name)			
17.1	Whether NSDL's approval has been obtained for all the service centres opened during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.2	Whether prescribed procedure has been followed for any service centre closed / terminated during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.3	Whether the data of all the service centres (DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name) displayed on the NSDL website is updated and correct?	□ Yes □ No	If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact information, etc. must be mentioned here	

17.4	Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE/ NCFM/NCDO) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person?	□ Yes □ No	If no, then details of non compliance must be mentioned here	
17.5	Whether internal audit has been conducted at adequate number of service centres other than DPM setup to verify guidelines prescribed by SEBI, PMLA and NSDL have been followed ?	□ Yes □ No □ Not Applicable	If yes, then mention count of service centres audited and Service Centre codes thereof and If no, then details of non compliance must be mentioned here	
17.6	Whether the depository services offered at the service center are displayed at the service centers (where all depository services are not offered by the service center)?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
18	**Status of compliance for deviations / observations noted in ast NSDL inspection and internal / concurrent audit report**			
18.1	Whether Participant has complied with all the deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.2	Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable		
18.3	Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	□ Yes □ No	If yes, then provide details / comments on issues	
18.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	□ Yes □ No	If yes, provide details along with supporting documents	
19	Reporting by Participant to its Board of Directors			
19.1	Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? (same may be verified from the extract of the minutes of the Board Meeting).	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	

19.2	Whether Participant has placed last internal/concurrent audit findings alongwith management comment before its Board of Directors / Audit Committee? (same may be verified from the extract of the minutes of the Board Meeting)	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	
20	Billing			
20.1	Whether all account holder are billed as per the tariff sheet?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.2	Whether Participant has given atleast one month's prior notice for any increase in the tariff sheet?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
20.3	Whether charges levied for demat accounts are in accordance with SEBI/NSDL guidelines?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.4	Whether Participant has not charged account holder(s), for transfer of all the securities lying in his account to another account of client with another branch of the same Participant or to another Participant of the same depository or another depository, provided the account holder(s) at transferee Participant and at transferor Participant are identical in all respects?	□ Yes □ No □ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	
20.5	Whether increase or decrease made in charges i.e changes in tariff sheet has been intimated to NSDL for making it available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
21	Back Office			
21.1	If Participant is using backoffice software for depository operations like providing statement, billing etc., whether balances as per back office are reconciled on a daily basis with DPM?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22	Miscellaneous areas			
22.1	Whether there is any supplementary agreement / letter of confirmation / power of attorney obtained / executed with account holder which are in contravention to 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines?	□ Yes □ No □ Not Applicable	If yes, then details of the non compliance must be mentioned here	
22.2	Whether Participant has collected requisite documents to claim waiver of settlement fees?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	

22.3	Whether pledge and hypothecation instructions are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.4	Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.5	Whether forms in use for various activities are as prescribed?	□ Yes □ No	If no, then mention the forms and the discrepancies observed therein.	
22.6	Whether Participant has a policy for dealing with conflicts of interest?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.7	Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.8	Whether Participant has provided 'Annual Statement- RGESS' to account holders who have availed RGESS facility or has informed to client that the Annual Statement for RGESS is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.9	Whether Participant has provided 'RGESS Compliance Report to client who have availed RGESS facility or has informed to client that the RGESS Compliance Report is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.10	Whether Participant has offered BSDA facility to all eligible Beneficial Owners?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.11	Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility of BSDA and has converted all eligible demat accounts into BSDA until such BOs specifically opt to continue to avail the facility of a regular demat account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.12	Whether Participant has displayed various tickers on its website to create awareness among clients to subscribe for SMS alerts, for KYC registration and that ASBA has been made mandatory payment mechanism for all investors including retail investors for all public issues opening on or after Jan 1, 2016??	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.13	Whether Participant has taken up the matter with Clients where same mobile number and email ID is captured for more than one Client?	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	

	Whether DIVS GAP report utilities is	□ Yes □ No	If no, then	
22.14	executed on regular basis and appropriate	□ Not	details of the non	
	action (if required) is taken?	Applicable	compliance must be mentioned here	
22.15	Whether 'Document Received Date' has been captured correctly in DPM/eDPM by the Participant in respect of various service requests?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.16	Whether Participant is in Compliance with SEBI Circular on Implementation of the Multilateral Competent Authority Agreement and Foreign Account Tax Compliance Act?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.17	Whether request of Hold / Hold Release for Non Disposal Undertaking/ Agreement are processed as per the prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.18	Whether review and identification of the existing accounts which require a change in type and sub-type are completed in accordance with NSDL Circular on Reclassification of type and sub-type?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.19	Whether accreditation of investors for the purpose of Innovators Growth Platform is carried out as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.20	Comment on improvements made in the operations since last audit.		Views of the auditor on the improvements, if any (or nil), in operations of the Participant should be mentioned here	
23	System areas			
23.1	Whether hardware and software installed on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL and made available on i-Assist?	□ Yes □ No	If no, then mention the mismatch	
23.2	Whether Participant is taking backup on a daily basis?	□ Yes □ No		
23.3	Whether Participant has kept remote backup media as per prescribed guidelines?	□ Yes □ No		
23.4	Whether updated antivirus is installed on the server and all the client machines?	□ Yes □ No		
23.5	Whether log shipping facility for log generation is working?	□ Yes □ No		
23.6	Whether all the software installed on server and client machines are licensed?	□ Yes □ No		

23.7	Whether RAID has been configured as per the prescribed guidelines?	□ Yes □ No		
23.8	Whether database reorg and shrinking are done as per the prescribed guidelines?	□ Yes □ No		
23.9	Whether scheduled switch to fallback connectivity is done and the record thereof is maintained?	□ Yes □ No		
23.10	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	□ Yes □ No	If no, then mention whether the Participant has obtained approval for the same?	
23.11	Whether UPS / alternate power arrangement is available for all the hardware / equipments used for depository operations?	□ Yes □ No		
23.12	Whether adequate physical and logical access restrictions for usage of system are in place?	□ Yes □ No		
23.13	Whether backup of back office data is taken?	□ Yes □ No		
23.14	Whether back office is directly connected to DPM system?	□ Yes □ No		
23.15	If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.16	Whether atleast one staff managing the systems is NSDL trained?			
23.17	Whether physical access to client machines and server is restricted only to authorised persons?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
23.18	Whether the operating system and other softwares installed on the machines used for depository operations are as per NSDL specifications and upgraded as per NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.19	Whether the Participant has adequate safeguards as regards cyber security?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24	Additional information about Participant			
24.1	Whether Participant is satisfying the eligibility criteria as specified at Regulation 19 (a) of SEBI (Depositories and Participants) Regulations, 20181996?	□ Yes □ No	If no, then details of the same must be mentioned here	
24.2	Whether the Compliance Officer of the Participant has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE)?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

24.3	Whether the Participant is a fit and proper person as per Regulation 23(2) of the SEBI (Depositories & Participants) Regulations,	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
	2018 read with the criteria specified under regulation 20 of Securities Contracts			
	(Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 20187 of SEBI (Intermediaries) Regulations, 2008 and the provisions of Schedule II?			
24.4	Whether Risk Assessment Template (RAT), Internal and/or Concurrent Audit Report, Net worth Certificate, and Compliance Certificate has been submitted periodically by participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.5	Whether AI/ML reporting form (if applicable) and cyber attacks and threats reports, if any have been submitted as per prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
24.65	Whether change in Director / compliance officer/Principle officer/Designated director/ Shareholding pattern of the Participant /name of the participant/ registered address of the participant and any such changes have been informed to NSDL?	□ Yes □ No □ No such changes	If no, then details of the non compliance must be mentioned here	
24.76	Whether any other deviation/non-complaince observed by internal auditor which is not specifically covered above?	□ Yes □ No	If Yes, then details must be mentioned here	
24.87	Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it?	□ Yes □ No □ Not Applicable	If Yes, please provide details of order/indictment. If no, details of the non compliance must be mentioned here	
25	Auditor's Certification			
25.1	Whether management comments are adequate for the deviations highlighted?	□ Yes □ No □ Not Applicable	If no, kindly provide the necessary details	
25.2	Whether any high risk activity was identified as part of the audit and focused on, as part of the audit?	□ Yes □ No	If Yes, kindly provide the necessary details	
25.3	Whether all audit checkpoints have been completed as per the stipulated timelines?	□ Yes □ No	If no, kindly provide the necessary details	
25.4	If reply to 25.3 is no, whether the delay and attribution, if any, to the Participant have been highlighted to the management?	□ Yes □ No □ Not Applicable	If no, kindly provide the necessary details	

26	Unique Document Identification Number (UDIN)		To be filled by Practicing Chartered Accountants (if applicable)	
Management's Comment* - Mandatory if auditor's observation is negative.				

Auditor's Report on Internal / Concurrent Audit

I/ We have carried out audit of depository operations of <Name of Participant> and I/We hereby declare the following:

1. The operations of the Participant are in compliance with the requirements of The Depositories Act, | 2.1996, SEBI (Depositories & Participants) Regulations, 2018, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.
2. The system related to depository operations is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.
3. The capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.
4. The business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.
5. The operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.
6. The business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.
7. The Participant has required internal controls, checks, risk management procedure in place.
8. The procedures with respect to maintenance of records (electronic and physical) are adequate.
9. To the best of our knowledge and belief and according to the information and explanations sought by us, no material fraud / non-compliance / violation by the Participant is observed during the course of this Audit
10. We do not have any direct / indirect interest in or relationship with the Participant or its shareholders / directors / partners / proprietors / management and also confirm that we do not have any conflict of interest in such relationship / interest while conducting internal/concurrent audit of the said Participant.
11. The Report provided by us covers the entire scope of the Internal/concurrent audit, is true and correct.
12. Working papers and evidences for the audit are available in our record.
13. We have considered adequate samples for the purpose of audit.
14. I hereby declare that digital signature certificate being used by me for signing this document is a valid digital signature certificate on this date in terms of provisions of Information Technology Act, 2000 and rules framed thereunder and that it has not been revoked by the issuing authority till this date.

Signed by the auditor using its Digital Certificate.

Cover page	
Internal / Concurrent Audit Report for Depository Operations	
Type of Audit Report	□ Internal Audit Report (IAR) □ Concurrent Audit Report
	(CAR) □ Combined IAR and CAR
Name of the auditee	
DP ID(s)	INXXXXXX
	INXXXXXX
SEBI Registration Number	
Audit period	From DD-MMM-YYYY to DD-MMM-YYYY
Name of the auditor	
PAN of the auditor	
Membership no. of the auditor	
NISM - DOCE / CPE Certificate no. *[of any one person conducting the internal and/or concurrent audit]*	
Date till which certificate is valid	DD-MMM-YYYY
Name of the audit firm	
Registration No. of audit firm	
Full postal address of the audit	
firm	
Contact number along with STD	
code / mobile number of auditor	
email ID of auditor	
Signature of the auditor	
Date	

Activity wise sampling details				
Sr. No.	Area	Count for the audit period (total number of accounts opened, demat request processed, etc.)	No. of samples checked	Percentage of samples checked
1	Account Opening (100%)			
2	KYC re-confirmation cases: - Initiated by Participant (100%)			
	- Intimated by NSDL (100%)			
3	Demat requests			
4	Remat requests			
5	Conversion requests			
6	Reconversion requests			
7	Redemption requests			
8	DIS book issuance (Including loose slip issuance) (100%)			
9	Total DIS execution (at least 25%)			
	a) Digitally signed DIS images (having DP as well as NSDL digital signature) extracted from tamper proof storage (at least 10% of samples)			
	b) Physical DIS			
10	Replacement of Original DIS image in tamper proof storage (100%)			
11	Pledge / hypothecation instructions			
12	Client data modifications [100%]			
13	Account Freeze			
	a) Freezes due to statutory orders (100%)			
	b) Other Freezes			
14	Account Unfreeze			
15	Modification in the name of client(including minor correction in name) (100%)			
16	Power of Attorney modifications (100%)			
17	Account Closure requests - Initiated by Participant (100%)			
	- Initiated by client			
18	Transmission (100%)			
19	Investor grievances received by Participant (100%)			

20	Non Disposal Undertakings (NDU) (100%)			
21	Accreditation of investors (IGP) (100%)			
22	Providing statement of accounts to clearing member (100% process level) (For count / samples checked, specify number of occasions of dispatch during audit period - typically it would be six for the six month period). [In case a Participant does not have any clearing member account and has only beneficial owner account then 'Not Applicable' may be specified].	Specify number of occasions of dispatch of statement during audit period by Participant	Specify number of occasions of dispatch checked by auditor	
23	Any other samples picked by Auditors (Please provide detailed break-up of areas verified alongwith sample count for that particular area)			

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1	KYC and Account Opening			
1.1	Whether proof of identity, proof of address and other stipulated documents have been obtained for all the accounts as per KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.2	Whether PANs and copies of PAN Cards have been obtained for all the accounts, wherever applicable?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.3	Whether PANs are verified with the database of Income Tax Department and stamp of "PAN Verified" has been affixed on the photocopy of the PAN card(s) for all the accounts?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.4	If correspondence address of a third party has been accepted, whether guidelines prescribed by SEBI, PMLA and NSDL have been followed?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.5	Whether all KYC application forms and account opening forms are completely filled in respect of all account holder(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.6	Whether photograph(s) of client(s) Authorised signatories/Director(s)/ Promoter(s)/ Trustee(s)/ Partner(s) etc. provided on KYC Form matches with the photograph on Proof of Identity and PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.7	Whether signature(s) of client(s)/ Authorised signatories provided on Account Opening Form and KYC Documents matches with the signature(s) on Proof of Identity and / or PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.8	Whether copies of all the documents submitted by the applicant are self-attested?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	

1.9	Whether copies of all the documents submitted by the applicant are accompanied with originals for verification / properly attested by entities authorized for attesting the documents in cases where the original of the said document is not produced for verification?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.10	Whether the 'in - person' verification of the account holders has been done before activation of the account and the record of in-person verification is maintained as per SEBI, PMLA and NSDL guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.11	Whether Participant has provided a copy of the "Rights and Obligations of the Beneficial Owner and Depository Participant" document to the client either in electronic or physical form, depending upon the preference of the client and obtained an acknowledgement of the same from the client?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.12	Whether data entered in DPM system matches with the details mentioned in the account opening form?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.13	Whether mobile number and email id captured are of the client or family member as per the circular of NSDL and SEBI?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.14	Whether the bank details have been correctly captured in compliance with SEBI and NSDL circular?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.15	Whether signature of account holder(s) as given in the account opening form has been scanned in the DPM system clearly and correctly?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.16	Whether the scanned images of the KYC documents of the clients have been furnished to KRA within 10 working days from the date of execution of documents by clients?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.17	Whether required information / documents are forwarded by Participant to KRA for cases which are informed as incomplete by KRA?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	

1.18	Whether the Participant has uploaded existing clients' KYC data on KRA system and sent scanned images of KYC documents to KRA as per SEBI guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether the Participant has used the KYC data of a client obtained from the KRA only for the purposes it is meant for?	□ Yes □ No	If no, then details must be mentioned here	
1.20	Whether Participant has downloaded KYC information of client(s) who are KYC compliant from KRA platform?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.21	Whether sufficient information has been obtained from clients, to identify and verify the identity of persons who beneficially own or control the securities account (i.e. Ultimate Beneficial Owner) as per SEBI, PMLA and NSDL guidelines (especially for non-individual clients)?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.22	Whether Participant has complied with guidelines issued by PMLA/SEBI/NSDL for the clients where Participant has relied on the KYC and in-person verification carried out by a third party?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.23	Whether FATCA/CRS declaration is obtained by Participant?	□ Yes □ No	If no, then details must be mentioned here	
1.24	Whether SARAL account is opened as per SEBI/NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.25	Whether Participant has captured the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PMLA Rules, as per the KYC template for "individuals" finalised by CERSAI?	□ Yes □ No	If no, then details must be mentioned here	
1.26	Whether Participant has uploaded the existing clients' KYC details with Central KYC Records Registry (CKYCR) System?	□ Yes □ No	If no, then details must be mentioned here	
1.27	Whether Participant is in compliance with the clauses of undertaking submitted to NSDL for availing the facility of advance generation of separate series of Client ID from the DPM system?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
2	KYC Re-Confirmation			
2.1	Initiated by Participant			
2.1.1.	Whether periodicity for updation of all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is defined?	□ Yes □ No	If no, then details must be mentioned here	

2.1.2	Whether all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is updated as per defined periodicity and as and when there are suspicions of money laundering or financing of terrorism?	□ Yes □ No	If no, then details must be mentioned here	
2.2	Intimated by NSDL			
2.2.1	Whether KYC confirmation response is updated on i-assist intranet site of NSDL within the stipulated time as prescribed by NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with delayed responses must be mentioned here or enclosed as Annexure	
2.2.2	For all such accounts for which KYC is confirmed on i-assist, whether all KYC documents (as per the KYC guidelines issued by SEBI, PMLA and NSDL) are in possession of Participant?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.3	Whether all such KYC documents (referred in point no. 2.2.2) are verified with originals / properly attested by entities authorized for attesting the documents?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.4	Whether all such KYC documents are verified by the auditor before KYC confirmation response is updated by the Participant on i-assist on concurrent basis and auditor has provided certification to that effect?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.5	Whether Participant has suspended for debits all such accounts which are reported as KYC non-compliant on i-assist after giving appropriate notice to the client(s) till the time such client(s) submits necessary KYC documents as per the KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.6	For accounts reported as non-compliant by the Participant on i-assist where the client(s) subsequently submits necessary KYC documents as per the stipulated KYC guidelines, whether the Participant has provided KYC confirmation response to NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	

3	Client Data Modification			
3.1	Whether clients' request for changes in data (e.g. name of client (including minor correction in name), address, signature, bank details, mobile number, E-mail, mode of receiving annual report, AGM notice and other communications, Type & Sub type, RGESS Flag, BSDA Flag, Mode of receiving statement of account in electronic form, Family flag, SI indicator etc.) have been processed as per prescribed procedure?	Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.2	Whether Client name modification pursuant to error of Participant has been processed as per prescribed procedure ?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.3	Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4	Power of Attorney (POA)			
4.1	Whether POA documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of POA holder(s)) have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4.2	Whether POA contains clauses which are as per the SEBI stipulated guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.3	Whether specific purpose POA contains list of demat accounts where securities can be transferred based on POA?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.4	Whether Participant has created POA ID for all POA holders in DPM and map the same to the respective demat account where DIS is issued to POA holder?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.5	For specific purpose POA, list of demat accounts where securities can be transferred are mapped with POA ID in DPM?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.6	Whether modification/cancellation of Power of Attorney is done as per SEBI/NSDL prescribed guidelines and details have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

4.7	Whether Participant has complied with the requirement of not obtaining POA in its capacity as a Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5	Nomination			
5.1	Whether nomination is made as per the prescribed procedure and based on the duly filled nomination form?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.2	Whether Nomination details are entered in DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.3	Whether nomination is modified / cancelled in demat account as per NSDL prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6	Demat / Remat / Conversion / Reconversion / Redemption request			
6.1	Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.2	Whether Participant refers to the list of Distinctive Numbers of certificates submitted for dematerialisation as made available by NSDL and ensures that the appropriate International Securities Identification Number (ISIN) is filled in DRF?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.3	Whether Participant refers to lists of companies having high demat pendency and non-responding/services stopped by Registrar and Transfer Agent(s) as displayed on NSDL website and informs clients suitably while accepting demat requests of these companies?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.4	Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

6.5	Whether demat / conversion requests received have been sent to Issuer / Registrar & Transfer Agent within seven days from the date of receipt of the request from the account holder?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.6	Whether Participant has enclosed covering letter or client master report alongwith demat request form sent to Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.7	Whether there are sufficient provisions / arrangements for safe keeping of security certificates received from account holders for dematerialisation and certificates received after rejection of the demat request from Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then details must be mentioned here	
6.8	Whether any demat / conversion request was rejected due to error attributable to Participant?	□ Yes □ No	If ,yes then number of cases with discrepancies must be mentioned here	
6.9	Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.10	Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.11	Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.12	Whether the Mutual Fund redemption requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7	Delivery Instruction Slip (DIS)			
7.1	Issuance of DIS			
7.1.1	Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically?	□ Yes □ No	If no, then details must be mentioned here	

7.1.2	Whether the DIS issued to client has pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID or POA ID in case of DIS issued to POA holder?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.3	Whether DIS booklets have been issued on receipt of requisition slips signed by the client (all holders in case of joint account)?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.4	Whether issuance of loose DIS to account holder is done as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.5	If DIS booklet is handed over to the authorized person other than account holder, then whether the signature of authorized person and his proof of identity are verified before issuance of DIS booklet?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.6	Whether the details regarding issuance of DIS (booklet and loose slips) to the clients have been entered in the DPM within two days of issuance?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.7	Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.8	Whether Participant has a system in place to ensure that the DIS issued prior January 7, 2014 are not accepted?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.9	Whether in cases of inter depository account closure, inter depository transmission of securities and execution of instructions based on court/regulatory orders, Participant has captured the required codes such as 'CL9999999999', 'TR9999999999' and 'RO9999999999' respectively against DIS serial number for execution of instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2	Verification of DIS			

7.2.1	Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.2	Whether serial number of all the DIS(s) reported as lost / misplaced / stolen by the account holder or undelivered DIS are blocked in the DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.3	Whether DIS(s) given by account holder are available for all instructions executed in DPM (instruction other than those given by account holders through Speed-e electronically)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.4	Whether signature(s) on DIS match with the signature(s) scanned in the DPM system?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.5	Whether corrections / cancellation on DIS, if any, are authenticated by the client (all holders for joint accounts)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.6	Whether Participant accepts instructions by fax from account holder?	□ Yes □ No		
7.2.7	If reply to 7.2.6 is yes, then whether original DIS has been received within three working days for all faxed instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.8	If reply to 7.2.6 is yes, then whether Participant has obtained an indemnity from account holders who want to give instruction over fax?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.9	If Participant is accepting delivery instruction in form of an annexure to a DIS, whether it is done as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

7.2.10	Whether Participant is ensuring that information under columns "Consideration" and "Reason / Purpose /code" and payment details in case of off market sale are mentioned for off market instructions by clients and the same are captured in DPM system ?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.11	Whether Participant follows maker - checker system to process the instructions?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.12	Whether there is an additional level of verification for high value instructions in a single DIS (DIS with value of Rs. 5 lakhs and above)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.13	Whether in case active accounts has five or more ISINs and all such ISIN balances are transferred at a time, Participant has verified with the client before execution of DIS and recorded the details of the same on DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.14	Whether instructions executed in the DPM system are as per DIS?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.15	Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)?	□ Yes □ No		
7.2.16	If reply to 7.2.15 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
7.2.17	If reply to 7.2.15 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3	Scanning of Delivery Instruction Slips (DIS) and Tamper proof storage of DIS images			
7.3.1	Whether every DIS executed in the DPM is scanned alongwith all annexures / computer printouts (if any) by the end of the next working day and digitally signed image of the same is posted on DIVS system successfully for validation and digitally signature of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

7.3.2	Whether the Participant scans the DIS received through fax and post the same to the DIVS and whenever original DIS is received the same is also scanned and posted on DIVS system within one working day from receipt of original DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.3	Whether scanned images of DIS are legible	□ Yes □ No	If no, then	
	and tagged to the correct DIS serial number?	□ Not Applicable	number of cases along with the nature of discrepancies must be mentioned here	
7.3.4	Whether the NSDL signed DIS images are	□ Yes □ No	If no, then	
	stored in the system set up by the Participant	□ Not	number of cases	
	as per the specification of NSDL?	Applicable	along with the nature of discrepancies must be mentioned here	
7.3.5	Whether authorized replacement of the original DIS image is carried out as per NSDL guidelines and the reason for such replacement is appropriately recorded in the Index file?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
7.3.6	Whether tamper proof storage system of DIS images in which the NSDL signed DIS images (i.e. response files generated by DIVS) are stored, maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS images?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.7	Whether tamper proof storage system restricts unauthorized alteration or deletion?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.8	Whether tamper proof storage system is in compliance with the specification prescribed by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.9	Whether tamper proof storage system has facility to check integrity of the system?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

7.3.10	Whether alert generated by tamper proof storage system during integrity check are monitored, corrective actions are taken and reported the same to NSDL by the Participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.4	Dormant Account Monitoring			
7.4.1	Whether in case of an accounts which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months and whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time, Participant has verified with the client before execution of DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.4.2	Whether authorized official of the Participant verifying such transactions with the Client has recorded the details of the process, date, time, etc., of the verification on the instruction slip under his signature?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8	Account Closure			
8.1	Whether clients' request for closure of account has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.2	Whether DIS has been obtained in case of transfer of securities to an account other than clients' own account pursuant to account closure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.3	Whether 30 days notice is given to the client as well as to the depository before closing client account, in case account closure is initiated by Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.4	Whether Participant has refunded the account maintenance charges collected upfront on annual/half yearly basis (if so), to the client for the balance of the quarter/s, in the event of closing of the demat account or shifting of the demat account from one Participant to another?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

8.5	Whether Participant uses 'Transfer of Holding' module to process account closure and transmission requests where the target account is in NSDL (Except transmission cases having multiple nominations)?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.6	Whether Participant has freezed the demat account in case Participant is unable to close the account due to pending demat/ remat requests, ISIN in suspended status or due to open pledges, etc?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9	Transmission of Securities			
9.1	Whether all transmission cases have been processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9.2	Whether all transmission cases have been processed within 7 days of receipt of the transmission request?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10	Freeze/Unfreeze			
10.1	Whether freeze and unfreeze instructions received from the clients' are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.2	Whether PAN card is obtained and verified as per prescribed procedure before unfreezing an account which was frozen due to non-availability of PAN?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.3	Whether appropriate reason has been captured while freezing/unfreezing clients' account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
11	Investor Grievances			
11.1	Whether all investors' grievances have been redressed as per the procedure and within the stipulated time?	□ Yes □ No □ Not Applicable	If no, then give details of grievances pending for redressal	

11.2	Whether Participant has prominently displayed basic information about the grievance redressal mechanism available to investors in their offices?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
11.3	Whether grievances received directly from clients at service center or DPM setup location through NSDL or SEBI are included in the monthly Investor grievance report submitted to NSDL by Participant?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
11.4	Whether Participant has dedicated email ID for informing investor grievances?	□ Yes □ No	If no, then details must be mentioned here	
11.5	Whether Participant has provided the link to SCORES portal on its website from where the client can view details of the demat account?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
12	Statement of Account (including transaction statement and holdings statement)			
12.1	Whether statements provided to the clearing member accounts are as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.2	In case of Participant registered as Custodian and has obtained exemption from receiving CAS for their institutional clients, whether transaction statements are provided as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.3	Whether statements are provided to the client as and when requested?	□ Yes □ No	If no, then details must be mentioned here	
12.4	In case a third party address has been captured in the demat account, whether a statement is sent to the address of the Client once a year?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
12.5	Whether statements are generated from back office or DPM system?	□ Back office □ DPM system		
12.6	If generated from back office, whether the details match with statement generated from DPM system?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.7	Whether the narration of corporate action / ISIN description (especially in case of debt) appearing in the statement of accounts are meaningful to the Client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

12.8	If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
13	Compliance under Prevention of Money Laundering Act, 2002 (PMLA)			
13.1	Whether Participant has adopted a policy to comply with its obligations under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.2	If reply to 13.1 is yes, whether the policy is in line with SEBI / NSDL requirements, approved by Board of Participant and reviewed periodically?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.3	Whether Participant has complied with all the policies and procedures as prescribed under PMLA and SEBI guidelines such as customer due diligence, suspicious transaction monitoring and reporting, record keeping etc.?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.4	Whether AML Policy is updated to reflect recent changes as prescribed by SEBI?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.5	In case of applicable Non Individual clients, Whether Participant obtains copy of balance sheet and latest share holding pattern, including list of all those holding control, either directly or indirectly, in terms of SEBI takeover Regulations, duly certified by the company secretary / Whole Time Director/ MD, every year?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.6	Whether Participant has carried out risk assessment to mitigate its money laundering and terrorist financing risk with respect to its clients, as required under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.7	Whether necessary checks and balances are put in place to ensure that the identity of the clients (both existing and new) does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.8	Whether the Participant has internal mechanism to monitor and detect suspicious transactions as per the requirements of PMLA/SEBI/NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

13.9	Whether Participant has submitted STR within 7 days of arriving at a conclusion that any transaction, or a series of transactions integrally connected are of suspicious nature?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.10	Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.11	Whether enhanced due diligence measures have been applied for clients categorised as high risk / special category including clients who are residents of jurisdictions listed in FATF statements?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.12	In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.13	Whether ongoing due diligence and scrutiny of the transactions and account throughout the course of the business relationship is conducted by the Participant to ensure that the transactions being conducted are consistent with the Participant's knowledge of the client, its business and risk profile and where necessary, the client's source of funds is also taken into consideration?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.14	Whether Participant has revisited the CDD process when there are suspicions of money laundering or financing of terrorism and the matter has been disposed off after carrying necessary due diligence?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.15	Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.16	Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.17	Whether there is a mechanism to deal appropriately with the alerts provided by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.18	If any suspicious transaction is reported to FIU-India India then whether count of STRs reported to FIU-India are informed to NSDL?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	

13.19	Whether suspicious transaction register (physical and/or in electronic form) has been maintained?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
14	Operations Manual			
14.1	Whether Participant has prepared an operations manual?	□ Yes □ No		
14.2	If reply to 14.1 is yes, whether operations manual covers all depository activities?	□ Yes □ No □ Not Applicable	If no, then mention the areas not covered in operations manual	
14.3	If reply to 14.1 is yes, whether operations manual is updated as and when required?	□ Yes □ No □ Not Applicable	If no, then mention when is it updated	
14.4	If reply to 14.1 is yes, whether operations manual is available to persons who need to refer it?	□ Yes □ No □ Not Applicable	If no, then mention how is the work done by those persons	
14.5	If reply to 14.1 is yes, whether procedures mentioned in the operations manual are followed?	□ Yes □ No □ Not Applicable	If no, then give details here	
15	Maintenance of record			
15.1	Whether Participant has informed NSDL about place(s) of record keeping?	□ Yes □ No	If no, then mention the place of record keeping	
15.2	Whether an internal mechanism has been evolved by Participant for proper maintenance and preservation of such records and information in the manner that allows easy and quick retrieval of data as and when requested by competent authorities?	□ Yes □ No	If no, then give details here	
16	Outsourced activities			
16.1	Whether Participant has outsourced record keeping activity (partly or fully)?	□ Yes □ No	If yes, then the name of the agency / firm and nature of arrangement must be mentioned here	
16.2	If reply to 16.1 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.3	Whether any business activity other than record maintenance is outsourced?	□ Yes □ No		
16.4	If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.5	If reply to 16.1 and / or 16.3 is yes -			

	a) Whether Participant has entered into legally binding written contract/agreement/terms and conditions with the Vendor(s) as per the stipulated guidelines issued by SEBI?	□ Yes □ No □ Not Applicable	If no, then various outsourcing risks inherent in the process must be mentioned here	
	b) Whether proper checks and control mechanism has been implemented by the vendor/agency?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	c) Whether during the course of periodic review, material outsourcing risks if any, are properly mitigated?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	d) Whether Participant has a comprehensive policy to guide the assessment of whether and how the above activities are outsourced in terms of stipulated SEBI guidelines?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
17	Service centre (whether offering the services as a DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name)			
17.1	Whether NSDL's approval has been obtained for all the service centres opened during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.2	Whether prescribed procedure has been followed for any service centre closed / terminated during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.3	Whether the data of all the service centres (DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name) displayed on the NSDL website is updated and correct?	□ Yes □ No	If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact information, etc. must be mentioned here	
17.4	Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE/ NCFM/NCDO) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person?	□ Yes □ No	If no, then details of non compliance must be mentioned here	
17.5	Whether internal audit has been conducted at adequate number of service centres other than DPM setup to verify guidelines prescribed by SEBI, PMLA and NSDL have been followed ?	□ Yes □ No □ Not Applicable	If yes, then mention count of service centres audited and Service Centre codes thereof and If no, then details of non compliance must be mentioned here	

17.6	Whether the depository services offered at the service center are displayed at the service centers (where all depository services are not offered by the service center)?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
18	Status of compliance for deviations / observations noted in ast NSDL inspection and internal / concurrent audit report			
18.1	Whether Participant has complied with all the deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.2	Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable		
18.3	Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	□ Yes □ No	If yes, then provide details / comments on issues	
18.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	□ Yes □ No	If yes, provide details along with supporting documents	
19	Reporting by Participant to its Board of Directors			
19.1	Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? (same may be verified from the extract of the minutes of the Board Meeting).	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	
19.2	Whether Participant has placed last internal/concurrent audit findings alongwith management comment before its Board of Directors / Audit Committee? (same may be verified from the extract of the minutes of the Board Meeting)	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	
20	Billing			
20.1	Whether all account holder are billed as per the tariff sheet?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.2	Whether Participant has given atleast one month's prior notice for any increase in the tariff sheet?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	

20.3	Whether charges levied for demat accounts are in accordance with SEBI/NSDL guidelines?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.4	Whether Participant has not charged account holder(s), for transfer of all the securities lying in his account to another account of client with another branch of the same Participant or to another Participant of the same depository or another depository, provided the account holder(s) at transferee Participant and at transferor Participant are identical in all respects?	□ Yes □ No □ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	
20.5	Whether increase or decrease made in charges i.e changes in tariff sheet has been intimated to NSDL for making it available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
21	Back Office			
21.1	If Participant is using backoffice software for depository operations like providing statement, billing etc., whether balances as per back office are reconciled on a daily basis with DPM?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22	Miscellaneous areas			
22.1	Whether there is any supplementary agreement / letter of confirmation / power of attorney obtained / executed with account holder which are in contravention to 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines?	□ Yes □ No □ Not Applicable	If yes, then details of the non compliance must be mentioned here	
22.2	Whether Participant has collected requisite documents to claim waiver of settlement fees?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.3	Whether pledge and hypothecation instructions are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.4	Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.5	Whether forms in use for various activities are as prescribed?	□ Yes □ No	If no, then mention the forms and the discrepancies observed therein.	

22.6	Whether Participant has a policy for dealing with conflicts of interest?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.7	Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.8	Whether Participant has provided 'Annual Statement- RGESS' to account holders who have availed RGESS facility or has informed to client that the Annual Statement for RGESS is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.9	Whether Participant has provided 'RGESS Compliance Report to client who have availed RGESS facility or has informed to client that the RGESS Compliance Report is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.10	Whether Participant has offered BSDA facility to all eligible Beneficial Owners?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.11	Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility of BSDA and has converted all eligible demat accounts into BSDA until such BOs specifically opt to continue to avail the facility of a regular demat account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.12	Whether Participant has displayed various tickers on its website to create awareness among clients to subscribe for SMS alerts, for KYC registration and that ASBA has been made mandatory payment mechanism for all investors including retail investors for all public issues opening on or after Jan 1, 2016??	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.13	Whether Participant has taken up the matter with Clients where same mobile number and email ID is captured for more than one Client?	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.14	Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.15	Whether 'Document Received Date' has been captured correctly in DPM/eDPM by the Participant in respect of various service requests?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

22.16	Whether Participant is in Compliance with SEBI Circular on Implementation of the Multilateral Competent Authority Agreement and Foreign Account Tax Compliance Act?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.17	Whether request of Hold / Hold Release for Non Disposal Undertaking/ Agreement are processed as per the prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.18	Whether review and identification of the existing accounts which require a change in type and sub-type are completed in accordance with NSDL Circular on Reclassification of type and sub-type?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.19	Whether accreditation of investors for the purpose of Innovators Growth Platform is carried out as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.20	Comment on improvements made in the operations since last audit.		Views of the auditor on the improvements, if any (or nil), in operations of the Participant should be mentioned here	
23	System areas			
23.1	Whether hardware and software installed on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL and made available on i-Assist?	□ Yes □ No	If no, then mention the mismatch	
23.2	Whether Participant is taking backup on a daily basis?	□ Yes □ No		
23.3	Whether Participant has kept remote backup media as per prescribed guidelines?	□ Yes □ No		
23.4	Whether updated antivirus is installed on the server and all the client machines?	□ Yes □ No		
23.5	Whether log shipping facility for log generation is working?	□ Yes □ No		
23.6	Whether all the software installed on server and client machines are licensed?	□ Yes □ No		
23.7	Whether RAID has been configured as per the prescribed guidelines?	□ Yes □ No		
23.8	Whether database reorg and shrinking are done as per the prescribed guidelines?	□ Yes □ No		
23.9	Whether scheduled switch to fallback connectivity is done and the record thereof is maintained?	□ Yes □ No		

23.10	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	□ Yes □ No	If no, then mention whether the Participant has obtained approval for the same?	
23.11	Whether UPS / alternate power arrangement is available for all the hardware / equipments used for depository operations?	□ Yes □ No		
23.12	Whether adequate physical and logical access restrictions for usage of system are in place?	□ Yes □ No		
23.13	Whether backup of back office data is taken?	□ Yes □ No □ Not Applicable		
23.14	Whether back office is directly connected to DPM system?	□ Yes □ No		
23.15	If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.16	Whether atleast one staff managing the systems is NSDL trained?	□ Yes □ No		
23.17	Whether physical access to client machines and server is restricted only to authorised persons?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
23.18	Whether the operating system and other softwares installed on the machines used for depository operations are as per NSDL specifications and upgraded as per NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.19	Whether the Participant has adequate safeguards as regards cyber security?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24	Additional information about Participant			
24.1	Whether Participant is satisfying the eligibility criteria as specified at Regulation 19 (a) of SEBI (Depositories and Participants) Regulations, 2018?	□ Yes □ No	If no, then details of the same must be mentioned here	
24.2	Whether the Compliance Officer of the Participant has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE)?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

24.3	Whether the Participant is a fit and proper person as per Regulation 23(2) of the SEBI (Depositories & Participants) Regulations, 2018 read with the criteria specified under regulation 20 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.4	Whether Risk Assessment Template (RAT), Internal and/or Concurrent Audit Report, Net worth Certificate, and Compliance Certificate has been submitted periodically by participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.5	Whether AI/ML reporting form (if applicable) and cyber attacks and threats reports, if any have been submitted as per prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
24.6	Whether change in Director / compliance officer/Principle officer/Designated director/ Shareholding pattern of the Participant /name of the participant/ registered address of the participant and any such changes have been informed to NSDL?	□ Yes □ No □ No such changes	If no, then details of the non compliance must be mentioned here	
24.7	Whether any other deviation/non-complaince observed by internal auditor which is not specifically covered above?	□ Yes □ No	If Yes, then details must be mentioned here	
24.8	Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it?	□ Yes □ No □ Not Applicable	If Yes, please provide details of order/ indictment. If no, details of the non compliance must be mentioned here	
25	Auditor's Certification			
25.1	Whether management comments are adequate for the deviations highlighted?	□ Yes □ No □ Not Applicable	If no, kindly provide the necessary details	
25.2	Whether any high risk activity was identified as part of the audit and focused on, as part of the audit?	□ Yes □ No	If Yes, kindly provide the necessary details	
25.3	Whether all audit checkpoints have been completed as per the stipulated timelines?	□ Yes □ No	If no, kindly provide the necessary details	
25.4	If reply to 25.3 is no, whether the delay and attribution, if any, to the Participant have been highlighted to the management?	□ Yes □ No □ Not Applicable	If no, kindly provide the necessary details	
26	Unique Document Identification Number (UDIN)		To be filled by Practicing Chartered Accountants (if applicable)	
Management's Comment* - Mandatory if auditor's observation is negative.				

Auditor's Report on Internal / Concurrent Audit Circular No.: NSDL/POLICY/2019/0063 dated September 25, 2019 Page **33** of **34** \

I/ We have carried out audit of depository operations of <Name of Participant> and I/We hereby declare the following:

1. The operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 2018, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.
2. The system related to depository operations is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.
3. The capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.
4. The business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.
5. The operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.
6. The business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.
7. The Participant has required internal controls, checks, risk management procedure in place.
8. The procedures with respect to maintenance of records (electronic and physical) are adequate.
9. To the best of our knowledge and belief and according to the information and explanations sought by us, no material fraud / non-compliance / violation by the Participant is observed during the course of this Audit
10. We do not have any direct / indirect interest in or relationship with the Participant or its shareholders / directors / partners / proprietors / management and also confirm that we do not have any conflict of interest in such relationship / interest while conducting internal/concurrent audit of the said Participant.
11. The Report provided by us covers the entire scope of the Internal/concurrent audit, is true and correct.
12. Working papers and evidences for the audit are available in our record.
13. We have considered adequate samples for the purpose of audit.
14. I hereby declare that digital signature certificate being used by me for signing this document is a valid digital signature certificate on this date in terms of provisions of Information Technology Act, 2000 and rules framed thereunder and that it has not been revoked by the issuing authority till this date.

Signed by the auditor using its Digital Certificate.

Annexure 3

Objectives of audit of depository operations

i. To assure the management that the operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 2018, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.

ii. To assure management that the DPM is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.

iii. To assure management that the capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.

iv. To assure management and NSDL that the business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.

v. To assure management that the operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.

vi. To assure management and NSDL that the business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.

Circular No.: NSDL POLICY/ 2019/0017
March 27, 2019

Subject: Internal and Concurrent Audit for depository operations.

Participants are aware that as per Bye Law 10.3, each Participant is required to have its depository operations audited by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant holding a Certificate of Practice. Based on such audit, a copy of the report should be submitted to NSDL on half yearly basis.

Attention of Participants is invited to Circular No. NSDL/POLICY/2018/0042 dated August 3, 2018 in which guidelines related to scope of the audit and format of the audit report were provided. The audit report format hass been modified and enclosed as Annexure 1 in track change mode and as Annexure 2 (without highlighting the changes). The broad objectives / guidelines for the internal / concurrent audit are enclosed as Annexure 3. Participants are advised to take note of the following:

1. Audit should cover all facets of the depository operations. Auditor may expand the scope of audit / add more audit points to achieve the objectives enclosed as Annexure 3. Participants are advised to extend full co-operation to their auditors to enable them to perform an effective audit. All circulars / guidelines issued by NSDL / SEBI from time to time and other information / records desired by the auditors should be made available to them within a reasonable time.

2. Participants should forward the audit report as per schedule given below to NSDL -

Audit Period	Due date for submission of report to NSDL
April 1 to September 30	November 15
October 1 to March 31	May 15

3. The Participants which remain operational for less than three months in an audit period can submit audit report for that audit period along with the audit report for next audit period. For example, if a Participant is made operational by NSDL on July 1, 2018, then it can submit first audit report for period July 1, 2018 - March 31, 2019.

4. Audit work for areas which are covered under the scope of concurrent audit should be completed by next working day. If audit cannot be completed by next working day due to large volume, it must be completed within a week. Concurrent audit includes following areas:

i) Account opening,

ii) Delivery Instruction Slip (DIS) book issuance,

iii) Execution of DIS.

iv) Power of Attorney modifications,

v) Account closure requests initiated by Participant,

vi) Investor grievances received by Participant,

vii) Providing Transaction Statements to clearing members (process level)

viii) KYC reconfirmation intimated by NSDL

ix) Replacement of Original DIS image in tamper proof storage

x) Non Disposal Undertakings (NDU)

xi) Modification in the name of client (including minor correction in name)

Apart from the above, following audit area would also get included under scope of concurrent audit (100%) with effect from April 1, 2019:

xii) Client data modifications

5. Participants may appoint same auditor for concurrent and internal audit. If both audits are done by same auditor, then a consolidated report must be submitted instead of two separate reports. If both audits are being done by different auditors, then two separate reports must be submitted.

6. Participants are advised to note that the audit report format provided in this circular is applicable for audit period October 1, 2018 to March 31, 2019 and onwards.

7. Participants are hereby informed that internal and/or concurrent audit reports which are not as per guidelines will be treated as non-submission of the report. NSDL reserves the right to advise a Participant to change its auditor if quality of the report is found to be not satisfactory or the audit is not carried out as per guidelines.

8. The auditors may visit service centers (on sample basis) to check whether proper procedures are being followed at such centers.

9. Any one person conducting the internal and/or concurrent audit (risk prone areas) should obtain certification from the National Institute of Securities Markets (NISM) by passing the NISM-Series-VI: Depository Operations Certification Examination DOCE). Alternatively, such persons, if eligible, may undergo Continuing Professional Education (CPE) program for depository operations (details available on www.nism.ac.in).

10. Internal/concurrent audit report needs to be submitted in electronic form through e-PASS platform as mentioned in circular NSDL/POLICY/2016/0091 dated November 9, 2016.

Cover page	
Internal / Concurrent Audit Report for Depository Operations	
Type of Audit Report	□ Internal Audit Report (IAR) □ Concurrent Audit Report (CAR)
	□ Combined IAR and CAR
Name of the auditee	
DP ID(s)	INXXXXXX
	INXXXXXXL
SEBI Registration Number	
Audit period	**From DD-MMM-YYYY to DD-MMM-YYYY**
Name of the auditor	
PAN of the auditor	
Membership no. of the auditor	
NISM - DOCE / CPE Certificate	
no. [*of any one person conducting the internal and/or concurrent audit*]	
Date till which certificate is valid	**DD-MMM-YYYY**
Name of the audit firm	
Registration No. of audit firm	
Full postal address of the audit firm	
Contact number along with STD	
code / mobile number of auditor	
email ID of auditor	
Signature of the auditor	
Date	

Activity wise sampling details				
Sr. No.	Area	Count for the audit period (total number of accounts opened, demat request processed, etc.)	No. of samples checked	Percentage of samples checked
1	Account Opening (100%)			
2	KYC re-confirmation cases: - Initiated by Participant (100%)			
	- Intimated by NSDL (100%)			
3	Demat requests / Conversion request			
4	Remat requests / Reconversion request / Redemption request			
5	DIS book issuance (Including loose slip issuance) (100%)			
6	Total DIS execution (at least 25%)			
	a) Digitally signed DIS images (having DP as well as NSDL digital signature) extracted from tamper proof storage (at least 10% of samples)			
	b) Physical DIS			
7	Replacement of Original DIS image in tamper proof storage (100%)			
8	Pledge / hypothecation instructions			
9	Client data modifications [100% (effective from April 1, 2019 onwards)]			
10	Account Freeze			
	a) Freezes due to statutory orders (100%)			
	b) Other Freezes			
11	Account Unfreeze			
12	Modification in the name of client(including minor correction in name) (100%)			
13	Power of Attorney modifications (100%)			
14	Account Closure requests - Initiated by Participant (100%)			
	- Initiated by client			
15	Transmission (100%)			
16	Investor grievances received by Participant (100%)			
17	Non Disposal Undertakings (NDU) (100%)			

18	**Providing statement of accounts to clearing member (100% process level) (For count / samples checked, specify number of occasions of dispatch during audit period - typically it would be six for the six month period). [In case a Participant does not have any clearing member account and has only beneficial owner account then 'Not Applicable' may be specified].**	*Specify number of occasions of dis-patch of statement during audit period by Participant*	*Specify number of occasions of dis-patch checked by auditor*	
19	**Any other samples picked by Auditors (Please provide detailed break-up of areas verified alongwith sample count for that particular area)**			

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1	KYC and Account Opening			
1.1	Whether proof of identity, proof of address and other stipulated documents have been obtained for all the accounts as per KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.2	Whether PANs and copies of PAN Cards have been obtained for all the accounts, wherever applicable?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.3	Whether PANs are verified with the database of Income Tax Department and stamp of "PAN Verified" has been affixed on the photocopy of the PAN card(s) for all the accounts?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.4	If correspondence address of a third party has been accepted, whether guidelines prescribed by SEBI, PMLA and NSDL have been followed?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.5	Whether all KYC application forms and account opening forms are completely filled in respect of all account holder(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.6	Whether photograph(s) of client(s)/ Authorised signatories/Director(s)/ Promoter(s)/ Trustee(s)/ Partner(s) etc. provided on KYC Form matches with the photograph on Proof of Identity and PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.7	Whether signature(s) of client(s)/ Authorised signatories provided on Account Opening Form and KYC Documents matches with the signature(s) on Proof of Identity and PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.8	Whether copies of all the documents submitted by the applicant are self-attested?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	

1.9	Whether copies of all the documents submitted by the applicant are accompanied with originals for verification / properly attested by entities authorized for attesting the documents in cases where the original of the said document is not produced for verification?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.10	Whether the 'in - person' verification of the account holders has been done before activation of the account and the record of in-person verification is maintained as per SEBI, PMLA and NSDL guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.11	Whether Participant has provided a copy of the "Rights and Obligations of the Beneficial Owner and Depository Participant" document to the client either in electronic or physical form, depending upon the preference of the client and obtained an acknowledgement of the same from the client?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.12	Whether data entered in DPM system matches with the details mentioned in the account opening form?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.13	Whether mobile number and email id captured are of the client or family member as per the circular of NSDL and SEBI?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.14	Whether the bank details have been correctly captured in compliance with SEBI and NSDL circular?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.15	Whether signature of account holder(s) as given in the account opening form has been scanned in the DPM system clearly and correctly?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.16	Whether the scanned images of the KYC documents of the clients have been furnished to KRA within 10 working days from the date of execution of documents by clients?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	

1.17	Whether required information / documents are forwarded by Participant to KRA for cases which are informed as incomplete by KRA?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.18	Whether the Participant has uploaded existing clients' KYC data on KRA system and sent scanned images of KYC documents to KRA as per SEBI guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether the Participant has used the KYC data of a client obtained from the KRA only for the purposes it is meant for?	□ Yes □ No	If no, then details must be mentioned here	
1.20	Whether Participant has downloaded KYC information of client(s) who are KYC compliant from KRA platform?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.21	Whether sufficient information has been obtained from clients, to identify and verify the identity of persons who beneficially own or control the securities account (i.e. Ultimate Beneficial Owner) as per SEBI, PMLA and NSDL guidelines (especially for non-individual clients)?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.22	Whether Participant has complied with guidelines issued by PMLA/SEBI/NSDL for the clients where Participant has relied on the KYC and in-person verification carried out by a third party?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.23	Whether FATCA/CRS declaration is obtained by Participant?	□ Yes □ No	If no, then details must be mentioned here	
1.24	Whether SARAL account is opened as per SEBI/NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.25	Whether Participant has captured the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PMLA Rules, as per the KYC template for "individuals" finalised by CERSAI?	□ Yes □ No	If no, then details must be mentioned here	
1.26	Whether Participant has uploaded the existing clients' KYC details with Central KYC Records Registry (CKYCR) System?	□ Yes □ No	If no, then details must be mentioned here	
1.27	Whether Participant is in compliance with the clauses of undertaking submitted to NSDL for availing the facility of advance generation of separate series of Client ID from the DPM system?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
2	KYC Re-Confirmation			
2.1	Initiated by Participant			

2.1.1.	Whether periodicity for updation of all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is defined?	□ Yes □ No	If no, then details must be mentioned here	
2.1.2	Whether all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is updated as per defined periodicity and as and when there are suspicions of money laundering or financing of terrorism?	□ Yes □ No	If no, then details must be mentioned here	
2.2	Intimated by NSDL			
2.2.1	Whether KYC confirmation response is updated on i-assist intranet site of NSDL within the stipulated time as prescribed by NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with delayed responses must be mentioned here or enclosed as Annexure	
2.2.2	For all such accounts for which KYC is confirmed on i-assist, whether all KYC documents (as per the KYC guidelines issued by SEBI, PMLA and NSDL) are in possession of Participant?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.3	Whether all such KYC documents (referred in point no. 2.2.2) are verified with originals / properly attested by entities authorized for attesting the documents?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.4	Whether all such KYC documents are verified by the auditor before KYC confirmation response is updated by the Participant on i-assist on concurrent basis and auditor has provided certification to that effect?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.5	Whether Participant has suspended for debits all such accounts which are reported as KYC non-compliant on i-assist after giving appropriate notice to the client(s) till the time such client(s) submits necessary KYC documents as per the KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.6	For accounts reported as non-compliant by the Participant on i-assist where the client(s) subsequently submits necessary KYC documents as per the stipulated KYC guidelines, whether the Participant has provided KYC confirmation response to	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as	
	NSDL?		Annexure	

3	Client Data Modification			
3.1	Whether clients' request for changes in data (e.g. name of client (including minor correction in name), address, signature, bank details, mobile number, E-mail, mode of receiving annual report, AGM notice and other communications, Type & Sub type, RGESS Flag, BSDA Flag, Mode of receiving statement of account in electronic form, Family flag, SI indicator etc.) have been processed as per prescribed procedure?	Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.2	Whether Client name modification pursuant to error of Participant has been processed as per prescribed procedure ?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.3	Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4	Power of Attorney (POA)			
4.1	Whether POA documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of POA holder(s)) have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4.2	Whether POA contains clauses which are as per the SEBI stipulated guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.3	Whether specific purpose POA contains list of demat accounts where securities can be transferred based on POA?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.4	Whether Participant has created POA ID for all POA holders in DPM and map the same to the respective demat account where DIS is issued to POA holder?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies	
			must be mentioned here	
4.5	For specific purpose POA, list of demat accounts where securities can be transferred are mapped with POA ID in DPM?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.6	Whether modification/cancellation of Power of Attorney is done as per SEBI/NSDL prescribed guidelines and details have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

4.7	Whether Participant has complied with the requirement of not obtaining POA in its capacity as a Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5	Nomination			
5.1	Whether nomination is made as per the prescribed procedure and based on the duly filled nomination form?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.2	Whether Nomination details are entered in DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.3	Whether nomination is modified / cancelled in demat account as per NSDL prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6	Demat / Remat / Conversion / Reconversion / Redemption request			
6.1	Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.2	Whether Participant refers to the list of Distinctive Numbers of certificates submitted for dematerialisation as made available by NSDL and ensures that the appropriate International Securities Identification Number (ISIN) is filled in DRF?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.3	Whether Participant refers to lists of companies having high demat pendency and non-responding/services stopped by Registrar and Transfer Agent(s) as displayed on NSDL website and informs clients suitably while accepting demat requests of these companies?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.4	Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

6.5	Whether demat / conversion requests received have been sent to Issuer / Registrar & Transfer Agent within seven days from the date of receipt of the request from the account holder?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.6	Whether Participant has enclosed covering letter or client master report alongwith demat request form sent to Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.7	Whether there are sufficient provisions / arrangements for safe keeping of security certificates received from account holders for dematerialisation and certificates received after rejection of the demat request from Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then details must be mentioned here	
6.8	Whether any demat / conversion request was rejected due to error attributable to Participant?	□ Yes □ No	If ,yes then number of cases with discrepancies must be mentioned here	
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
6.9	Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.10	Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.11	Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.12	Whether the Mutual Fund redemption requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7	Delivery Instruction Slip (DIS)			
7.1	Issuance of DIS			
7.1.1	Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically?	□ Yes □ No	If no, then details must be mentioned here	

7.1.2	Whether the DIS issued to client has pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID or POA ID in case of DIS issued to POA holder??	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.3	Whether DIS booklets have been issued on receipt of requisition slips signed by the client (all holders in case of joint account)?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.4	Whether issuance of loose DIS to account holder is done as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be	
			mentioned here	
7.1.5	If DIS booklet is handed over to the authorized person other than account holder, then whether the signature of authorized person and his proof of identity are verified before issuance of DIS booklet?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.6	Whether the details regarding issuance of DIS (booklet and loose slips) to the clients have been entered in the DPM within two days of issuance?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.7	Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.8	Whether Participant has a system in place to ensure that the DIS issued prior January 7, 2014 are not accepted?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.9	Whether in cases of inter depository account closure, inter depository transmission of securities and execution of instructions based on court/regulatory orders, Participant has captured the required codes such as 'CL9999999999', 'TR9999999999' and 'RO9999999999' respectively against DIS serial number for execution of instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2	Verification of DIS			

7.2.1	Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.2	Whether serial number of all the DIS(s) reported as lost / misplaced / stolen by the account holder or undelivered DIS are blocked in the DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.3	Whether DIS(s) given by account holder are available for all instructions executed in DPM (instruction other than those given by account holders through Speed-e electronically)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.4	Whether signature(s) on DIS match with the signature(s) scanned in the DPM system?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.5	Whether corrections / cancellation on DIS, if any, are authenticated by the client (all holders for joint accounts)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.6	Whether Participant accepts instructions by fax from account holder?	□ Yes □ No		
7.2.7	If reply to 7.2.6 is yes, then whether original DIS has been received within three working days for all faxed instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.8	If reply to 7.2.6 is yes, then whether Participant has obtained an indemnity from account holders who want to give instruction over fax?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.9	If Participant is accepting delivery instruction in form of an annexure to a DIS, whether it is done as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

7.2.10	Whether Participant is ensuring that information under columns "Consideration" and "Reason / Purpose /code" and payment details in case of off market sale are mentioned for off market instructions by clients and the same are captured in DPM system ?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.11	Whether Participant follows maker - checker system to process the instructions?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.12	Whether there is an additional level of verification for high value instructions in a single DIS (DIS with value of Rs. 5 lakhs and above)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.13	Whether in case active accounts has five or more ISINs and all such ISIN balances are transferred at a time, Participant has verified with the client before execution of DIS and recorded the details of the same on DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.14	Whether instructions executed in the DPM system are as per DIS?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.15	Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)?	□ Yes □ No		
7.2.16	If reply to 7.2.15 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
7.2.17	If reply to 7.2.15 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3	Scanning of Delivery Instruction Slips (DIS) and Tamper proof storage of DIS images			
7.3.1	Whether every DIS executed in the DPM is scanned alongwith all annexures / computer printouts (if any) by the end of the next working day and digitally signed image of the same is posted on DIVS system successfully for validation and digitally signature of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

7.3.2	Whether the Participant scans the DIS received through fax and post the same to the DIVS and whenever original DIS is received the same is also scanned and posted on DIVS system within one working day from receipt of original DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.3	Whether scanned images of DIS are legible and tagged to the correct DIS serial number?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.4	Whether the NSDL signed DIS images are stored in the system set up by the Participant as per the specification of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.5	Whether authorized replacement of the original DIS image is carried out as per NSDL guidelines and the reason for such replacement is appropriately recorded in the Index file?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
7.3.6	Whether tamper proof storage system of DIS images in which the NSDL signed DIS images (i.e. response files generated by DIVS) are stored, maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS images?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.7	Whether tamper proof storage system restricts unauthorized alteration or deletion?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.8	Whether tamper proof storage system is in compliance with the specification prescribed by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.9	Whether tamper proof storage system has facility to check integrity of the system?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.10	Whether alert generated by tamper proof storage system during integrity check are monitored, corrective actions are taken and reported the same to NSDL by the Participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

7.4	Dormant Account Monitoring			
7.4.1	Whether in case of an accounts which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months and whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time, Participant has verified with the client before execution of DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.4.2	Whether authorized official of the Participant verifying such transactions with the Client has recorded the details of the process, date, time, etc., of the verification on the instruction slip under his signature?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8	Account Closure			
8.1	Whether clients' request for closure of account has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.2	Whether DIS has been obtained in case of transfer of securities to an account other than clients' own account pursuant to account closure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies	
			must be mentioned here	
8.3	Whether 30 days notice is given to the client as well as to the depository before closing client account, in case account closure is initiated by Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.4	Whether Participant has refunded the account maintenance charges collected upfront on annual/half yearly basis (if so), to the client for the balance of the quarter/s, in the event of closing of the demat account or shifting of the demat account from one Participant to another?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.5	Whether Participant uses 'Transfer of Holding' module to process account closure and transmission requests where the target account is in NSDL (Except transmission cases having multiple nominations)?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

8.6	Whether Participant has freezed the demat account in case Participant is unable to close the account due to pending demat/ remat requests, ISIN in suspended status or due to open pledges, etc?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9	Transmission of Securities			
9.1	Whether all transmission cases have been processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
11.4	Whether Participant has dedicated email ID for informing investor grievances?	□ Yes □ No	If no, then details must be mentioned here	
11.5	Whether Participant has provided the link to SCORES portal on its website from where the client can view details of the demat account?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
12	Statement of Account (including transaction statement and holdings statement)			
12.1	Whether statements provided to the clearing member accounts are as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.2	In case of Participant registered as Custodian and has obtained exemption from receiving CAS for their institutional clients, whether transaction statements are provided as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.3	Whether statements are provided to the client as and when requested?	□ Yes □ No	If no, then details must be mentioned here	
12.4	In case a third party address has been captured in the demat account, whether a statement is sent to the address of the Client once a year?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
12.5	Whether statements are generated from back office or DPM system?	□ Back office □ DPM system		
12.6	If generated from back office, whether the details match with statement generated from DPM system?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

12.7	Whether the narration of corporate action / ISIN description (especially in case of debt) appearing in the statement of accounts are meaningful to the Client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.8	If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
13	Compliance under Prevention of Money Laundering Act, 2002 (PMLA)			
13.1	Whether Participant has adopted a policy to comply with its obligations under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.2	If reply to 13.1 is yes, whether the policy is in line with SEBI / NSDL requirements, approved by Board of Participant and reviewed periodically?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.3	Whether Participant has complied with all the policies and procedures as prescribed under PMLA and SEBI guidelines such as customer due diligence, suspicious transaction monitoring and reporting, record keeping etc.?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.4	Whether AML Policy is updated to reflect recent changes as prescribed by SEBI?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.5	In case of applicable Non Individual clients, Whether Participant obtains copy of balance sheet and latest share holding pattern, including list of all those holding control, either directly or indirectly, in terms of SEBI takeover Regulations, duly certified by the company secretary / Whole Time Director/ MD, every year?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.6	Whether Participant has carried out risk assessment to mitigate its money laundering and terrorist financing risk with respect to its clients, as required under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.7	Whether necessary checks and balances are put in place to ensure that the identity of the clients (both existing and new) does not match with any person having known criminal background or is not banned in any other	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

	manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide?			
13.8	Whether the Participant has internal mechanism to monitor and detect suspicious transactions as per the requirements of PMLA/SEBI/NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.9	Whether Participant has submitted STR within 7 days of arriving at a conclusion that any transaction, or a series of transactions integrally connected are of suspicious nature?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.10	Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.11	Whether enhanced due diligence measures have been applied for clients categorised as high risk / special category including clients who are residents of jurisdictions listed in FATF statements?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.12	In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.13	Whether ongoing due diligence and scrutiny of the transactions and account throughout the course of the business relationship is conducted by the Participant to ensure that the transactions being conducted are consistent with the Participant's knowledge of the client, its business and risk profile and where necessary, the client's source of funds is also taken into consideration?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.14	Whether Participant has revisited the CDD process when there are suspicions of money laundering or financing of terrorism and the matter has been disposed off after carrying necessary due diligence?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.15	Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.16	Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

13.17	Whether there is a mechanism to deal appropriately with the alerts provided by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.18	If any suspicious transaction is reported to FIU-India India then whether count of STRs reported to FIU-India are informed to NSDL?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.19	Whether suspicious transaction register (physical and/or in electronic form) has been maintained?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
14	Operations Manual			
14.1	Whether Participant has prepared an operations manual?	□ Yes □ No		
14.2	If reply to 14.1 is yes, whether operations manual covers all depository activities?	□ Yes □ No □ Not Applicable	If no, then mention the areas not covered in operations manual	
14.3	If reply to 14.1 is yes, whether operations manual is updated as and when required?	□ Yes □ No □ Not Applicable	If no, then mention when is it updated	
14.4	If reply to 14.1 is yes, whether operations manual is available to persons who need to refer it?	□ Yes □ No □ Not Applicable	If no, then mention how is the work done by those persons	
14.5	If reply to 14.1 is yes, whether procedures mentioned in the operations manual are followed?	□ Yes □ No □ Not Applicable	If no, then give details here	
15	Maintenance of record			
15.1	Whether Participant has informed NSDL about place(s) of record keeping?	□ Yes □ No	If no, then mention the place of record keeping	
15.2	Whether an internal mechanism has been evolved by Participant for proper maintenance and preservation of such records and information in the manner that allows easy and quick retrieval of data as and when requested by competent authorities?	□ Yes □ No	If no, then give details here	
16	Outsourced activities			
16.1	Whether Participant has outsourced record keeping activity (partly or fully)?	□ Yes □ No	If yes, then the name of the agency / firm and nature of arrangement must be mentioned here	

16.2	If reply to 16.1 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.3	Whether any business activity other than record maintenance is outsourced?	□ Yes □ No		
16.4	If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.5	If reply to 16.1 and / or 16.3 is yes -			
	a) Whether Participant has entered into legally binding written contract/ agreement/terms and conditions with the Vendor(s) as per the stipulated guidelines issued by SEBI?	□ Yes □ No □ Not Applicable	If no, then various outsourcing risks inherent in the process must be mentioned here	
	b) Whether proper checks and control mechanism has been implemented by the vendor/agency?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	c) Whether during the course of periodic review, material outsourcing risks if any, are properly mitigated?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	d) Whether Participant has a comprehensive policy to guide the assessment of whether and how the above activities are outsourced in terms of stipulated SEBI guidelines?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
17	Service centre (whether offering the services as a DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name)			
17.1	Whether NSDL's approval has been obtained for all the service centres opened during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.2	Whether prescribed procedure has been followed for any service centre closed / terminated during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.3	Whether the data of all the service centres (DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name) displayed on the NSDL website is updated and correct?	□ Yes □ No	If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact information, etc. must be mentioned here	
17.4	Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE/ NCFM/NCDO) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person?	□ Yes □ No	If no, then details of non compliance must be mentioned here	

17.5	Whether internal audit has been conducted at adequate number of service centres other than DPM setup to verify guidelines prescribed by SEBI, PMLA and NSDL have been followed ?	□ Yes □ No □ Not Applicable	If yes, then mention count of service centres audited and Service Centre codes thereof and If no, then details of non compliance must be mentioned here	
17.6	Whether the depository services offered at the service center are displayed at the service centers (where all depository services are not offered by the service center)?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
18	Status of compliance for deviations / observations noted in last NSDL inspection and internal / concurrent audit report			
18.1	Whether Participant has complied with all the deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.2	Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable		
18.3	Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	□ Yes □ No	If yes, then provide details / comments on issues	
18.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	□ Yes □ No	If yes, provide details along with supporting documents	
19	Reporting by Participant to its Board of Directors			
19.1	Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? (same may be verified from the extract of the minutes of the Board Meeting).	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	

19.2	Whether Participant has placed last internal/concurrent audit findings alongwith management comment before its Board of Directors / Audit Committee? (same may be verified from the extract of the minutes of the Board Meeting)	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	
20	Billing			
20.1	Whether all account holder are billed as per the tariff sheet?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.2	Whether Participant has given atleast one	□ Yes □ No	If no, then	
	month's prior notice for any increase in the	□ Not	details of the non	
	tariff sheet?	Applicable	compliance must be mentioned here	
20.3	Whether charges levied for demat accounts are in accordance with SEBI/NSDL guidelines?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.4	Whether Participant has not charged account holder(s), for transfer of all the securities lying in his account to another account of client with another branch of the same Participant or to another Participant of the same depository or another depository, provided the account holder(s) at transferee Participant and at transferor Participant are identical in all respects?	□ Yes □ No □ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	
20.5	Whether increase or decrease made in charges i.e changes in tariff sheet has been intimated to NSDL for making it available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
21	Back Office			
21.1	If Participant is using backoffice software for depository operations like providing statement, billing etc., whether balances as per back office are reconciled on a daily basis with DPM?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22	Miscellaneous areas			
22.1	Whether there is any supplementary agreement / letter of confirmation / power of attorney obtained / executed with account holder which are in contravention to 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines?	□ Yes □ No □ Not Applicable	If yes, then details of the non compliance must be mentioned here	

22.2	Whether Participant has collected requisite documents to claim waiver of settlement fees?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.3	Whether pledge and hypothecation instructions are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.4	Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.5	Whether forms in use for various activities are as prescribed?	□ Yes □ No	If no, then mention the forms and the discrepancies observed therein.	
22.6	Whether Participant has a policy for dealing with conflicts of interest?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.7	Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.8	Whether Participant has provided 'Annual Statement- RGESS' to account holders who have availed RGESS facility or has informed to client that the Annual Statement for RGESS is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.9	Whether Participant has provided 'RGESS Compliance Report to client who have availed RGESS facility or has informed to client that the RGESS Compliance Report is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.10	Whether Participant has offered BSDA facility to all eligible Beneficial Owners?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.11	Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility of BSDA and has converted all eligible demat accounts into BSDA until such BOs specifically opt to continue to avail the facility of a regular demat account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	

22.12	Whether Participant has displayed various tickers on its website to create awareness among clients to subscribe for SMS alerts, for KYC registration and that ASBA has been made mandatory payment mechanism for all investors including retail investors for all public issues opening on or after Jan 1, 2016??	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.13	Whether Participant has taken up the matter with Clients where same mobile number and email ID is captured for more than one Client?	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.14	Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.15	Whether 'Document Received Date' has been captured correctly in DPM/eDPM by the Participant in respect of various service requests?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.16	Whether Participant is in Compliance with SEBI Circular on Implementation of the Multilateral Competent Authority Agreement and Foreign Account Tax Compliance Act?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.17	Whether request of Hold / Hold Release for Non Disposal Undertaking/ Agreement are processed as per the prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.18	Whether review and identification of the existing accounts which require a change in type and sub-type are completed in accordance with NSDL Circular on Reclassification of type and sub-type?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.19	Comment on improvements made in the operations since last audit.		Views of the auditor on the improvements, if any (or nil), in operations of the Participant should be mentioned here	
23	System areas			
23.1	Whether hardware and software installed on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL and made available on i-Assist?	□ Yes □ No	If no, then mention the mismatch	
23.2	Whether Participant is taking backup on a daily basis?	□ Yes □ No		

23.3	Whether Participant has kept remote backup media as per prescribed guidelines?	□ Yes □ No		
23.4	Whether updated antivirus is installed on the server and all the client machines?	□ Yes □ No		
23.5	Whether log shipping facility for log generation is working?	□ Yes □ No		
23.6	Whether all the software installed on server and client machines are licensed?	□ Yes □ No		
23.7	Whether RAID has been configured as per the prescribed guidelines?	□ Yes □ No		
23.8	Whether database reorg and shrinking are done as per the prescribed guidelines?	□ Yes □ No		
23.9	Whether scheduled switch to fallback connectivity is done and the record thereof is maintained?	□ Yes □ No		
23.10	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	□ Yes □ No	If no, then mention whether the Participant has obtained approval for the same?	
23.11	Whether UPS / alternate power arrangement is available for all the hardware / equipments used for depository operations?	□ Yes □ No		
23.12	Whether adequate physical and logical access restrictions for usage of system are in place?	□ Yes □ No		
23.13	Whether backup of back office data is taken?	□ Yes □ No □ Not Applicable		
23.14	Whether back office is directly connected to DPM system?	□ Yes □ No		
23.15	If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.16	Whether atleast one staff managing the systems is NSDL trained?	□ Yes □ No		
23.17	Whether physical access to client machines and server is restricted only to authorised persons?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
23.18	Whether the operating system and other softwares installed on the machines used for depository operations are as per NSDL specifications and upgraded as per NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	

23.19	Whether the Participant has adequate safeguards as regards cyber security?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24	Additional information about Participant			
24.1	Whether Participant is satisfying the eligibility criteria as specified at Regulation 19 (a) of SEBI (Depositories and Participants) Regulations, 1996?	□ Yes □ No	If no, then details of the same must be mentioned here	
24.2	Whether the Compliance Officer of the Participant has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE)?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.3	Whether the Participant is a fit and proper person as per Regulation 7 of SEBI (Intermediaries) Regulations, 2008 and the provisions of Schedule II?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.4	Whether Risk Assessment Template (RAT), Internal and/or Concurrent Audit Report, Net worth Certificate and Compliance Certificate has been submitted periodically by participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.5	Whether change in Director / compliance officer/ Shareholding pattern of the Participant /name of the participant/ registered address of the participant and any such changes have been informed to NSDL?	□ Yes □ No □ No such changes	If no, then details of the non compliance must be mentioned here	
24.6	Whether any other deviation/non-complaince observed by internal auditor which is not specifically covered above?	□ Yes □ No	If Yes, then details must be mentioned here	
24.7	Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it?	□ Yes □ No □ Not Applicable	If Yes, please provide details of order/indictment. If no, details of the non compliance must be mentioned	
Management's Comment* - Mandatory if auditor's observation is negative.				

Auditor's Report on Internal / Concurrent Audit

Auditor's Report on Internal / Concurrent Audit

I/ We have carried out audit of depository operations of <Name of Participant> and I/We hereby declare the following:

1. The operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 1996, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.
2. The system related to depository operations is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.

3. The capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.
4. The business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.
5. The operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.
6. The business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.
7. The Participant has required internal controls, checks, risk management procedure in place.
8. The procedures with respect to maintenance of records (electronic and physical) are adequate.
9. To the best of our knowledge and belief and according to the information and explanations sought by us, no material fraud / non-compliance / violation by the Participant is observed during the course of this Audit
10. We do not have any direct / indirect interest in or relationship with the Participant or its shareholders / directors / partners / proprietors / management and also confirm that we do not have any conflict of interest in such relationship / interest while conducting internal/concurrent audit of the said Participant.
11. The Report provided by us covers the entire scope of the Internal/concurrent audit, is true and correct.
12. I hereby declare that digital signature certificate being used by me for signing this document is a valid digital signature certificate on this date in terms of provisions of Information Technology Act, 2000 and rules framed thereunder and that it has not been revoked by the issuing authority till this date.

Signed by the auditor using its Digital Certificate.

Annexure 3

Objectives of audit of depository operations

i. To assure the management that the operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 1996, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.

ii. To assure management that the DPM is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.

iii. To assure management that the capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.

iv. To assure management and NSDL that the business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.

v. To assure management that the operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.

vi. To assure management and NSDL that the business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.

Circular No.: NSDL POLICY/ 2018/0042
Date: August 3, 2018

Subject: Internal and Concurrent Audit for depository operations.

Participants are aware that as per Bye Law 10.3, each Participant is required to have its depository operations audited by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant holding a Certificate of Practice. Based on such audit, a copy of the report should be submitted to NSDL on half yearly basis.

Attention of Participants is invited to Circular No. NSDL/POLICY/2017/0016 dated March 16, 2018 in which guidelines related to scope of the audit and format of the audit report were provided. The audit report format has been modified and enclosed as Annexure 1 in track change mode and as Annexure 2 (without highlighting the changes). The broad objectives / guidelines for the internal / concurrent audit are enclosed as Annexure 3. Participants are advised to take note of the following:

1. Audit should cover all facets of the depository operations. Auditor may expand the scope of audit / add more audit points to achieve the objectives enclosed as Annexure 3. Participants are advised to extend full co-operation to their auditors to enable them to perform an effective audit. All circulars / guidelines issued by NSDL / SEBI from time to time and other information / records desired by the auditors should be made available to them within a reasonable time.
2. Participants should forward the audit report as per schedule given below to NSDL -

Audit Period	Due date for submission of report to NSDL
April 1 to September 30	November 15
October 1 to March 31	May 15

3. The Participants which remain operational for less than three months in an audit period can submit audit report for that audit period along with the audit report for next audit period. For example, if a Participant is made operational by NSDL on January 1, 2018, then it can submit first audit report for period January 1, 2018 - September 30, 2018.
4. Audit work for areas which are covered under the scope of concurrent audit should be completed by next working day. If audit cannot be completed by next working day due to large volume, it must be completed within a week. Concurrent audit includes following areas:
   i) Account opening,
   ii) Delivery Instruction Slip (DIS) book issuance,
   iii) Execution of DIS.
   iv) Power of Attorney modifications,
   v) Account closure requests initiated by Participant,
   vi) Investor grievances received by Participant,
   vii) Providing Transaction Statements to clearing members (process level)
   viii) KYC reconfirmation intimated by NSDL
   ix) Replacement of Original DIS image in tamper proof storage
   x) Non Disposal Undertakings (NDU)

	5. Participants may appoint same auditor for concurrent and internal audit. If both audits are done by same auditor, then a consolidated report must be submitted instead of two separate reports. If both audits are being done by different auditors, then two separate reports must be submitted. 6. Participants are advised to note that the audit report format provided in this circular is applicable for audit period April 1, 2018 to September 30, 2018 and onwards. 7. Participants are hereby informed that internal and/or concurrent audit reports which are not as per guidelines will be treated as non-submission of the report. NSDL reserves the right to advise a Participant to change its auditor if quality of the report is found to be not satisfactory or the audit is not carried out as per guidelines. 8. The auditors may visit service centers (on sample basis) to check whether proper procedures are being followed at such centers. 9. Any one person conducting the internal and/or concurrent audit (risk prone areas) should obtain certification from the National Institute of Securities Markets (NISM) by passing the NISM-Series-VI: Depository Operations Certification Examination DOCE). Alternatively, such persons, if eligible, may undergo Continuing Professional Education (CPE) program for depository operations (details available on www.nism.ac.in). 10. Internal/concurrent audit report needs to be submitted in electronic form through e-PASS platform as mentioned in circular NSDL/POLICY/2016/0091 dated November 9, 2016. For and on behalf of **National Securities Depository Limited**

Cover page	
Internal / Concurrent Audit Report for Depository Operations	
Type of Audit Report	□ Internal Audit Report (IAR) □ Concurrent Audit Report
	(CAR) □ Combined IAR and CAR
Name of the auditee	
DP ID(s)	INXXXXXX
INXXXXXX	
SEBI Registration Number	
Audit period	From DD-MMM-YYYY to DD-MMM-YYYY
Name of the auditor	
Membership no. of the auditor	
NISM - DOCE / CPE Certificate	
no. [of any one person conducting	
the internal and/or concurrent	
audit]	
Date till which certificate is valid	DD-MMM-YYYY
Name of the audit firm	
Full postal address of the audit	
firm	
Contact number along with STD	
code / mobile number of auditor	
email ID of auditor	
Signature of the auditor	
Date	

Activity wise sampling details				
Sr. No.	Area	Count for the audit period (total number of accounts opened, demat request processed, etc.)	No. of samples checked	Percentage of samples checked
1	Account Opening (100%)			
2	KYC re-confirmation cases: - Initiated by Participant (100%)			
	- Intimated by NSDL (100%)			
3	Demat requests / Conversion request			
4	Remat requests / Reconversion request / Redemption request			
5	DIS book issuance (Including loose slip issuance) (100%)			
6	Total DIS execution (at least 25%)			
	a) Digitally signed DIS images (having DP as well as NSDL digital signature) extracted from tamper proof storage (at least 10% of samples)			
	b) Physical DIS			
7	Replacement of Original DIS image in tamper proof storage (100%)			
8	Pledge / hypothecation instructions			
9	Client data modifications			
10	Account Freeze			
	a) Freezes due to statutory orders (100%)			
	b) Other Freezes			
11	Account Unfreeze			
12	Modification in the name of (NDU) (100%) client pursuant to error made by Participant (100%)			
13	Power of Attorney modifications (100%)			
14	Account Closure requests - Initiated by Participant (100%) - Initiated by client			
15	Transmission (100%)			
16	Investor grievances received by Participant (100%)			
17	Non Disposal Undertakings (NDU) (100%)			
18	Providing statement of accounts to clearing member (100% process level) (For count / samples checked, specify number of occasions of dispatch during audit period - typically it would be six for the six month period). [In case a Participant does not have any clearing member account and has only beneficial owner account then 'Not Applicable' may be specified].	Specify number of occasions of dispatch of statement during audit period by Participant	Specify number of occasions of dispatch checked by auditor	
19	Any other samples picked by Auditors (Please provide detailed break-up of areas verified alongwith sample count for that particular area)			

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
1	KYC and Account Opening			
1.1	Whether proof of identity, proof of address and other stipulated documents have been obtained for all the accounts as per KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.2	Whether PANs and copies of PAN Cards have been obtained for all the accounts, wherever applicable?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.3	Whether PANs are verified with the database of Income Tax Department and stamp of "PAN Verified" has been affixed on the photocopy of the PAN card(s) for all the accounts?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.4	If correspondence address of a third party has been accepted, whether guidelines prescribed by SEBI, PMLA and NSDL have been followed?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.5	Whether all KYC application forms and account opening forms are completely filled in respect of all account holder(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.6	Whether photograph(s) of client(s)/ Authorised signatories/Director(s)/ Promoter(s)/ Trustee(s)/ Partner(s) etc. provided on KYC Form matches with the photograph on Proof of Identity and PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.7	Whether signature(s) of client(s)/ Authorised signatories provided on Account Opening Form and KYC Documents matches with the signature(s) on Proof of Identity and PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be	
			mentioned here	
1.8	Whether copies of all the documents submitted by the applicant are self-attested?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	

1.9	Whether copies of all the documents submitted by the applicant are accompanied with originals for verification / properly attested by entities authorized for attesting the documents in cases where the original of the said document is not produced for verification?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.10	Whether the 'in - person' verification of the account holders has been done before activation of the account and the record of in-person verification is maintained as per SEBI, PMLA and NSDL guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.11	Whether Participant has provided a copy of the "Rights and Obligations of the Beneficial Owner and Depository Participant" document to the client either in electronic or physical form, depending upon the preference of the client and obtained an acknowledgement of the same from the client?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.12	Whether data entered in DPM system matches with the details mentioned in the account opening form?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.13	Whether mobile number and email id captured are of the client or family member as per the circular of NSDL and SEBI?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.14	Whether the bank details have been correctly captured in compliance with SEBI and NSDL circular?	□ Yes □ No	If no, then number of accounts with discrepancies must be	
1.15	Whether signature of account holder(s) as given in the account opening form has been scanned in the DPM system clearly and correctly?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.16	Whether the scanned images of the KYC documents of the clients have been furnished to KRA within 10 working days from the date of execution of documents by clients?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.17	Whether required information / documents are forwarded by Participant to KRA for cases which are informed as incomplete by KRA?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	

1.18	Whether the Participant has uploaded existing clients' KYC data on KRA system and sent scanned images of KYC documents to KRA as per SEBI guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether the Participant has used the KYC data of a client obtained from the KRA only for the purposes it is meant for?	□ Yes □ No	If no, then details must be mentioned here	
1.20	Whether Participant has downloaded KYC information of client(s) who are KYC compliant from KRA platform?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.21	Whether sufficient information has been obtained from clients, to identify and verify the identity of persons who beneficially own or control the securities account (i.e. Ultimate Beneficial Owner) as per SEBI, PMLA and NSDL guidelines (especially for non-individual clients)?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.22	Whether Participant has complied with guidelines issued by PMLA/SEBI/NSDL for the clients where Participant has relied on the KYC and in-person verification carried out by a third party?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.23	Whether FATCA/CRS declaration is obtained by Participant?	□ Yes □ No	If no, then details must be mentioned here	
1.24	Whether SARAL account is opened as per SEBI/NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.25	Whether Participant has captured the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PMLA Rules, as per the KYC template for "individuals" finalised by CERSAI?	□ Yes □ No	If no, then details must be mentioned here	
1.26	Whether Participant has uploaded the existing clients' KYC details with Central KYC Records Registry (CKYCR) System?	□ Yes □ No	If no, then details must be mentioned here	
1.27	Whether Participant is in compliance with the clauses of undertaking submitted to NSDL for availing the facility of advance generation of separate series of Client ID from the DPM system?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
2	KYC Re-Confirmation			
2.1	Initiated by Participant			
2.1.1.	Whether periodicity for updation of all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is defined?	□ Yes □ No	If no, then details must be mentioned here	

2.1.2	Whether all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is updated as per defined periodicity and as and when there are suspicions of money laundering or financing of terrorism?	□ Yes □ No	If no, then details must be mentioned here	
2.2	Intimated by NSDL			
2.2.1	Whether KYC confirmation response is updated on i-assist intranet site of NSDL within the stipulated time as prescribed by NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with delayed responses must be mentioned here or enclosed as Annexure	
2.2.2	For all such accounts for which KYC is confirmed on i-assist, whether all KYC documents (as per the KYC guidelines issued by SEBI, PMLA and NSDL) are in possession of Participant?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.3	Whether all such KYC documents (referred in point no. 2.2.2) are verified with originals / properly attested by entities authorized for attesting the documents?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.4	Whether all such KYC documents are verified by the auditor before KYC confirmation response is updated by the Participant on i-assist on concurrent basis and auditor has provided certification to that effect?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.5	Whether Participant has suspended for debits all such accounts which are reported as KYC non-compliant on i-assist after giving appropriate notice to the client(s) till the time such client(s) submits necessary KYC documents as per the KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.6	For accounts reported as non-compliant by the Participant on i-assist where the client(s) subsequently submits necessary KYC documents as per the stipulated KYC	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be	
	guidelines, whether the Participant has provided KYC confirmation response to NSDL?		mentioned here or enclosed as Annexure	

3	Client Data Modification			
3.1	Whether clients' request for changes in data (e.g. name of client, address, signature, bank details, mobile number, E-mail, mode of receiving annual report, AGM notice and other communications, Type & Sub type, RGESS Flag, BSDA Flag, Mode of receiving statement of account in electronic form, Family flag, SI indicator etc.) have been processed as per prescribed procedure?	Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.2	Whether Client name modification pursuant to error of Participant has been processed as per prescribed procedure ?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.3	Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4	Power of Attorney (POA)			
4.1	Whether POA documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of POA holder(s)) have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4.2	Whether POA contains clauses which are as per the SEBI stipulated guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.3	Whether specific purpose POA contains list of demat accounts where securities can be transferred based on POA?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.4	Whether Participant has created POA ID for all POA holders in DPM and map the same to the respective demat account where DIS is issued to POA holder?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.5	For specific purpose POA, list of demat accounts where securities can be transferred are mapped with POA ID in DPM?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.6	Whether modification/cancellation of Power of Attorney is done as per SEBI/NSDL prescribed guidelines and details have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

4.7	Whether Participant has complied with the requirement of not obtaining POA in its capacity as a Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5	Nomination			
5.1	Whether nomination is made as per the prescribed procedure and based on the duly filled nomination form?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.2	Whether Nomination details are entered in DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.3	Whether nomination is modified / cancelled in demat account as per NSDL prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6	Demat / Remat / Conversion / Reconversion / Redemption request			
6.1	Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be	
			mentioned here	
6.2	Whether Participant refers to the list of Distinctive Numbers of certificates submitted for dematerialisation as made available by NSDL and ensures that the appropriate International Securities Identification Number (ISIN) is filled in DRF?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.3	Whether Participant refers to lists of companies having high demat pendency and non-responding/services stopped by Registrar and Transfer Agent(s) as displayed on NSDL website and informs clients suitably while accepting demat requests of these companies?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.4	Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

6.5	Whether demat / conversion requests received have been sent to Issuer / Registrar & Transfer Agent within seven days from the date of receipt of the request from the account holder?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.6	Whether there are sufficient provisions / arrangements for safe keeping of security certificates received from account holders for dematerialisation and certificates received after rejection of the demat request from Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then details must be mentioned here	
6.7	Whether any demat / conversion request was rejected due to error attributable to Participant?	□ Yes □ No	If ,yes then number of cases with discrepancies must be mentioned here	
6.8	Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.9	Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.10	Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.11	Whether the Mutual Fund redemption requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7	Delivery Instruction Slip (DIS)			
7.1	Issuance of DIS			
7.1.1	Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically?	□ Yes □ No	If no, then details must be mentioned here	
7.1.2	Whether the DIS issued to client has pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID or POA ID in case of DIS issued to POA holder??	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

7.1.3	Whether DIS booklets have been issued on receipt of requisition slips signed by the client (all holders in case of joint account)?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.4	Whether issuance of loose DIS to account holder is done as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.5	If DIS booklet is handed over to the authorized person other than account holder, then whether the signature of authorized person and his proof of identity are verified before issuance of DIS booklet?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.6	Whether the details regarding issuance of DIS (booklet and loose slips) to the clients have been entered in the DPM within two days of issuance?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.7	Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.8	Whether Participant has a system in place to ensure that the DIS issued prior January 7, 2014 are not accepted?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.9	Whether in cases of inter depository account closure, inter depository transmission of securities and execution of instructions based on court/regulatory orders, Participant has captured the required codes such as 'CL9999999999', 'TR9999999999' and 'RO9999999999' respectively against DIS serial number for execution of instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2	Verification of DIS			
7.2.1	Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

7.2.2	Whether serial number of all the DIS(s) reported as lost / misplaced / stolen by the account holder or undelivered DIS are blocked in the DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.3	Whether DIS(s) given by account holder are available for all instructions executed in DPM (instruction other than those given by account holders through Speed-e electronically)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.4	Whether signature(s) on DIS match with the signature(s) scanned in the DPM system?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.5	Whether corrections / cancellation on DIS, if any, are authenticated by the client (all holders for joint accounts)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.6	Whether Participant accepts instructions by fax from account holder?	□ Yes □ No		
7.2.7	If reply to 7.2.6 is yes, then whether original DIS has been received within three working days for all faxed instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.8	If reply to 7.2.6 is yes, then whether Participant has obtained an indemnity from account holders who want to give instruction over fax?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.9	If Participant is accepting delivery instruction in form of an annexure to a DIS, whether it is done as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.10	Whether Participant is ensuring that information under columns "Consideration" and "Reason / Purpose /code" are mentioned for off market instructions by clients?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.11	Whether Participant follows maker - checker system to process the instructions?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

7.2.12	Whether there is an additional level of verification for high value instructions in a single DIS (DIS with value of Rs. 5 lakhs and above)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.13	Whether in case active accounts has five or more ISINs and all such ISIN balances are transferred at a time, Participant has verified with the client before execution of DIS and recorded the details of the same on DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.14	Whether instructions executed in the DPM system are as per DIS?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.15	Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)?	□ Yes □ No		
7.2.16	If reply to 7.2.15 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
7.2.17	If reply to 7.2.15 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3	Scanning of Delivery Instruction Slips (DIS) and Tamper proof storage of DIS images			
7.3.1	Whether every DIS executed in the DPM is scanned alongwith all annexures / computer printouts (if any) by the end of the next working day and digitally signed image of the same is posted on DIVS system successfully for validation and digitally signature of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.2	Whether the Participant scans the DIS received through fax and post the same to the DIVS and whenever original DIS is received the same is also scanned and posted on DIVS system within one working day from receipt of original DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.3	Whether scanned images of DIS are legible and tagged to the correct DIS serial number?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

7.3.4	Whether the NSDL signed DIS images are stored in the system set up by the Participant as per the specification of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.5	Whether authorized replacement of the original DIS image is carried out as per NSDL guidelines and the reason for such replacement is appropriately recorded in the Index file?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
7.3.6	Whether tamper proof storage system of DIS images in which the NSDL signed DIS images (i.e. response files generated by DIVS) are stored, maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS images?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.7	Whether tamper proof storage system restricts unauthorized alteration or deletion?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.8	Whether tamper proof storage system is in compliance with the specification prescribed by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.9	Whether tamper proof storage system has facility to check integrity of the system?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.10	Whether alert generated by tamper proof storage system during integrity check are monitored, corrective actions are taken and reported the same to NSDL by the Participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.4	Dormant Account Monitoring			
7.4.1	Whether in case of an accounts which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months and whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time, Participant has verified with the client before execution of DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

7.4.2	Whether authorized official of the Participant verifying such transactions with the Client has recorded the details of the process, date, time, etc., of the verification on the instruction slip under his signature?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8	Account Closure			
8.1	Whether clients' request for closure of account has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.2	Whether DIS has been obtained in case of transfer of securities to an account other than clients' own account pursuant to account closure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.3	Whether 30 days notice is given to the client as well as to the depository before closing client account, in case account closure is initiated by Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.4	Whether Participant has refunded the account maintenance charges collected upfront on annual/half yearly basis (if so), to the client for the balance of the quarter/s, in the event of closing of the demat account or shifting of the demat account from one Participant to another?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.5	Whether Participant uses 'Transfer of Holding' module to process account closure and transmission requests where the target account is in NSDL (Except transmission cases having multiple nominations)?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.6	Whether Participant has freezed the demat account in case Participant is unable to close the account due to pending demat/ remat requests, ISIN in suspended status or due to open pledges, etc?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

9	Transmission of Securities			
9.1	Whether all transmission cases have been processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9.2	Whether all transmission cases have been processed within 7 days of receipt of the transmission request?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10	Freeze/Unfreeze			
10.1	Whether freeze and unfreeze instructions received from the clients' are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.2	Whether PAN card is obtained and verified as per prescribed procedure before unfreezing an account which was frozen due to nonavailability of PAN?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.3	Whether appropriate reason has been captured while freezing/unfreezing clients' account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
11	Investor Grievances			
11.1	Whether all investors' grievances have been redressed as per the procedure and within the stipulated time?	□ Yes □ No □ Not Applicable	If no, then give details of grievances pending for redressal	
11.2	Whether Participant has prominently displayed basic information about the grievance redressal mechanism available to investors in their offices?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
11.3	Whether grievances received directly from clients at service center or DPM setup location through NSDL or SEBI are included in the monthly Investor grievance report submitted to NSDL by Participant?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
11.4	Whether Participant has dedicated email ID for informing investor grievances?	□ Yes □ No	If no, then details must be mentioned here	

11.5	Whether Participant has provided the link to SCORES portal on its website from where the client can view details of the demat account?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
12	Statement of Account (including transaction statement and holdings statement)			
12.1	Whether statements provided to the clearing member accounts are as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.2	In case of Participant registered as Custodian and has obtained exemption from receiving CAS for their institutional clients, whether transaction statements are provided as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.3	Whether statements are provided to the client as and when requested?	□ Yes □ No	If no, then details must be mentioned here	
12.4	In case a third party address has been captured in the demat account, whether a statement is sent to the address of the Client once a year?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
12.5	Whether statements are generated from back office or DPM system?	□ Back office □ DPM system		
12.6	If generated from back office, whether the details match with statement generated from DPM system?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.7	Whether the narration of corporate action / ISIN description (especially in case of debt) appearing in the statement of accounts are meaningful to the Client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.8	If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
13	Compliance under Prevention of Money Laundering Act, 2002 (PMLA)			
13.1	Whether Participant has adopted a policy to comply with its obligations under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

13.2	If reply to 13.1 is yes, whether the policy is in line with SEBI / NSDL requirements, approved by Board of Participant and reviewed periodically?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.3	Whether Participant has complied with all the policies and procedures as prescribed under PMLA and SEBI guidelines such as customer due diligence, suspicious transaction monitoring and reporting, record keeping etc.?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.4	Whether AML Policy is updated to reflect recent changes as prescribed by SEBI?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.5	In case of applicable Non Individual clients, Whether Participant obtains copy of balance sheet and latest share holding pattern, including list of all those holding control, either directly or indirectly, in terms of SEBI takeover Regulations, duly certified by the company secretary / Whole Time Director/ MD, every year?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.6	Whether Participant has carried out risk assessment to mitigate its money laundering and terrorist financing risk with respect to its clients, as required under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.7	Whether necessary checks and balances are put in place to ensure that the identity of the clients (both existing and new) does not match with any person having known criminal background or is not banned in any other	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
	manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide?			
13.8	Whether the Participant has internal mechanism to monitor and detect suspicious transactions as per the requirements of PMLA/SEBI/NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.9	Whether Participant has submitted STR within 7 days of arriving at a conclusion that any transaction, or a series of transactions integrally connected are of suspicious nature?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.10	Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

13.11	Whether enhanced due diligence measures have been applied for clients categorised as high risk / special category including clients who are residents of jurisdictions listed in FATF statements?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.12	In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.13	Whether ongoing due diligence and scrutiny of the transactions and account throughout the course of the business relationship is conducted by the Participant to ensure that the transactions being conducted are consistent with the Participant's knowledge of the client, its business and risk profile and where necessary, the client's source of funds is also taken into consideration?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.14	Whether Participant has revisited the CDD process when there are suspicions of money laundering or financing of terrorism and the matter has been disposed off after carrying necessary due diligence?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.15	Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.16	Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.17	Whether there is a mechanism to deal appropriately with the alerts provided by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.18	If any suspicious transaction is reported to FIU-India India then whether count of STRs reported to FIU-India are informed to NSDL?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.19	Whether suspicious transaction register (physical and/or in electronic form) has been maintained?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
14	Operations Manual			
14.1	Whether Participant has prepared an operations manual?	□ Yes □ No		

14.2	If reply to 14.1 is yes, whether operations manual covers all depository activities?	□ Yes □ No □ Not Applicable	If no, then mention the areas not covered in operations manual	
14.3	If reply to 14.1 is yes, whether operations manual is updated as and when required?	□ Yes □ No □ Not Applicable	If no, then mention when is it updated	
14.4	If reply to 14.1 is yes, whether operations manual is available to persons who need to refer it?	□ Yes □ No □ Not Applicable	If no, then mention how is the work done by those persons	
14.5	If reply to 14.1 is yes, whether procedures mentioned in the operations manual are followed?	□ Yes □ No □ Not Applicable	If no, then give details here	
15	Maintenance of record			
15.1	Whether Participant has informed NSDL about place(s) of record keeping?	□ Yes □ No	If no, then mention the place of record keeping	
15.2	Whether an internal mechanism has been evolved by Participant for proper maintenance and preservation of such records and information in the manner that allows easy and quick retrieval of data as and when requested by competent authorities?	□ Yes □ No	If no, then give details here	
16.1	Whether Participant has outsourced record keeping activity (partly or fully)?	□ Yes □ No	If yes, then the name of the agency / firm and nature of arrangement must be mentioned here	
16.2	If reply to 16.1 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.3	Whether any business activity other than record maintenance is outsourced?	□ Yes □ No		
16.4	If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.5	If reply to 16.1 and / or 16.3 is yes -			
	a) Whether Participant has entered into legally binding written contract/ agreement/terms and conditions with the Vendor(s) as per the stipulated guidelines issued by SEBI?	□ Yes □ No □ Not Applicable	If no, then various outsourcing risks inherent in the process must be mentioned here	
	b) Whether proper checks and control mechanism has been implemented by the vendor/agency?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	c) Whether during the course of periodic review, material outsourcing risks if any, are properly mitigated?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	

	d) Whether Participant has a comprehensive policy to guide the assessment of whether and how the above activities are outsourced in terms of stipulated SEBI guidelines?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
17	Service centre (whether offering the services as a DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name)			
17.1	Whether NSDL's approval has been obtained for all the service centres opened during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.2	Whether prescribed procedure has been	□ Yes □ No	If no, then details	
	followed for any service centre closed /	□ Not	of non	
	terminated during the audit period?	Applicable	compliance must be mentioned here	
17.3	Whether the data of all the service centres (DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name) displayed on the NSDL website is updated and correct?	□ Yes □ No	If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact information, etc. must be mentioned here	
17.4	Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE/ NCFM/NCDO) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person?	□ Yes □ No	If no, then details of non compliance must be mentioned here	
17.5	Whether internal audit has been conducted at adequate number of service centres other than DPM setup to verify guidelines prescribed by SEBI, PMLA and NSDL have been followed ?	□ Yes □ No □ Not Applicable	If yes, then mention count of service centres audited and Service Centre codes thereof and If no, then details of non compliance must be mentioned here	
17.6	Whether the depository services offered at the service center are displayed at the service centers (where all depository services are not offered by the service center)?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
18	Status of compliance for deviations / observations noted in last NSDL inspection and internal / concurrent audit report			

18.1	Whether Participant has complied with all the deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.3	Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	□ Yes □ No	If yes, then provide details / comments on issues	
18.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	□ Yes □ No	If yes, provide details along with supporting documents	
19	Reporting by Participant to its Board of Directors			
19.1	Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? (same may be verified from the extract of the minutes of the Board Meeting).	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	
19.2	Whether Participant has placed last internal/concurrent audit findings alongwith management comment before its Board of Directors / Audit Committee? (same may be verified from the extract of the minutes of the Board Meeting)	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	
20	Billing			
20.1	Whether all account holder are billed as per the tariff sheet?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.2	Whether Participant has given atleast one month's prior notice for any increase in the tariff sheet?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
20.3	Whether charges levied for demat accounts are in accordance with SEBI/NSDL guidelines?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

20.4	Whether Participant has not charged account holder(s), for transfer of all the securities lying in his account to another account of client with another branch of the same Participant or to another Participant of the same depository or another depository, provided the account holder(s) at transferee Participant and at transferor Participant are identical in all respects?	□ Yes □ No □ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	
20.5	Whether increase or decrease made in charges i.e changes in tariff sheet has been intimated to NSDL for making it available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
21	Back Office			
21.1	If Participant is using backoffice software for depository operations like providing statement, billing etc., whether balances as per back office are reconciled on a daily basis with DPM?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22	Miscellaneous areas			
22.1	Whether there is any supplementary agreement / letter of confirmation / power of attorney obtained / executed with account holder which are in contravention to 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines?	□ Yes □ No □ Not Applicable	If yes, then details of the non compliance must be mentioned here	
22.2	Whether Participant has collected requisite documents to claim waiver of settlement fees?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.3	Whether pledge and hypothecation instructions are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.4	Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.5	Whether forms in use for various activities are as prescribed?	□ Yes □ No	If no, then mention the forms and the discrepancies observed therein.	
22.6	Whether Participant has a policy for dealing with conflicts of interest?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

22.7	Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.8	Whether Participant has provided 'Annual Statement- RGESS' to account holders who have availed RGESS facility or has informed to client that the Annual Statement for RGESS is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.9	Whether Participant has provided 'RGESS Compliance Report to client who have availed RGESS facility or has informed to client that the RGESS Compliance Report is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.10	Whether Participant has offered BSDA facility to all eligible Beneficial Owners?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.11	Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility of BSDA and has converted all eligible demat accounts into BSDA until such BOs specifically opt to continue to avail the facility of a regular demat account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.12	Whether Participant has displayed various tickers on its website to create awareness among clients to subscribe for SMS alerts, for KYC registration and that ASBA has been made mandatory payment mechanism for all investors including retail investors for all public issues opening on or after Jan 1, 2016??	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.13	Whether Participant has taken up the matter with Clients where same mobile number and email ID is captured for more than one Client?	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.14	Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.15	Whether 'Document Received Date' has been captured correctly in DPM/eDPM by the Participant in respect of various service requests?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.16	Whether Participant is in Compliance with SEBI Circular on Implementation of the Multilateral Competent Authority Agreement and Foreign Account Tax Compliance Act?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

22.17	Whether request of Hold / Hold Release for Non Disposal Undertaking/ Agreement are processed as per the prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.187	Comment on improvements made in the operations since last audit.		Views of the auditor on the improvements, if any (or nil), in operations of the Participant should be mentioned here	
23	System areas			
23.1	Whether hardware and software installed on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL and made available on i-Assist?	□ Yes □ No	If no, then mention the mismatch	
23.2	Whether Participant is taking backup on a daily basis?	□ Yes □ No		
23.3	Whether Participant has kept remote backup media as per prescribed guidelines?	□ Yes □ No		
23.4	Whether updated antivirus is installed on the server and all the client machines?	□ Yes □ No		
23.5	Whether log shipping facility for log generation is working?	□ Yes □ No		
23.6	Whether all the software installed on server and client machines are licensed?	□ Yes □ No		
23.7	Whether RAID has been configured as per the prescribed guidelines?	□ Yes □ No		
23.8	Whether database reorg and shrinking are done as per the prescribed guidelines?	□ Yes □ No		
23.9	Whether scheduled switch to fallback connectivity is done and the record thereof is maintained?	□ Yes □ No		
23.10	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	□ Yes □ No	If no, then mention whether the Participant has obtained approval for the same?	
23.11	Whether UPS / alternate power arrangement is available for all the hardware / equipments used for depository operations?	□ Yes □ No		
23.12	Whether adequate physical and logical access restrictions for usage of system are in place?	□ Yes □ No		
23.13	Whether backup of back office data is taken?	□ Yes □ No □ Not Applicable		
23.14	Whether back office is directly connected to DPM system?	□ Yes □ No		

23.15	If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.16	Whether atleast one staff managing the systems is NSDL trained?	□ Yes □ No		
23.17	Whether physical access to client machines and server is restricted only to authorised persons?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
23.18	Whether the operating system and other softwares installed on the machines used for depository operations are as per NSDL specifications and upgraded as per NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.19	Whether the Participant has adequate safeguards as regards cyber security?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24	Additional information about Participant			
24.1	Whether Participant is satisfying the eligibility criteria as specified at Regulation 19 (a) of SEBI (Depositories and Participants) Regulations, 1996?	□ Yes □ No	If no, then details of the same must be mentioned here	
24.2	Whether the Compliance Officer of the Participant has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE)?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.3	Whether the Participant is a fit and proper person as per Regulation 7 of SEBI (Intermediaries) Regulations, 2008 and the provisions of Schedule II?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.4	Whether Risk Assessment Template (RAT), Internal and/or Concurrent Audit Report, Net worth Certificate and Compliance Certificate has been submitted periodically by participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.5	Whether change in Director / compliance officer/ Shareholding pattern of the Participant /name of the participant/ registered address of the participant and any such changes have been informed to NSDL?	□ Yes □ No □ No such changes	If no, then details of the non compliance must be mentioned here	
24.6	Whether any other deviation/non-complaince observed by internal auditor which is not specifically covered above?	□ Yes □ No	If Yes, then details must be mentioned here	
24.7	Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it?	□ Yes □ No □ Not Applicable	If Yes, please provide details of order/indictment. If no, details of the non compliance must be mentioned here	
Management's Comment* - Mandatory if auditor's observation is negative.				

Auditor's Report on Internal / Concurrent Audit

I/ We have carried out audit of depository operations of <Name of Participant> and I/We hereby declare the following:

1. The operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 1996, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.
2. The system related to depository operations is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.
3. The capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.
4. The business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.
5. The operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.
6. The business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.
7. The Participant has required internal controls, checks, risk management procedure in place.
8. The procedures with respect to maintenance of records (electronic and physical) are adequate.
9. To the best of our knowledge and belief and according to the information and explanations sought by us, no material fraud / non-compliance / violation by the Participant is observed during the course of this Audit
10. We do not have any direct / indirect interest in or relationship with the Participant or its shareholders / directors / partners / proprietors / management and also confirm that we do not have any conflict of interest in such relationship / interest while conducting internal/concurrent audit of the said Participant.
11. The Report provided by us covers the entire scope of the Internal/concurrent audit, is true and correct.
12. I hereby declare that digital signature certificate being used by me for signing this document is a valid digital signature certificate on this date in terms of provisions of Information Technology Act, 2000 and rules framed thereunder and that it has not been revoked by the issuing authority till this date.

Signed by the auditor using its Digital Certificate.

Annexure 3

Objectives of audit of depository operations

i. To assure the management that the operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 1996, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.

ii. To assure management that the DPM is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.

iii. To assure management that the capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.

iv. To assure management and NSDL that the business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.

v. To assure management that the operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.

vi. To assure management and NSDL that the business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.

Circular No.: NSDL/POLICY/ 2018/0016
Date: March 16, 2018

Subject: Internal and Concurrent Audit for depository operations.

Participants are aware that as per Bye Law 10.3, each Participant is required to have its depository operations audited by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant holding a Certificate of Practice. Such audit should be conducted twice a year and a copy of the report should be submitted to NSDL.

Attention of Participants is invited to Circular No. NSDL/POLICY/2017/0053 dated September 5, 2017 in which guidelines related to scope of the audit and format of the audit report were provided. The audit report format has been modified and enclosed as Annexure 1 in track change mode and as Annexure 2 (without highlighting the changes). The broad objectives / guidelines for the internal / concurrent audit are enclosed as Annexure 3. Participants are advised to take note of the following:

1. Audit should cover all facets of the depository operations. Auditor may expand the scope of audit / add more audit points to achieve the objectives enclosed as Annexure 3. Participants are advised to extend full co-operation to their auditors to enable them to perform an effective audit. All circulars / guidelines issued by NSDL / SEBI from time to time and other information / records desired by the auditors should be made available to them within a reasonable time.

2. Participants should forward the audit report as per schedule given below to NSDL -

Audit Period	Due date for submission of report to NSDL
April 1 to September 30	November 15
October 1 to March 31	May 15

3. The Participants which remain operational for less than three months in an audit period can submit audit report for that audit period along with the audit report for next audit period. For example, if a Participant is made operational by NSDL on January 1, 2018, then it can submit first audit report for period January 1, 2018 - September 30, 2018.

4. Audit work for areas which are covered under the scope of concurrent audit should be completed by next working day. If audit cannot be completed by next working day due to large volume, it must be completed within a week.

5. Participants may appoint same auditor for concurrent and internal audit. If both audits are done by same auditor, then a consolidated report must be submitted instead of two separate reports. If both audits are being done by different auditors, then two separate reports must be submitted.

6. Participants are advised to note that the audit report format provided in this circular is applicable for audit period October 1, 2017 to March 31, 2018 and onwards.

7. Participants are hereby informed that internal and/or concurrent audit reports which are not as per guidelines will be treated as non-submission of the report. NSDL reserves the right to advise a Participant to change its auditor if quality of the report is found to be not satisfactory or the audit is not carried out as per guidelines.

8. The auditors may visit service centers (on sample basis) to check whether proper procedures are being followed at such centers.

	9. Any one person conducting the internal and/or concurrent audit (risk prone areas) should obtain certification from the National Institute of Securities Markets (NISM) by passing the NISM-Series-VI: Depository Operations Certification Examination DOCE). Alternatively, such persons, if eligible, may undergo Continuing Professional Education (CPE) program for depository operations (details available on www.nism.ac.in). 10. Internal/concurrent audit report needs to be submitted in electronic form through e-PASS platform as mentioned in circular NSDL/POLICY/2016/0091 dated November 9, 2016. For and on behalf of National Securities Depository Limited Ravindra Sahu Senior Manager Enclosed: Three

Cover page	
Internal / Concurrent Audit Report for Depository Operations	
Type of Audit Report	□ Internal Audit Report (IAR) □ Concurrent Audit Report (CAR) □ Combined IAR and CAR
Name of the auditee	
DP ID(s)	INXXXXXX
INXXXXXX	
SEBI Registration Number	
Audit period	**From DD-MMM-YYYY to DD-MMM-YYYY**
Name of the auditor	
Membership no. of the auditor	
NISM - DOCE / CPE Certificate no. ***[of any one person conducting the internal and/or concurrent audit]***	
Date till which certificate is valid	**DD-MMM-YYYY**
Name of the audit firm	
Full postal address of the audit firm	
Contact number along with STD code / mobile number of auditor	
email ID of auditor	
Signature of the auditor	
Date	

Activity wise sampling details				
Sr. No.	**Area**	**Count for the audit period (total number of accounts opened, demat request processed, etc.)**	**No. of samples checked**	**Percentage of samples checked**
1	Account Opening (100%)			
2	KYC re-confirmation cases: - Initiated by Participant (100%)			
	- Intimated by NSDL (100%)			
3	Demat requests / Conversion request			
4	Remat requests / Reconversion request / Redemption request			
5	DIS book issuance (Including loose slip issuance) (100%)			
6	Total DIS execution (at least 25%)			
	a) Digitally signed DIS images (having DP as well as NSDL digital signature) extracted from tamper proof storage (at least 10% of samples)			
	b) Physical DIS			
7	Replacement of Original DIS image in tamper proof storage (100%)			
8	Pledge / hypothecation instructions			
9	Client data modifications			
10	Account Freeze			
	a) Freezes due to statutory orders (100%)			
	b) Other Freezes			
11	Account Unfreeze			
12	Modification in the name of			
	client pursuant to error made by			
	Participant (100%)			
13	Power of Attorney modifications (100%)			
14	Account Closure requests - Initiated by Participant (100%)			
	- Initiated by client			

15	Transmission (100%)			
16	Investor grievances received by Participant (100%)			
17	Providing statement of accounts to clearing member (100% process level) (For count / samples checked, specify number of occasions of dispatch during audit period - typically it would be six for the six month period). [In case a Participant does not have any clearing member account and has only beneficial owner account then 'Not Applicable' may be specified].	**Specify number of occasions of dispatch of statement during audit period by Participant**	**Specify number of occasions of dispatch checked by auditor**	
18	Any other samples picked by Auditors (Please provide detailed break-up of areas verified alongwith sample count for that particular area)			

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
1	**KYC and Account Opening**			
1.1	Whether proof of identity, proof of address and other stipulated documents have been obtained for all the accounts as per KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.2	Whether PANs and copies of PAN Cards have been obtained for all the accounts, wherever applicable?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.3	Whether PANs are verified with the database of Income Tax Department and stamp of "PAN Verified" has been affixed on the photocopy of the PAN card(s) for all the accounts?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.4	If correspondence address of a third party has been accepted, whether guidelines prescribed by SEBI, PMLA and NSDL have been followed?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.5	Whether all KYC application forms and account opening forms are completely filled in respect of all account holder(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.6	Whether photograph(s) of client(s)/ Authorised signatories/Director(s)/ Promoter(s)/ Trustee(s)/ Partner(s) etc provided on KYC Form matches with the photograph on Proof of Identity and PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.7	Whether signature(s) of client(s)/ Authorised signatories provided on Account Opening Form and KYC Documents matches with the signature(s) on Proof of Identity and PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.8	Whether copies of all the documents submitted by the applicant are self-attested?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	

1.9	Whether copies of all the documents submitted by the applicant are accompanied with originals for verification / properly attested by entities authorized for attesting the documents in cases where the original of the said document is not produced for verification?	□ Yes □ No □ Not Applicable	If Yes, then number of accounts with discrepancies must be mentioned here	
1.10	Whether the 'in - person' verification of the account holders has been done before activation of the account and the record of in-person verification is maintained as per SEBI, PMLA and NSDL guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.11	Whether Participant has provided a copy of the "Rights and Obligations of the Beneficial Owner and Depository Participant" document to the client either in electronic or physical form, depending upon the preference of the clientand obtained an acknowledgement of the same from the client?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.12	Whether data entered in DPM system matches with the details mentioned in the account opening form?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.13	Whether mobile number and email id captured are of the client or family member as per the circular of NSDL and SEBI?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.14	Whether the bank details have been correctly captured in compliance with SEBI and NSDL circular?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.15	Whether signature of account holder(s) as given in the account opening form has been scanned in the DPM system clearly and correctly?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.16	Whether the scanned images of the KYC documents of the clients have been furnished to KRA within 10 working days from the date of execution of documents by clients?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	

1.17	Whether required information / documents are forwarded by Participants to KRA for cases which are informed as incomplete by KRA?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.18	Whether the Participant has uploaded existing clients' KYC data on KRA system and sent scanned images of KYC documents to KRA as per SEBI guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether the Participant has used the KYC data of a client obtained from the KRA only for the purposes it is meant for?	□ Yes □ No	If no, then details must be mentioned here	
1.20	Whether Participant has downloaded KYC information of client(s) who are KYC compliant from KRA platform?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.21	Whether sufficient information has been obtained from clients, to identify and verify the identity of persons who beneficially own or control the securities account (i.e Ultimate Beneficial Owner) as per SEBI, PMLA and NSDL guidelines (specially for non- individual clients)?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.22	Whether Participant has complied with guidelines issued by PMLA/SEBI/NSDL for the clients where Participant has relied on the KYC and in-person verification carried out by a third party?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.23	Whether FATCA/CRS declaration is obtained by Participant?	□ Yes □ No	If no, then details must be mentioned here	
1.24	Whether SARAL account is opened as per SEBI/NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.25	Whether Participant has captured the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PMLA Rules, as per the KYC template for "individuals" finalised by CERSAI?	□ Yes □ No	If no, then details must be mentioned here	
1.26	Whether Participant has uploaded the existing clients' KYC details with Central KYC Records Registry (CKYCR) System?	□ Yes □ No	If no, then details must be mentioned here	
1.27	Whether Participant is in compliance with the clauses of undertaking submitted to NSDL for availing the facility of advance generation of separate series of Client ID from the DPM system?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
2	**KYC Re-Confirmation**			
2.1	**Initiated by Participant**			

2.1.1.	Whether periodicity for updation of all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is defined?	□ Yes □ No	If no, then details must be mentioned here	
2.1.2	Whether all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is updated as per defined periodicity and as and when there are suspicions of money laundering or financing of terrorism?	□ Yes □ No	If no, then details must be mentioned here	
2.2	**Intimated by NSDL**			
2.2.1	Whether KYC confirmation response is updated on i-assist intranet site of NSDL within the stipulated time as prescribed by NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with delayed responses must be mentioned here or enclosed as Annexure	
2.2.2	For all such accounts for which KYC is confirmed on i-assist, whether all KYC documents *(as per the KYC guidelines issued by SEBI, PMLA and NSDL)* are in possession of Participant?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.3	Whether all such KYC documents (referred in point no. 2.2.2) are verified with originals / properly attested by entities authorized for attesting the documents?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.4	Whether all such KYC documents are verified by the auditor before KYC confirmation response is updated by the Participant on i-assist on concurrent basis and auditor has provided certification to that effect?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.5	Whether Participant has suspended for debits all such accounts which are reported as KYC non-compliant on i-assist after giving appropriate notice to the client(s) till the time such client(s) submits necessary KYC documents as per the KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	

2.2.6	For accounts reported as non-compliant by the Participant on i-assist where the client(s) subsequently submits necessary KYC documents as per the stipulated KYC guidelines, whether the Participant has provided KYC confirmation response to NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
3	**Client Data Modification**			
3.1	Whether clients' request for changes in data (e.g. name of client, address, signature, bank details, mobile number, E-mail, mode of receiving annual report, AGM notice and other communications, Type & Sub type, RGESS Flag, BSDA Flag, Mode of receiving statement of account in electronic form, Family flag, SI indicator etc.) have been processed as per prescribed procedure?	Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.2	Whether Client name modification pursuant to error of Participant has been processed as per prescribed procedure ?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.3	Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4	**Power of Attorney (POA)**			
4.1	Whether POA documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of POA holder(s)) have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4.2	Whether POA contains clauses which are as per the SEBI stipulated guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.3	Whether specific purpose POA contains list of demat accounts where securities can be transferred based on POA?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.4	Whether Participant has created POA ID for all POA holders in DPM and map the same to the respective demat account where DIS is issued to POA holder?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.5	For specific purpose POA, list of demat accounts where securities can be transferred are mapped with POA ID in DPM?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	

4.6	Whether modification/cancellation of Power of Attorney is done as per SEBI/NSDL prescribed guidelines and details have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.7	Whether Participant has complied with the requirement of not obtaining POA in its capacity as a Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5	**Nomination**			
5.1	Whether nomination is made as per the prescribed procedure and based on the duly filled nomination form?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.2	Whether Nomination details are entered in DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.3	Whether nomination is modified / cancelled in demat account as per NSDL prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6	**Demat / Remat / Conversion / Reconversion / Redemption request**			
6.1	Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.2	Whether Participant refers to the list of Distinctive Numbers of certificates submitted for dematerialisation as made available by NSDL and ensures that the appropriate International Securities Identification Number (ISIN) is filled in DRF?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.3	Whether Participant refers to lists of companies having high demat pendency and non-responding/services stopped by Registrar and Transfer Agent(s) as displayed on NSDL website and informs clients suitably while accepting demat requests of these companies?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	

6.4	Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.5	Whether demat / conversion requests received have been sent to Issuer / Registrar & Transfer Agent within seven days from the date of receipt of the request from the account holder?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.6	Whether there are sufficient provisions / arrangements for safe keeping of security certificates received from account holders for dematerialisation and certificates received after rejection of the demat request from Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then details must be mentioned here	
6.7	Whether any demat / conversion request was rejected due to error attributable to Participant?	□ Yes □ No	If ,yes then number of cases with discrepancies must be mentioned here	
6.8	Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.9	Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.10	Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.11	Whether the Mutual Fund redemption requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7	**Delivery Instruction Slip (DIS)**			
7.1	***Issuance of DIS***			
7.1.1	Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically?	□ Yes □ No	If no, then details must be mentioned here	

7.1.2	Whether the DIS issued to client has pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID or POA ID in case of DIS issued to POA holder??	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.3	Whether DIS booklets have been issued on receipt of requisition slips signed by the client (all holders in case of joint account)?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.4	Whether issuance of loose DIS to account holder is done as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.5	If DIS booklet is handed over to the authorized person other than account holder, then whether the signature of authorized person and his proof of identity are verified before issuance of DIS booklet?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.6	Whether the details regarding issuance of DIS (booklet and loose slips) to the clients have been entered in the DPM within two days of issuance?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.7	Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.8	Whether Participant has a system in place to ensure that the DIS issued prior January 7, 2014 are not accepted?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.9	Whether in cases of inter depository account closure, inter depository transmission of securities and execution of instructions based on court/regulatory orders, Participant has captured the required codes such as 'CL9999999999', 'TR9999999999' and 'RO9999999999' respectively against DIS serial number for execution of instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

7.2	*Verification of DIS*			
7.2.1	Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.2	Whether serial number of all the DIS(s) reported as lost / misplaced / stolen by the account holder or undelivered DIS are blocked in the DPM ?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.3	Whether DIS(s) given by account holder are available for all instructions executed in DPM (instruction other than those given by account holders through Speed-e electronically)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.4	Whether signature(s) on DIS match with the signature(s) scanned in the DPM system?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.5	Whether corrections / cancellation on DIS, if any, are authenticated by the client (all holders for joint accounts)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.6	Whether Participant accepts instructions by fax from account holder?	□ Yes □ No		
7.2.7	If reply to 7.2.6 is yes, then whether original DIS has been received within three working days for all faxed instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.8	If reply to 7.2.6 is yes, then whether Participant has obtained an indemnity from account holders who want to give instruction over fax?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.9	If Participant is accepting delivery instruction in form of an annexure to a DIS, whether it is done as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

7.2.10	Whether Participant is ensuring that information under columns "Consideration" and "Reason / Purpose /code" are mentioned for off market instructions by clients?	□ Yes □ No □ Yes □ No	If no, then number of cases with discrepancies must be mentioned here If no, then	
7.2.11	Whether Participant follows maker - checker system to process the instructions?	□ Yes □ No	number of cases with discrepancies must be mentioned here If no, then	
7.2.12	Whether there is an additional level of verification for high value instructions in a single DIS (DIS with value of Rs. 5 lakhs and above)?		number of cases with discrepancies must be mentioned here	
7.2.13	Whether in case active accounts has five or more ISINs and all such ISIN balances are transferred at a time, Participant has verified with the client before execution of DIS and recorded the details of the same on DIS?	□ Yes □ No □ Not Applicable □ Yes □ No	If no, then number of cases with discrepancies must be mentioned here If no, then	
7.2.14	Whether instructions executed in the DPM system are as per DIS?	□ Yes □ No	number of cases with discrepancies must be mentioned here	
7.2.15	Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)? If reply to 7.2.15 is yes,	□ Yes □ No	If no, then	
7.2.16	whether NSDL's approval has been obtained? If reply to 7.2.15 is yes,	□ Not Applicable □ Yes □ No	details must be mentioned here If no, then	
7.2.17	whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form?	□ Not Applicable	number of cases along with the nature of discrepancies must be mentioned here	
7.3	**Scanning of Delivery Instruction Slips (DIS) and Tamper proof storage of DIS images**			
7.3.1	Whether every DIS executed in the DPM is scanned alongwith all annexures / computer printouts (if any) by the end of the next working day and digitally signed image of the same is posted on DIVS system successfully for validation and digitally signature of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

7.3.2	Whether the Participant scans the DIS received through fax and post the same to the DIVS and whenever original DIS is received the same is also scanned and posted on DIVS system within one working day from receipt of original DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.3	Whether scanned images of DIS are legible and tagged to the correct DIS serial number?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.4	Whether the NSDL signed DIS images are stored in the system set up by the Participant as per the specification of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.5	Whether authorized replacement of the original DIS image is carried out as per NSDL guidelines and the reason for such replacement is appropriately recorded in the Index file?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
7.3.6	Whether tamper proof storage system of DIS images in which the NSDL signed DIS images (i.e. response files generated by DIVS) are stored, maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS images?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.7	Whether tamper proof storage system restricts unauthorized alteration or deletion?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.8	Whether tamper proof storage system is in compliance with the specification prescribed by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.9	Whether tamper proof storage system has facility to check integrity of the system?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.10	Whether alert generated by tamper proof storage system during integrity check are monitored, corrective actions are taken and reported the same to NSDL by the Participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

7.4	**Dormant Account Monitoring**			
7.4.1	Whether in case of an accounts which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months and whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time, Participant has verified with the client before execution of DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.4.2	Whether authorized official of the Participant verifying such transactions with the Client has recorded the details of the process, date, time, etc., of the verification on the instruction slip under his signature?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8	**Account Closure**			
8.1	Whether clients' request for closure of account has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.2	Whether DIS has been obtained in case of transfer of securities to an account other than clients' own account pursuant to account closure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies	
			must be mentioned here	
8.3	Whether 30 days notice is given to the client as well as to the depository before closing client account, in case account closure is initiated by Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.4	Whether Participant has refunded the account maintenance charges collected upfront on annual/half yearly basis (if so), to the client for the balance of the quarter/s, in the event of closing of the demat account or shifting of the demat account from one Participant to another?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9	**Transmission of Securities**			
9.1	Whether all transmission cases have been processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

9.2	Whether all transmission cases have been processed within 7 days of receipt of the transmission request?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10	**Freeze/Unfreeze**			
10.1	Whether freeze and unfreeze instructions received from the clients' are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.2	Whether PAN card is obtained and verified as per prescribed procedure before unfreezing an account which was frozen due to nonavailability of PAN?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.3	Whether appropriate reason has been captured while freezing/unfreezing clients' account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
11	**Investor Grievances**			
11.1	Whether all investors' grievances have been redressed as per the procedure and within the stipulated time?	□ Yes □ No □ Not Applicable	If no, then give details of grievances pending for redressal	
11.2	Whether Participant has prominently displayed basic information about the grievance redressal mechanism available to investors in their offices?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
11.3	Whether grievances received directly from clients at service center or DPM setup location through NSDL or SEBI are included in the monthly Investor grievance report submitted to NSDL by Participant?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
11.4	Whether Participant has dedicated email ID for informing investor grievances?	□ Yes □ No	If no, then details must be mentioned here	
12	**Statement of Account (including transaction statement and holdings statement)**			
12.1	Whether statements provided to the clearing member accounts are as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	

12.2	In case of Participant registered as Custodian and has obtained exemption from receiving CAS for their institutional clients, whether transaction statements are provided as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.3	Whether statements are provided to the client as and when requested?	□ Yes □ No	If no, then details must be mentioned here	
12.4	In case a third party address has been captured in the demat account, whether a statement is sent to the address of the Client once a year?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
12.5	Whether statements are generated from back office or DPM system?	□ Back office □ DPM system		
12.6	If generated from back office, whether the details match with statement generated from DPM system?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.7	Whether the narration of corporate action / ISIN description *(especially in case of debt)* appearing in the statement of accounts are meaningful to the Client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.8	If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
13	**Compliance under Prevention of Money Laundering Act, 2002 (PMLA)**			
13.1	Whether Participant has adopted a policy to comply with its obligations under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.2	If reply to 13.1 is yes, whether the policy is in line with SEBI / NSDL requirements, approved by Board of Participant and reviewed periodically?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.3	Whether Participant has complied with all the policies and procedures as prescribed under PMLA and SEBI guidelines such as customer due diligence, suspicious transaction monitoring and reporting, record keeping etc.?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

13.4	Whether AML Policy is updated to reflect recent changes as prescribed by SEBI?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.5	In case of applicable Non Individual clients, Whether Participants obtains copy of balance sheet and latest share holding pattern, including list of all those holding control, either directly or indirectly, in terms of SEBI takeover Regulations, duly certified by the company secretary / Whole Time Director/ MD, every year?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.6	Whether Participant has carried out risk assessment to mitigate its money laundering and terrorist financing risk with respect to its clients, as required under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.7	Whether necessary checks and balances are put in place to ensure that the identity of the clients (both existing and new) does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.8	Whether the Participant has internal mechanism to monitor and detect suspicious transactions as per the requirements of PMLA/SEBI/NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.9	Whether Participant has submitted STR within 7 days of arriving at a conclusion that any transaction, or a series of transactions integrally connected are of suspicious nature?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.10	Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.11	Whether enhanced due diligence measures have been applied for clients categorised as high risk / special category including clients who are residents of jurisdictions listed in FATF statements?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.12	In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships?	□ Yes □ No □ Not Applicable	If no, then non compliance details of the must be mentioned here	

13.13	Whether ongoing due diligence and scrutiny of the transactions and account throughout the course of the business relationship is conducted by the Participant to ensure that the transactions being conducted are consistent with the Participant's knowledge of the client, its business and risk profile and where necessary, the client's source of funds is also taken into consideration?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.14	Whether Participant has revisited the CDD process when there are suspicions of money laundering or financing of terrorism and the matter has been disposed off after carrying necessary due diligence?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.15	Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.16	Whether Participant has appointed a 'Designated Director' as required under	□ Yes □ No	If no, then details of the	
13.16	Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.17	Whether there is a mechanism to deal appropriately with the alerts provided by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.18	If any suspicious transaction is reported to FIU-India India then whether count of STRs reported to FIU-India are informed to NSDL?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.19	Whether suspicious transaction register (physical and/or in electronic form) has been maintained?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
14	**Operations Manual**			
14.1	Whether Participant has prepared an operations manual?	□ Yes □ No		
14.2	If reply to 14.1 is yes, whether operations manual covers all depository activities?	□ Yes □ No □ Not Applicable	If no, then mention the areas not covered in operations manual	
14.3	If reply to 14.1 is yes, whether operations manual is updated as and when required?	□ Yes □ No □ Not Applicable	If no, then mention when is it updated	

14.4	If reply to 14.1 is yes, whether operations manual is available to persons who need to refer it?	□ Yes □ No □ Not Applicable	If no, then mention how is the work done by those persons	
14.5	If reply to 14.1 is yes, whether procedures mentioned in the operations manual are followed?	□ Yes □ No □ Not Applicable	If no, then give details here	
15	**Maintenance of record**			
15.1	Whether Participant has informed NSDL about place(s) of record keeping?	□ Yes □ No	If no, then mention the place of record keeping	
15.2	Whether an internal mechanism has been evolved by Participant for proper maintenance and preservation of such records and information in the manner that allows easy and quick retrieval of data as and when requested by competent authorities?	□ Yes □ No	If no, then give details here	
16	**Outsourced activities**			
16.1	Whether Participant has outsourced record keeping activity (partly or fully)?	□ Yes □ No	If yes, then the name of the agency / firm and nature of arrangement must be mentioned here	
16.2	If reply to 16.1 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.3	Whether any business activity **other than record maintenance** is outsourced?	□ Yes □ No		
16.4	If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.5	If reply to 16.1 and / or 16.3 is yes - a) Whether Participant has entered into legally binding written contract/ agreement/terms and conditions with the Vendor(s) as per the stipulated guidelines issued by SEBI?	□ Yes □ No □ Not Applicable	If no, then various outsourcing risks inherent in the process must be mentioned here	
	b) Whether proper checks and control mechanism has been implemented by the vendor/agency?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	c) Whether during the course of periodic review, material outsourcing risks if any, are properly mitigated?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	d) Whether Participant has a comprehensive policy to guide the assessment of whether and how the above activities are outsourced in terms of stipulated SEBI guidelines?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	

17	**Service centre (whether offering the services as a DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name)**			
17.1	Whether NSDL's approval has been obtained for all the service centres opened during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.2	Whether prescribed procedure has been followed for any service centre closed / terminated during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.3	Whether the data of all the service centres (DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name) displayed on the NSDL website is updated and correct?	□ Yes □ No	If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact information, etc. must be mentioned here	
17.4	Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE/ NCFM/NCDO) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person?	□ Yes □ No	If no, then details of non compliance must be mentioned here	
17.5	Whether internal audit has been conducted at adequate number of service centres other than DPM setup to verify guidelines prescribed by SEBI, PMLA and NSDL have been followed ?	□ Yes □ No □ Not Applicable	If yes, then mention count of service centres audited and Service Centre codes thereof and If no, then details of non compliance must be mentioned here	
17.6	Whether the depository services offered at the service center are displayed at the service centers (where all depository services are not offered by the service center)?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
18	**Status of compliance for deviations / observations noted in last NSDL inspection and internal / concurrent audit report**			
18.1	Whether Participant has complied with all the deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	

18.2	Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable		
18.3	Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	□ Yes □ No	If yes, then provide details / comments on issues	
18.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	□ Yes □ No	If yes, provide details along with supporting documents	
19	**Reporting by Participants to its Board of Directors**			
19.1	Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? *(same may be verified from the extract of the minutes of the Board Meeting).*	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	
19.2	Whether Participant has placed last internal/concurrent audit findings alongwith management comment before its Board of Directors / Audit Committee? *(same may be verified from the extract of the minutes of the Board Meeting)*	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	
20	**Billing**			
20.1	Whether all account holder are billed as per the tariff sheet?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.2	Whether Participant has given atleast one month's prior notice for any increase in the tariff sheet?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
20.3	Whether charges levied for demat accounts are in accordance with SEBI/NSDL guidelines? Whether Participant has not charged account	□ Yes □ No □ Yes □ No	If no, then details of the non compliance must be mentioned here If no, then	

20.4	holder(s), for transfer of all the securities lying in his account to another account of client with another branch of the same Participant or to another Participant of the same depository or another depository, provided the account holder(s) at transferee Participant and at transferor Participant are identical in all respects? Whether increase or decrease made in charges	□ Not Applicable □ Yes □ No	number of accounts, with discrepancies must be mentioned here If no, then	
20.5	i.e changes in tariff sheet has been intimated to NSDL for making it available on NSDL website?	□ Not Applicable	details must be mentioned here	
21	**Back Office**			
21.1	If Participant is using backoffice software for depository operations like providing statement, billing etc., whether balances as per back office are reconciled on a daily basis with DPM?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22	**Miscellaneous areas**			
22.1	Whether there is any supplementary agreement / letter of confirmation / power of attorney obtained / executed with account holder which are in contravention to 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines?	□ Yes □ No □ Not Applicable	If yes, then details of the non compliance must be mentioned here	
22.2	Whether Participant has collected requisite documents to claim waiver of settlement fees?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.3	Whether pledge and hypothecation instructions are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.4	Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.5	Whether forms in use for various activities are as prescribed?	□ Yes □ No	If no, then mention the forms and the discrepancies observed therein.	
22.6	Whether Participant has a policy for dealing with conflicts of interest?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

22.7	Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.8	Whether Participant has provided 'Annual Statement- RGESS' to account holders who have availed RGESS facility or has informed to client that the Annual Statement for RGESS is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.9	Whether Participant has provided 'RGESS Compliance Report to client who have availed RGESS facility or has informed to client that the RGESS Compliance Report is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.10	Whether Participant has offered BSDA facility to all eligible Beneficial Owners?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.11	Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility of BSDA and has converted all eligible demat accounts into BSDA until such BOs specifically opt to continue to avail the facility of a regular demat account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.12	Whether Participant has displayed various tickers on its website to create awareness among clients to subscribe for SMS alerts, for KYC registration and that ASBA has been made mandatory payment mechanism for all investors including retail investors for all public issues opening on or after Jan 1, 2016??	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.13	Whether Participant has taken up the matter with Clients where same mobile number and email ID is captured for more than one Client?	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.14	Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.15	Whether 'Document Received Date' has been captured correctly in DPM/eDPM by the Participant in respect of various service requests?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.16	Whether Participant is in Compliance with SEBI Circular on Implementation of the Multilateral Competent Authority Agreement and Foreign Account Tax Compliance Act?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

22.17	Comment on improvements made in the operations since last audit.		Views of the auditor on the improvements, if any (or nil), in operations of the Participant should be mentioned here	
23	**System areas**			
23.1	Whether hardware and software installed on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL and made available on i-Assist?	□ Yes □ No	If no, then mention the mismatch	
23.2	Whether Participant is taking backup on a daily basis?	□ Yes □ No		
23.3	Whether Participant has kept remote backup media as per prescribed guidelines?	□ Yes □ No		
23.4	Whether updated antivirus is installed on the server and all the client machines?	□ Yes □ No		
23.5	Whether log shipping facility for log generation is working?	□ Yes □ No		
23.6	Whether all the software installed on server and client machines are licensed?	□ Yes □ No		
23.7	Whether RAID has been configured as per the prescribed guidelines?	□ Yes □ No		
23.8	Whether database reorg and shrinking are done as per the prescribed guidelines?	□ Yes □ No		
23.9	Whether scheduled switch to fallback connectivity is done and the record thereof is maintained?	□ Yes □ No		
23.10	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	□ Yes □ No	If no, then mention whether the Participant has obtained approval for the same?	
23.11	Whether UPS / alternate power arrangement is available for all the hardware / equipments used for depository operations?	□ Yes □ No		
23.12	Whether adequate physical and logical access restrictions for usage of system are in place?	□ Yes □ No		
23.13	Whether backup of back office data is taken?	□ Yes □ No □ Not Applicable		
23.14	Whether back office is directly connected to DPM system?	□ Yes □ No		
23.15	If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	

23.16	Whether atleast one staff managing the systems is NSDL trained?	□ Yes □ No		
23.17	Whether physical access to client machines and server is restricted only to authorised persons?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
23.18	Whether the operating system and other softwares installed on the machines used for depository operations are as per NSDL specifications and upgraded as per NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.19	Whether the Participant has adequate safeguards as regards cyber security?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24	**Additional information about Participant**			
24.1	Whether Participant is satisfying the eligibility criteria as specified at Regulation 19 (a) of SEBI (Depositories and Participants) Regulations, 1996?	□ Yes □ No	If no, then details of the same must be mentioned here	
24.2	Whether the Compliance Officer of the Participant has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE)?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.3	Whether the Participant is a fit and proper person as per Regulation 7 of SEBI (Intermediaries) Regulations, 2008 and the provisions of Schedule II?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.4	Whether Risk Assessment Template (RAT), Internal and/or Concurrent Audit Report, Net worth Certificate and Compliance Certificate has been submitted periodically by participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.5	Whether change in Director / compliance officer/ Shareholding pattern of the Participant /name of the participant/ registered address of the participant and any such changes have been informed to NSDL?	□ Yes □ No □ No such changes	If no, then details of the non compliance must be mentioned here	
24.6	Whether any other deviation/non-complaince observed by internal auditor which is not specifically covered above?	□ Yes □ No	If Yes, then details must be mentioned here	
24.7	Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
Management's Comment* - Mandatory if auditor's observation is negative.				

Auditor's Report on Internal / Concurrent Audit

I/ We have carried out audit of depository operations of <Name of Participant> and I/We hereby declare the following:

1. The operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 1996, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.
2. The system related to depository operations is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.
3. The capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.
4. The business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.
5. The operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.
6. The business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.
7. The Participant has required internal controls, checks, risk management procedure in place.
8. The procedures with respect to maintenance of records (electronic and physical) are adequate.
9. To the best of our knowledge and belief and according to the information and explanations sought by us, no material fraud / non-compliance / violation by the Participant is observed during the course of this Audit
10. We do not have any direct / indirect interest in or relationship with the Participant or its shareholders / directors / partners / proprietors / management and also confirm that we do not have any conflict of interest in such relationship / interest while conducting internal/concurrent audit of the said Participant.
11. The Report provided by us covers the entire scope of the Internal/concurrent audit, is true and correct.
12. I hereby declare that digital signature certificate being used by me for signing this document is a valid digital signature certificate on this date in terms of provisions of Information Technology Act, 2000 and rules framed thereunder and that it has not been revoked by the issuing authority till this date.

Signed by the auditor using its Digital Certificate.

Annexure 3

Objectives of audit of depository operations

i. To assure the management that the operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 1996, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.

ii. To assure management that the DPM is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.

iii. To assure management that the capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.

iv. To assure management and NSDL that the business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.

v. To assure management that the operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.

vi. To assure management and NSDL that the business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.

Circular No. NSDL/POLICY/ 2017/0053 Date: September 5, 2017	***Subject: Internal and Concurrent Audit for depository operations.*** Participants are aware that as per Bye Law 10.3, each Participant is required to have its depository operations audited by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant holding a Certificate of Practice. Such audit should be conducted twice a year and a copy of the report should be submitted to NSDL. Attention of Participants is invited to Circular No. NSDL/POLICY/2017/0041 dated July 5, 2017 in which guidelines related to scope of the audit and format of the audit report were provided. The audit report format has been modified and enclosed as Annexure 1 in track change mode and as Annexure 2 (without highlighting the changes). The broad objectives / guidelines for the internal / concurrent audit are enclosed as Annexure 3. Participants are advised to take note of the following: 1. Audit should cover all facets of the depository operations. Auditor may expand the scope of audit / add more audit points to achieve the objectives enclosed as Annexure 3. Participants are advised to extend full co-operation to their auditors to enable them to perform an effective audit. All circulars / guidelines issued by NSDL / SEBI from time to time and other information / records desired by the auditors should be made available to them within a reasonable time. 2. Participants should forward the audit report as per schedule given below to NSDL – **Audit Period** — **Due date for submission of report to NSDL** April 1 to September 30 — November 15 October 1 to March 31 — May 15 3. The Participants which remain operational for less than three months in an audit period can submit audit report for that audit period along with the audit report for next audit period. For example, if a Participant is made operational by NSDL on July 1, 2017, then it can submit first audit report for period July 1, 2017– March 31, 2018. 4. Audit work for areas which are covered under the scope of concurrent audit should be completed by next working day. If audit cannot be completed by next working day due to large volume, it must be completed within a week.

5. Participants may appoint same auditor for concurrent and internal audit. If both audits are done by same auditor, then a consolidated report must be submitted instead of two separate reports. If both audits are being done by different auditors, then two separate reports must be submitted.

6. Participants are requested to note that the audit report format provided in this circular is applicable for audit period October 1, 2017 to March 31, 2018 and onwards. In respect of the audit period from April 1, 2017 to September 30, 2017 which is scheduled to be submitted to NSDL by November 15, 2017, Participants are requested to continue to refer to the audit format provided vide Circular no. NSDL/POLICY/2017/0041 dated July 5, 2017.

7. Participants are hereby informed that internal and/or concurrent audit reports which are not as per guidelines will be treated as non-submission of the report. NSDL reserves the right to advise a Participant to change its auditor if quality of the report is found to be not satisfactory or the audit is not carried out as per guidelines.

8. The auditors may visit service centers (on sample basis) to check whether proper procedures are being followed at such centers.

   Any one person conducting the internal and/or concurrent audit (risk prone areas) should obtain certification from the National Institute of Securities Markets (NISM) by passing the NISM-Series-VI: Depository Operations Certification Examination DOCE). Alternatively, such persons, if eligible, may undergo Continuing Professional Education (CPE) program for depository operations (details available on www.nism.ac.in).

9. Internal/concurrent audit report needs to be submitted in electronic form through e-PASS platform as mentioned in circular NSDL/ POLICY/2016/0091 dated November 9, 2016.

For and on behalf of

National Securities Depository Limited

Ashish Kini

Senior Manager

Cover page	
Internal / Concurrent Audit Report for Depository Operations	
Type of Audit Report	☐ Internal Audit Report (IAR) ☐ Concurrent Audit Report (CAR) ☐ Combined IAR and CAR
	Whether copies of
Name of the auditee	
DP ID(s)	INXXXXXX
	INXXXXXX
SEBI Registration Number	
Audit period	**From DD-MMM-YYYY to DD-MMM-YYYY**
Name of the auditor	
Membership no. of the auditor	
NISM – DOCE / CPE Certificate no. [*of any one person conducting the internal and/or concurrent audit*]	
Date till which certificate is valid	**DD-MMM-YYYY**
Name of the audit firm	
Full postal address of the audit firm	
Contact number along with STD code / mobile number of auditor	
email ID of auditor	
Signature of the auditor	
Date	

Activity wise sampling details				
Sr. No.	**Area**	**Count for the audit period (total number of accounts opened, demat request processed, etc.)**	**No. of samples checked**	**Percentage of samples checked**
1	Account Opening (100%)			
2	KYC re-confirmation cases: - Initiated by Participant (100%)			
	- Intimated by NSDL (100%)			
3	Demat requests / Conversion request			
4	Remat requests / Reconversion request / Redemption request			
5	DIS book issuance (Including loose slip issuance) (100%)			
6	Total DIS execution (at least 25%)			
	a) Digitally signed DIS images (having DP as well as NSDL digital signature) extracted from tamper proof storage (at least 10% of samples)			
	b) Physical DIS			
7	Replacement of Original DIS image in tamper proof storage (100%)			
8	Pledge / hypothecation instructions			
9	Client data modifications			
10	Account Freeze			
11	Account Unfreeze			
12	Modification in the name of client pursuant to error made by Participant (100%)			
13	Power of Attorney modifications (100%)			
14	Account Closure requests - Initiated by Participant (100%)			
	- Initiated by client			
15	Transmission (100%)			
16	Investor grievances received by Participant (100%)			
17	Providing statement of accounts to clearing member (100% process level) (For count / samples checked, specify number of occasions of dispatch during audit period - typically it would be six for the six month period). [In case a Participant does not have any clearing member account and has only beneficial owner account then 'Not Applicable' may be specified].	**Specify number of occasions of dispatch of statement during audit period by Participant**	**Specify number of occasions of dispatch checked by auditor**	
18	Any other samples picked by Auditors (Please provide detailed break-up of areas verified alongwith sample count for that particular area)			

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1	**KYC and Account Opening**			
1.1	Whether proof of identity, proof of address and other stipulated documents have been obtained for all the accounts as per KYC guidelines issued by SEBI, PMLA and NSDL?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.2	Whether PANs and copies of PAN Cards have been obtained for all the accounts, wherever applicable?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.3	Whether PANs are verified with the database of Income Tax Department and stamp of "PAN Verified" has been affixed on the photocopy of the PAN card(s) for all the accounts?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.4	If correspondence address of a third party has been accepted, whether guidelines prescribed by SEBI, PMLA and NSDL have been followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.5	Whether all KYC application forms and account opening forms are completely filled in respect of all account holder(s)?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.6	Whether photograph(s) of client(s)/ Authorised signatories/Director(s)/ Promoter(s)/ Trustee(s)/ Partner(s) etc provided on KYC Form matches with the photograph on Proof of Identity and PAN card of respective person(s)?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
1.7	Whether signature(s) of client(s)/Authorised signatories provided on Account Opening Form and KYC Documents matches with the signature(s) on Proof of Identity and PAN card of respective person(s)?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.8	Whether copies of all the documents submitted by the applicant are self-attested?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.9	Whether copies of all the documents submitted by the applicant are accompanied with originals for verification / properly attested by entities authorized for attesting the documents in cases where the original of the said document is not produced for verification?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.10	Whether the 'in - person' verification of the account holders has been done before activation of the account and the record of in-person verification is maintained as per SEBI, PMLA and NSDL guidelines?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.11	Whether Participant has provided a copy of the “Rights and Obligations of the Beneficial Owner and Depository Participant” document to the client either in electronic or physical form, depending upon the preference of the clientand obtained an acknowledgement of the same from the client?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.12	Whether data entered in DPM system matches with the details mentioned in the account opening form?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1.13	Whether mobile number and email id captured are of the client or family member as per the circular of NSDL and SEBI?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.14	Whether the bank details have been correctly captured in compliance with SEBI and NSDL circular?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.15	Whether signature of account holder(s) as given in the account opening form has been scanned in the DPM system clearly and correctly?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.16	Whether the scanned images of the KYC documents of the clients have been furnished to KRA within 10 working days from the date of execution of documents by clients?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.17	Whether required information / documents are forwarded by Participants to KRA for cases which are informed as incomplete by KRA?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.18	Whether the Participant has uploaded existing clients' KYC data on KRA system and sent scanned images of KYC documents to KRA as per SEBI guidelines?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether the Participant has used the KYC data of a client obtained from the KRA only for the purposes it is meant for?	☐ Yes ☐ No	If no, then details must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
1.20	Whether Participant has downloaded KYC information of client(s) who are KYC compliant from KRA platform?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.21	Whether sufficient information has been obtained from clients, to identify and verify the identity of persons who beneficially own or control the securities account (i.e Ultimate Beneficial Owner) as per SEBI, PMLA and NSDL guidelines (specially for non-individual clients)?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.22	Whether activation of Rajiv Gandhi Equity Savings Scheme (RGESS) flag in the Depository account opened is as per SEBI and NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.23	Whether Participant has provided 'New Retail Investor Certificate' (NRIC) to accountholders who have availed RGESS facility or has informed to client that the NRIC is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.24	Whether SARAL account is opened as per SEBI/NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.25	Whether Participant has captured the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PMLA Rules, as per the KYC template for "individuals" finalised by CERSAI?	☐ Yes ☐ No	If no, then details must be mentioned here	
1.26	Whether Participant has uploaded the existing clients' KYC details with Central KYC Records Registry (CKYCR) System?	☐ Yes ☐ No	If no, then details must be mentioned here	
1.27	Whether Participant is in compliance with the clauses of undertaking submitted to NSDL for availing the facility of advance generation of separate series of Client ID from the DPM system?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
2	**KYC Re-Confirmation**			
2.1	**Initiated by Participant**			

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
2.1.1.	Whether periodicity for updation of all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is defined?	☐ Yes ☐ No	If no, then details must be mentioned here	
2.1.2	Whether all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is updated as per defined periodicity and as and when there are suspicions of money laundering or financing of terrorism?	☐ Yes ☐ No	If no, then details must be mentioned here	
2.2	**Intimated by NSDL**			
2.2.1	Whether KYC confirmation response is updated on i-assist intranet site of NSDL within the stipulated time as prescribed by NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with delayed responses must be mentioned here or enclosed as Annexure	
2.2.2	For all such accounts for which KYC is confirmed on i-assist, whether all KYC documents (*as per the KYC guidelines issued by SEBI, PMLA and NSDL*) are in possession of Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.3	Whether all such KYC documents (referred in point no. 2.2.2) are verified with originals / properly attested by entities authorized for attesting the documents?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.4	Whether all such KYC documents are verified by the auditor before KYC confirmation response is updated by the Participant on i-assist on concurrent basis and auditor has provided certification to that effect?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
2.2.5	Whether Participant has suspended for debits all such accounts which are reported as KYC non-compliant on i-assist after giving appropriate notice to the client(s) till the time such client(s) submits necessary KYC documents as per the KYC guidelines issued by SEBI, PMLA and NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.6	For accounts reported as non-compliant by the Participant on i-assist where the client(s) subsequently submits necessary KYC documents as per the stipulated KYC guidelines, whether the Participant has provided KYC confirmation response to NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
3	**Client Data Modification**			
3.1	Whether clients' request for changes in data (e.g. name of client, address, signature, bank details, mobile number, E-mail, mode of receiving annual report, AGM notice and other communications, Type & Sub type, RGESS Flag, BSDA Flag, Mode of receiving statement of account in electronic form, Family flag, SI indicator etc.) have been processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.2	Whether Client name modification pursuant to error of Participant has been processed as per prescribed procedure ?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.3	Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4	**Power of Attorney (POA)**			

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
4.1	Whether POA documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of POA holder(s)) have been entered into DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4.2	Whether POA contains clauses which are as per the SEBI stipulated guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
4.3	Whether specific purpose POA contains list of demat accounts where securities can be transferred based on POA?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
4.4	Whether Participant has created POA ID for all POA holders in DPM and map the same to the respective demat account where DIS is issued to POA holder?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.5	For specific purpose POA, list of demat accounts where securities can be transferred are mapped with POA ID in DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
4.6	Whether modification/cancellation of Power of Attorney is done as per SEBI/NSDL prescribed guidelines and details have been entered into DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.7	Whether Participant has complied with the requirement of not obtaining POA in its capacity as a Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
5	**Nomination**			
5.1	Whether nomination is made as per the prescribed procedure and based on the duly filled nomination form?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.2	Whether Nomination details are entered in DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.3	Whether nomination is modified / cancelled in demat account as per NSDL prescribed guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6	**Demat / Remat / Conversion / Reconversion / Redemption request**			
6.1	Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.2	Whether Participant refers to the list of Distinctive Numbers of certificates submitted for dematerialisation as made available by NSDL and ensures that the appropriate International Securities Identification Number (ISIN) is filled in DRF?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
6.3	Whether Participant refers to lists of companies having high demat pendency and non-responding/services stopped by Registrar and Transfer Agent(s) as displayed on NSDL website and informs clients suitably while accepting demat requests of these companies?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
6.4	Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
6.5	Whether demat / conversion requests received have been sent to Issuer / Registrar & Transfer Agent within seven days from the date of receipt of the request from the account holder?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
6.6	Whether there are sufficient provisions / arrangements for safe keeping of security certificates received from account holders for dematerialisation and certificates received after rejection of the demat request from Issuer / Registrar & Transfer Agent?	☐ Yes ☐ No	If no, then details must be mentioned here	
6.7	Whether any demat / conversion request was rejected due to error attributable to Participant?	☐ Yes ☐ No	If ,yes then number of cases with discrepancies must be mentioned here	
6.8	Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
6.9	Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.10	Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
6.11	Whether the Mutual Fund redemption requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7	**Delivery Instruction Slip (DIS)**			
7.1	***Issuance of DIS***			
7.1.1	Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically?	☐ Yes ☐ No	If no, then details must be mentioned here	
7.1.2	Whether the DIS issued to client has pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID or POA ID in case of DIS issued to POA holder??	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.3	Whether DIS booklets have been issued on receipt of requisition slips signed by the client (all holders in case of joint account)?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.4	Whether issuance of loose DIS to account holder is done as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.5	If DIS booklet is handed over to the authorized person other than account holder, then whether the signature of authorized person and his proof of identity are verified before issuance of DIS booklet?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.6	Whether the details regarding issuance of DIS (booklet and loose slips) to the clients have been entered in the DPM within two days of issuance?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
7.1.7	Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.8	Whether Participant has a system in place to ensure that the DIS issued prior January 7, 2014 are not accepted?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.9	Whether in cases of inter depository account closure, inter depository transmission of securities and execution of instructions based on court/regulatory orders, Participant has captured the required codes such as 'CL9999999999', 'TR9999999999' and 'RO9999999999' respectively against DIS serial number for execution of instructions?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2	***Verification of DIS***			
7.2.1	Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.2	Whether serial number of all the DIS(s) reported as lost / misplaced / stolen by the account holder or undelivered DIS are blocked in the DPM ?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.3	Whether DIS(s) given by account holder are available for all instructions executed in DPM (instruction other than those given by account holders through Speed-e electronically)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
7.2.4	Whether signature(s) on DIS match with the signature(s) scanned in the DPM system?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.5	Whether corrections / cancellation on DIS, if any, are authenticated by the client (all holders for joint accounts)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.6	Whether Participant accepts instructions by fax from account holder?	☐ Yes ☐ No		
7.2.7	If reply to 7.2.6 is yes, then whether original DIS has been received within three working days for all faxed instructions?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.8	If reply to 7.2.6 is yes, then whether Participant has obtained an indemnity from account holders who want to give instruction over fax?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.9	If Participant is accepting delivery instruction in form of an annexure to a DIS, whether it is done as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.10	Whether Participant is ensuring that information under columns “Consideration” and “Reason / Purpose /code” are mentioned for off market instructions by clients?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
7.2.11	Whether Participant follows maker - checker system to process the instructions?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.12	Whether there is an additional level of verification for high value instructions in a single DIS (DIS with value of Rs. 5 lakhs and above)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.13	Whether in case active accounts has five or more ISINs and all such ISIN balances are transferred at a time, Participant has verified with the client before execution of DIS and recorded the details of the same on DIS?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.14	Whether instructions executed in the DPM system are as per DIS?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.15	Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)?	☐ Yes ☐ No		
7.2.16	If reply to 7.2.15 is yes, whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
7.2.17	If reply to 7.2.15 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
7.3	**Scanning of Delivery Instruction Slips (DIS) and Tamper proof storage of DIS images**			
7.3.1	Whether every DIS executed in the DPM is scanned alongwith all annexures / computer printouts (if any) by the end of the next working day and digitally signed image of the same is posted on DIVS system successfully for validation and digitally signature of NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.2	Whether the Participant scans the DIS received through fax and post the same to the DIVS and whenever original DIS is received the same is also scanned and posted on DIVS system within one working day from receipt of original DIS?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.3	Whether scanned images of DIS are legible and tagged to the correct DIS serial number?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.4	Whether the NSDL signed DIS images are stored in the system set up by the Participant as per the specification of NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.5	Whether authorized replacement of the original DIS image is carried out as per NSDL guidelines and the reason for such replacement is appropriately recorded in the Index file?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
7.3.6	Whether tamper proof storage system of DIS images in which the NSDL signed DIS images (i.e. response files generated by DIVS) are stored, maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS images?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.3.7	Whether tamper proof storage system restricts unauthorized alteration or deletion?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.3.8	Whether tamper proof storage system is in compliance with the specification prescribed by NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.3.9	Whether tamper proof storage system has facility to check integrity of the system?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.3.10	Whether alert generated by tamper proof storage system during integrity check are monitored, corrective actions are taken and reported the same to NSDL by the Participant?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.4	**Dormant Account Monitoring**			
7.4.1	Whether in case of an accounts which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months and whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time, Participant has verified with the client before execution of DIS?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
7.4.2	Whether authorized official of the Participant verifying such transactions with the Client has recorded the details of the process, date, time, etc., of the verification on the instruction slip under his signature?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8	**Account Closure**			
8.1	Whether clients' request for closure of account has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.2	Whether DIS has been obtained in case of transfer of securities to an account other than clients' own account pursuant to account closure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.3	Whether 30 days notice is given to the client as well as to the depository before closing client account, in case account closure is initiated by Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.4	Whether Participant has refunded the account maintenance charges collected upfront on annual/half yearly basis (if so), to the client for the balance of the quarter/s, in the event of closing of the demat account or shifting of the demat account from one Participant to another?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
9	**Transmission of Securities**			
9.1	Whether all transmission cases have been processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9.2	Whether all transmission cases have been processed within 7 days of receipt of the transmission request?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10	**Freeze/Unfreeze**			
10.1	Whether freeze and unfreeze instructions received from the clients' are processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.2	Whether PAN card is obtained and verified as per prescribed procedure before unfreezing an account which was frozen due to non-availability of PAN	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.3	Whether appropriate reason has been captured while freezing/unfreezing clients' account in case freeze is initiated by Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
11	**Investor Grievances**			
11.1	Whether all investors' grievances have been redressed as per the procedure and within the stipulated time?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details of grievances pending for redressal	
11.2	Whether Participant has prominently displayed basic information about the grievance redressal mechanism available to investors in their offices?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
11.3	Whether grievances received directly from clients at service center or DPM setup location through NSDL or SEBI are included in the monthly Investor grievance report submitted to NSDL by Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
11.4	Whether Participant has dedicated email ID for informing investor grievances?	☐ Yes ☐ No	If no, then details must be mentioned here	
12	**Statement of Account (including transaction statement and holdings statement)**			
12.1	Whether statements provided to the clearing member accounts are as per the prescribed frequency?	☐ Yes ☐ No ☐ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.2	Whether statements are provided to the client as and when requested?	☐ Yes ☐ No	If no, then details must be mentioned here	
12.3	In case a third party address has been captured in the demat account, whether a statement is sent to the address of the Client once a year?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
12.4	Whether statements are generated from back office or DPM system?	☐ Back office ☐ DPM system		

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
12.5	If generated from back office, whether the details match with statement generated from DPM system?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.6	Whether the narration of corporate action / ISIN description (*especially in case of debt*) appearing in the statement of accounts are meaningful to the Client?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.7	If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
13	**Compliance under Prevention of Money Laundering Act, 2002 (PMLA)**			
13.1	Whether Participant has adopted a policy to comply with its obligations under PMLA?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.2	If reply to 13.1 is yes, whether the policy is in line with SEBI / NSDL requirements, approved by Board of Participant and reviewed periodically?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.3	Whether Participant has complied with all the policies and procedures as prescribed under PMLA and SEBI guidelines such as customer due diligence, suspicious transaction monitoring and reporting, record keeping etc.?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
13.4	Whether AML Policy is updated to reflect recent changes as prescribed by SEBI?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.5	In case of applicable Non Individual clients, Whether Participants obtains copy of balance sheet and latest share holding pattern, including list of all those holding control, either directly or indirectly, in terms of SEBI takeover Regulations, duly certified by the company secretary / Whole Time Director/ MD, every year?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.6	Whether Participant has carried out risk assessment to mitigate its money laundering and terrorist financing risk with respect to its clients, as required under PMLA?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.7	Whether necessary checks and balances are put in place to ensure that the identity of the clients (both existing and new) does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.8	Whether the Participant has internal mechanism to monitor and detect suspicious transactions as per the requirements of PMLA/SEBI/NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.9	Whether Participant has submitted STR within 7 days of arriving at a conclusion that any transaction, or a series of transactions integrally connected are of suspicious nature?	☐ Yes ☐ No ☐ No STR filled	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
13.10	Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.11	Whether enhanced due diligence measures have been applied for clients categorised as high risk / special category including clients who are residents of jurisdictions listed in FATF statements?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.12	In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.13	Whether ongoing due diligence and scrutiny of the transactions and account throughout the course of the business relationship is conducted by the Participant to ensure that the transactions being conducted are consistent with the Participant's knowledge of the client, its business and risk profile and where necessary, the client's source of funds is also taken into consideration?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.14	Whether Participant has revisited the CDD process when there are suspicions of money laundering or financing of terrorism and the matter has been disposed off after carrying necessary due diligence?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.15	Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.16	Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
13.17	Whether there is a mechanism to deal appropriately with the alerts provided by NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.18	If any suspicious transaction is reported to FIU-India India then whether count of STRs reported to FIU-India are informed to NSDL?	☐ Yes ☐ No ☐ No STR filled	If no, then details of the non compliance must be mentioned here	
13.19	Whether suspicious transaction register (physical and/or in electronic form) has been maintained?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
14	**Operations Manual**			
14.1	Whether Participant has prepared an operations manual?	☐ Yes ☐ No		
14.2	If reply to 14.1 is yes, whether operations manual covers all depository activities?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention the areas not covered in operations manual	
14.3	If reply to 14.1 is yes, whether operations manual is updated as and when required?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention when is it updated	
14.4	If reply to 14.1 is yes, whether operations manual is available to persons who need to refer it?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention how is the work done by those persons	
14.5	If reply to 14.1 is yes, whether procedures mentioned in the operations manual are followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
15	**Maintenance of record**			
15.1	Whether Participant has informed NSDL about place(s) of record keeping?	☐ Yes ☐ No	If no, then mention the place of record keeping	
15.2	Whether an internal mechanism has been evolved by Participant for proper maintenance and preservation of such records and information in the manner that allows easy and quick retrieval of data as and when requested by competent authorities?	☐ Yes ☐ No	If no, then give details here	
16	**Outsourced activities**			
16.1	Whether Participant has outsourced record keeping activity (partly or fully)?	☐ Yes ☐ No	If yes, then the name of the agency / firm and nature of arrangement must be mentioned here	
16.2	If reply to 16.1 is yes, whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details here	
16.3	Whether any business activity **other than record maintenance** is outsourced?	☐ Yes ☐ No		
16.4	If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details here	
16.5	If reply to 16.1 and / or 16.3 is yes -			
	a) Whether Participant has entered into legally binding written contract/agreement/ terms and conditions with the Vendor(s) as per the stipulated guidelines issued by SEBI?	☐ Yes ☐ No ☐ Not Applicable	If no, then various outsourcing risks inherent in the process must be mentioned here	
	b) Whether proper checks and control mechanism has been implemented by the vendor/agency?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
	c) Whether during the course of periodic review, material outsourcing risks if any, are properly mitigated?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
	d) Whether Participant has a comprehensive policy to guide the assessment of whether and how the above activities are outsourced in terms of stipulated SEBI guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
17	**Service centre (whether offering the services as a DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name)**			
17.1	Whether NSDL's approval has been obtained for all the service centres opened during the audit period?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
17.2	Whether prescribed procedure has been followed for any service centre closed / terminated during the audit period?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
17.3	Whether the data of all the service centres (DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name) displayed on the NSDL website is updated and correct?	☐ Yes ☐ No	If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact information, etc. must be mentioned here	
17.4	Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE/NCFM/NCDO) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person?	☐ Yes ☐ No	If no, then details of non compliance must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
17.5	Whether internal audit has been conducted at adequate number of service centres other than DPM setup to verify guidelines prescribed by SEBI, PMLA and NSDL have been followed ?	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention count of service centres audited and locations thereof and If no, then details of non compliance must be mentioned here	
17.6	Whether the depository services offered at the service center are displayed at the service centers (where all depository services are not offered by the service center)?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
18	**Status of compliance for deviations / observations noted in last NSDL inspection and internal / concurrent audit report**			
18.1	Whether Participant has complied with all the deviations noted during last NSDL inspection?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.2	Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection?	☐ Yes ☐ No ☐ Not Applicable		
18.3	Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	☐ Yes ☐ No	If yes, then provide details / comments on issues	
18.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	☐ Yes ☐ No	If yes, provide details along with supporting documents	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
19	**Reporting by Participants to its Board of Directors**			
19.1	Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? (*same may be verified from the extract of the minutes of the Board Meeting).*	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention date of the Board Meeting	
19.2	Whether Participant has placed last internal/concurrent audit findings alongwith management comment before its Board of Directors / Audit Committee? (*same may be verified from the extract of the minutes of the Board Meeting*)	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention date of the Board Meeting	
20	**Billing**			
20.1	Whether all account holder are billed as per the tariff sheet?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
20.2	Whether Participant has given atleast one month's prior notice for any increase in the tariff sheet?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
20.3	Whether charges levied for demat accounts are in accordance with SEBI/NSDL guidelines?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
20.4	Whether Participant has not charged account holder(s), for transfer of all the securities lying in his account to another account of client with another branch of the same Participant or to another Participant of the same depository or another depository, provided the account holder(s) at transferee Participant and at transferor Participant are identical in all respects?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
20.5	Whether increase or decrease made in charges i.e changes in tariff sheet has been intimated to NSDL for making it available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
21	**Back Office**			
21.1	If Participant is using backoffice software for depository operations like providing statement, billing etc., whether balances as per back office are reconciled on a daily basis with DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22	**Miscellaneous areas**			
22.1	Whether there is any supplementary agreement / letter of confirmation / power of attorney obtained / executed with account holder which are in contravention to 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.2	Whether Participant has collected requisite documents to claim waiver of settlement fees?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.3	Whether pledge and hypothecation instructions are processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.4	Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
22.5	Whether forms in use for various activities are as prescribed?	☐ Yes ☐ No	If no, then mention the forms and the discrepancies observed therein.	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
22.6	Whether Participant has a policy for dealing with conflicts of interest?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
22.7	Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
22.8	Whether Participant has provided 'Annual Statement- RGESS' to account holders who have availed RGESS facility or has informed to client that the Annual Statement for RGESS is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
22.9	Whether Participant has provided 'RGESS Compliance Report to client who have availed RGESS facility or has informed to client that the RGESS Compliance Report is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
22.10	Whether Participant has offered BSDA facility to all eligible Beneficial Owners?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
22.11	Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility of BSDA and has converted all eligible demat accounts into BSDA until such BOs specifically opt to continue to avail the facility of a regular demat account?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
22.12	Whether Participant has displayed various tickers on its website to create awareness among clients to subscribe for SMS alerts, for KYC registration and that ASBA has been made mandatory payment mechanism for all investors including retail investors for all public issues opening on or after Jan 1, 2016?	☐ Yes ☐ No ☐ Not Applicable	If no, then reason for the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
22.13	Whether Participant has taken up the matter with Clients where same mobile number and email ID is captured for more than one Client?	☐ Yes ☐ No ☐ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.14	Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.15	Whether 'Document Received Date' has been captured correctly in DPM/eDPM by the Participant in respect of various service requests?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
22.16	Comment on improvements made in the operations since last audit.		Views of the auditor on the improvements, if any (or nil), in operations of the Participant should be mentioned here	
23	**System areas**			
23.1	Whether hardware and software installed on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL and made available on i-Assist?	☐ Yes ☐ No	If no, then mention the mismatch	
23.2	Whether Participant is taking backup on a daily basis?	☐ Yes ☐ No		
23.3	Whether Participant has kept remote backup media as per prescribed guidelines?	☐ Yes ☐ No		
23.4	Whether updated antivirus is installed on the server and all the client machines?	☐ Yes ☐ No		
23.5	Whether log shipping facility for log generation is working?	☐ Yes ☐ No		
23.6	Whether all the software installed on server and client machines are licensed?	☐ Yes ☐ No		

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
23.7	Whether RAID has been configured as per the prescribed guidelines?	☐ Yes ☐ No		
23.8	Whether database reorg and shrinking are done as per the prescribed guidelines?	☐ Yes ☐ No		
23.9	Whether scheduled switch to fallback connectivity is done and the record thereof is maintained?	☐ Yes ☐ No		
23.10	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	☐ Yes ☐ No	If no, then mention whether the Participant has obtained approval for the same?	
23.11	Whether UPS / alternate power arrangement is available for all the hardware / equipments used for depository operations?	☐ Yes ☐ No		
23.12	Whether adequate physical and logical access restrictions for usage of system are in place?	☐ Yes ☐ No		
23.13	Whether backup of back office data is taken?	☐ Yes ☐ No ☐ Not Applicable		
23.14	Whether back office is directly connected to DPM system?	☐ Yes ☐ No		
23.15	If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.16	Whether atleast one staff managing the systems is NSDL trained?	☐ Yes ☐ No		
23.17	Whether physical access to client machines and server is restricted only to authorised persons?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
23.18	Whether the operating system and other softwares installed on the machines used for depository operations are as per NSDL specifications and upgraded as per NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
23.19	Whether the Participant has adequate safeguards as regards cyber security?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24	**Additional information about Participant**			
24.1	Whether Participant is satisfying the eligibility criteria as specified at Regulation 19 (a) of SEBI (Depositories and Participants) Regulations, 1996?	☐ Yes ☐ No	If no, then details of the same must be mentioned here	
24.2	Whether the Compliance Officer of the Participant has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE)?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24.3	Whether the Participant is a fit and proper person as per Regulation 7 of SEBI (Intermediaries) Regulations, 2008 and the provisions of Schedule II?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24.4	Whether Risk Assessment Template (RAT), Internal and/or Concurrent Audit Report, Net worth Certificate and Compliance Certificate has been submitted periodically by participant?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24.5	Whether change in Director / compliance officer/ Shareholding pattern of the Participant /name of the participant/ registered address of the participant and any such changes have been informed to NSDL?	☐ Yes ☐ No ☐ No such changes	If no, then details of the non compliance must be mentioned here	
24.6	Whether any other deviation/non-complaince observed by internal auditor which is not specifically covered above?	☐ Yes ☐ No	If Yes, then details must be mentioned here	
24.7	Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
				Management's Comment* - Mandatory if auditor's observation is negative.

Auditor's Report on Internal / Concurrent Audit

I/ We have carried out audit of depository operations of <Name of Participant> and I/We hereby declare the following:

1. The operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 1996, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.
2. The system related to depository operations is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.
3. The capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.
4. The business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.
5. The operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.
6. The business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.
7. The Participant has required internal controls, checks, risk management procedure in place.
8. The procedures with respect to maintenance of records (electronic and physical) are adequate.
9. To the best of our knowledge and belief and according to the information and explanations sought by us, no material fraud / non-compliance / violation by the Participant is observed during the course of this Audit
10. We do not have any direct / indirect interest in or relationship with the Participant or its shareholders / directors / partners / proprietors / management and also confirm that we do not have any conflict of interest in such relationship / interest while conducting internal/ concurrent audit of the said Participant.
11. The Report provided by us covers the entire scope of the Internal/concurrent audit, is true and correct.
12. I hereby declare that digital signature certificate being used by me for signing this document is a valid digital signature certificate on this date in terms of provisions of Information Technology Act, 2000 and rules framed thereunder and that it has not been revoked by the issuing authority till this date.

Signed by the auditor using its Digital Certificate.

Cover page	
Internal / Concurrent Audit Report for Depository Operations	
Type of Audit Report	☐ Internal Audit Report (IAR) ☐ Concurrent Audit Report (CAR) ☐ Combined IAR and CAR
Name of the auditee	
DP ID(s)	INXXXXXX
	INXXXXXX
SEBI Registration Number	
Audit period	**From DD-MMM-YYYY to DD-MMM-YYYY**
Name of the auditor	
Membership no. of the auditor	
NISM – DOCE / CPE Certificate no. [*of any one person conducting the internal and/or concurrent audit*]	
Date till which certificate is valid	**DD-MMM-YYYY**
Name of the audit firm	
Full postal address of the audit firm	
Contact number along with STD code / mobile number of auditor	
email ID of auditor	
Signature of the auditor	
Date	

Activity wise sampling details				
Sr. No.	**Area**	**Count for the audit period (total number of accounts opened, demat request processed, etc.)**	**No. of samples checked**	**Percentage of samples checked**
1	Account Opening (100%)			
2	KYC re-confirmation cases: - Initiated by Participant (100%)			
	- Intimated by NSDL (100%)			
3	Demat requests / Conversion request			
4	Remat requests / Reconversion request / Redemption request			
5	DIS book issuance (Including loose slip issuance) (100%)			
6	DIS execution (at least 25%)			
7	Pledge / hypothecation instructions			
8	Client data modifications			
9	Account Freeze			
10	Account Unfreeze			
11	Modification in the name of client pursuant to error made by Participant(100%)			
12	Power of Attorney modifications (100%)			
13	Account Closure requests - Initiated by Participant (100%)			
	- Initiated by client			
14	Transmission (100%)			
15	Investor grievances received by Participant (100%)			
16	Providing statement of accounts to clearing member (100% process level) (For count / samples checked, specify number of occasions of dispatch during audit period - typically it would be six for the six month period). [In case a Participant does not have any clearing member account and has only beneficial owner account then 'Not Applicable' may be specified].	**Specify number of occasions of dispatch of statement during audit period by Participant**	**Specify number of occasions of dispatch checked by auditor**	
17	Any other samples picked by Auditors (Please provide detailed break-up of areas verified alongwith sample count for that particular area)			

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1	KYC and Account Opening			
1.1	Whether proof of identity, proof of address and other stipulated documents have been obtained for all the accounts as per KYC guidelines issued by SEBI, PMLA and NSDL?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.2	Whether PANs and copies of PAN Cards have been obtained for all the accounts, wherever applicable?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.3	Whether PANs are verified with the database of Income Tax Department and stamp of "PAN Verified" has been affixed on the photocopy of the PAN card(s) for all the accounts?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.4	If correspondence address of a third party has been accepted, whether guidelines prescribed by SEBI, PMLA and NSDL have been followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.5	Whether all KYC application forms and account opening forms are completely filled in respect of all account holder(s)?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.6	Whether photograph(s) of client(s)/Authorised signatories/Director(s)/ Promoter(s)/ Trustee(s)/ Partner(s) etc provided on KYC Form matches with the photograph on Proof of Identity and PAN card of respective person(s)?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.7	Whether signature(s) of client(s)/Authorised signatories provided on Account Opening Form and KYC Documents matches with the signature(s) on Proof of Identity and PAN card of respective person(s)?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.8	Whether copies of all the documents submitted by the applicant are self-attested?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.9	Whether copies of all the documents submitted by the applicant are accompanied with originals for verification / properly attested by entities authorized for attesting the documents in cases where the original of the said document is not produced for verification?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1.10	Whether the 'in - person' verification of the account holders has been done before activation of the account and the record of in-person verification is maintained as per SEBI, PMLA and NSDL guidelines?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.11	Whether Participant has provided a copy of the "Rights and Obligations of the Beneficial Owner and Depository Participant" document to the client either in electronic or physical form, depending upon the preference of the clientand obtained an acknowledgement of the same from the client?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.12	Whether data entered in DPM system matches with the details mentioned in the account opening form?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.13	Whether mobile number and email id captured are of the client or family member as per the circular of NSDL and SEBI?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.14	Whether the bank details have been correctly captured in compliance with SEBI and NSDL circular?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.15	Whether signature of account holder(s) as given in the account opening form has been scanned in the DPM system clearly and correctly?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.16	Whether the scanned images of the KYC documents of the clients have been furnished to KRA within 10 working days from the date of execution of documents by clients?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.17	Whether required information / documents are forwarded by Participants to KRA for cases which are informed as incomplete by KRA?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.18	Whether the Participant has uploaded existing clients' KYC data on KRA system and sent scanned images of KYC documents to KRA as per SEBI guidelines?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether the Participant has used the KYC data of a client obtained from the KRA only for the purposes it is meant for?	☐ Yes ☐ No	If no, then details must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
1.20	Whether Participant has downloaded KYC information of client(s) who are KYC compliant from KRA platform?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.21	Whether sufficient information has been obtained from clients, to identify and verify the identity of persons who beneficially own or control the securities account (i.e Ultimate Beneficial Owner) as per SEBI, PMLA and NSDL guidelines (specially for non- individual clients)?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.22	Whether activation of Rajiv Gandhi Equity Savings Scheme (RGESS) flag in the Depository account opened is as per SEBI and NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.23	Whether Participant has provided 'New Retail Investor Certificate' (NRIC) to accountholders who have availed RGESS facility or has informed to client that the NRIC is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.24	Whether SARAL account is opened as per SEBI/ NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.25	Whether Participant has captured the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PMLA Rules, as per the KYC template for "individuals" finalised by CERSAI?	☐ Yes ☐ No	If no, then details must be mentioned here	
1.26	Whether Participant has uploaded the existing clients' KYC details with Central KYC Records Registry (CKYCR) System?	☐ Yes ☐ No	If no, then details must be mentioned here	
1.27	Whether Participant is in compliance with the clauses of undertaking submitted to NSDL for availing the facility of advance generation of separate series of Client ID from the DPM system?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
2	**KYC Re-Confirmation**			
2.1	**Initiated by Participant**			
2.1.1.	Whether periodicity for updation of all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is defined?	☐ Yes ☐ No	If no, then details must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
2.1.2	Whether all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is updated as per defined periodicity and as and when there are suspicions of money laundering or financing of terrorism?	☐ Yes ☐ No	If no, then details must be mentioned here	
2.2	**Intimated by NSDL**			
2.2.1	Whether KYC confirmation response is updated on i-assist intranet site of NSDL within the stipulated time as prescribed by NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with delayed responses must be mentioned here or enclosed as Annexure	
2.2.2	For all such accounts for which KYC is confirmed on i-assist, whether all KYC documents (*as per the KYC guidelines issued by SEBI, PMLA and NSDL*) are in possession of Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.3	Whether all such KYC documents (referred in point no. 2.2.2) are verified with originals / properly attested by entities authorized for attesting the documents?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.4	Whether all such KYC documents are verified by the auditor before KYC confirmation response is updated by the Participant on i-assist on concurrent basis and auditor has provided certification to that effect?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.5	Whether Participant has suspended for debits all such accounts which are reported as KYC non-compliant on i-assist after giving appropriate notice to the client(s) till the time such client(s) submits necessary KYC documents as per the KYC guidelines issued by SEBI, PMLA and NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.6	For accounts reported as non-compliant by the Participant on i-assist where the client(s) subsequently submits necessary KYC documents as per the stipulated KYC guidelines, whether the Participant has provided KYC confirmation response to NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
3	**Client Data Modification**			
3.1	Whether clients' request for changes in data (e.g. name of client, address, signature, bank details, mobile number, E-mail, mode of receiving annual report, AGM notice and other communications, Type & Sub type, RGESS Flag, BSDA Flag, Mode of receiving statement of account in electronic form, Family flag, SI indicator etc.) have been processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.2	Whether Client name modification pursuant to error of Participant has been processed as per prescribed procedure ?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.3	Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4	**Power of Attorney (POA)**			
4.1	Whether POA documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of POA holder(s)) have been entered into DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4.2	Whether POA contains clauses which are as per the SEBI stipulated guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
4.3	Whether specific purpose POA contains list of demat accounts where securities can be transferred based on POA?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
4.4	Whether Participant has created POA ID for all POA holders in DPM and map the same to the respective demat account where DIS is issued to POA holder?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.5	For specific purpose POA, list of demat accounts where securities can be transferred are mapped with POA ID in DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
4.6	Whether modification/cancellation of Power of Attorney is done as per SEBI/NSDL prescribed guidelines and details have been entered into DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
4.7	Whether Participant has complied with the requirement of not obtaining POA in its capacity as a Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5	**Nomination**			
5.1	Whether nomination is made as per the prescribed procedure and based on the duly filled nomination form?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.2	Whether Nomination details are entered in DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.3	Whether nomination is modified / cancelled in demat account as per NSDL prescribed guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6	**Demat / Remat / Conversion / Reconversion / Redemption request**			
6.1	Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.2	Whether Participant refers to the list of Distinctive Numbers of certificates submitted for dematerialisation as made available by NSDL and ensures that the appropriate International Securities Identification Number (ISIN) is filled in DRF?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
6.3	Whether Participant refers to lists of companies having high demat pendency and non-responding/services stopped by Registrar and Transfer Agent(s) as displayed on NSDL website and informs clients suitably while accepting demat requests of these companies?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
6.4	Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
6.5	Whether demat / conversion requests received have been sent to Issuer / Registrar & Transfer Agent within seven days from the date of receipt of the request from the account holder?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
6.6	Whether there are sufficient provisions / arrangements for safe keeping of security certificates received from account holders for dematerialisation and certificates received after rejection of the demat request from Issuer / Registrar & Transfer Agent?	☐ Yes ☐ No	If no, then details must be mentioned here	
6.7	Whether any demat / conversion request was rejected due to error attributable to Participant?	☐ Yes ☐ No	If ,yes then number of cases with discrepancies must be mentioned here	
6.8	Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
6.9	Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.10	Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.11	Whether the Mutual Fund redemption requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7	**Delivery Instruction Slip (DIS)**			
7.1	***Issuance of DIS***			
7.1.1	Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically?	☐ Yes ☐ No	If no, then details must be mentioned here	
7.1.2	Whether the DIS issued to client has pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID or POA ID in case of DIS issued to POA holder??	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.3	Whether DIS booklets have been issued on receipt of requisition slips signed by the client (all holders in case of joint account)?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.4	Whether issuance of loose DIS to account holder is done as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
7.1.5	If DIS booklet is handed over to the authorized person other than account holder, then whether the signature of authorized person and his proof of identity are verified before issuance of DIS booklet?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.6	Whether the details regarding issuance of DIS (booklet and loose slips) to the clients have been entered in the DPM within two days of issuance?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.7	Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.8	Whether Participant has a system in place to ensure that the DIS issued prior January 7, 2014 are not accepted?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.9	Whether in cases of inter depository account closure, inter depository transmission of securities and execution of instructions based on court/regulatory orders, Participant has captured the required codes such as 'CL9999999999', 'TR9999999999' and 'RO9999999999' respectively against DIS serial number for execution of instructions?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2	***Verification of DIS***			
7.2.1	Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.2	Whether serial number of all the DIS(s) reported as lost / misplaced / stolen by the account holder or undelivered DIS are blocked in the DPM ?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.3	Whether DIS(s) given by account holder are available for all instructions executed in DPM (instruction other than those given by account holders through Speed-e electronically)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
7.2.4	Whether signature(s) on DIS match with the signature(s) scanned in the DPM system?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.5	Whether corrections / cancellation on DIS, if any, are authenticated by the client (all holders for joint accounts)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.6	Whether Participant accepts instructions by fax from account holder?	☐ Yes ☐ No		
7.2.7	If reply to 7.2.6 is yes, then whether original DIS has been received within three working days for all faxed instructions?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.8	If reply to 7.2.6 is yes, then whether Participant has obtained an indemnity from account holders who want to give instruction over fax?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.9	If Participant is accepting delivery instruction in form of an annexure to a DIS, whether it is done as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.10	Whether Participant is ensuring that information under columns “Consideration” and “Reason / Purpose /code” are mentioned for off market instructions by clients?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.11	Whether Participant follows maker - checker system to process the instructions?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.12	Whether there is an additional level of verification for high value instructions in a single DIS (DIS with value of Rs. 5 lakhs and above)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.13	Whether in case active accounts has five or more ISINs and all such ISIN balances are transferred at a time, Participant has verified with the client before execution of DIS and recorded the details of the same on DIS?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
7.2.14	Whether instructions executed in the DPM system are as per DIS?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.15	Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)?	☐ Yes ☐ No		
7.2.16	If reply to 7.2.15 is yes, whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
7.2.17	If reply to 7.2.15 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3	**Scanning of Delivery Instruction Slips (DIS) and Tamper proof storage of DIS images**			
7.3.1	Whether every DIS executed in the DPM is scanned alongwith all annexures / computer printouts (if any) by the end of the next working day and digitally signed image of the same is posted on DIVS system successfully for validation and digitally signature of NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.2	Whether the Participant scans the DIS received through fax and post the same to the DIVS and whenever original DIS is received the same is also scanned and posted on DIVS system within one working day from receipt of original DIS?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.3	Whether scanned images of DIS are legible and tagged to the correct DIS serial number?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.4	Whether the NSDL signed DIS images are stored in the system set up by the Participant as per the specification of NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
7.3.5	Whether tamper proof storage system of DIS images in which the NSDL signed DIS images (i.e. response files generated by DIVS) are stored, maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS images?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.3.6	Whether tamper proof storage system restricts unauthorized alteration or deletion?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.3.7	Whether tamper proof storage system is in compliance with the specification prescribed by NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.3.8	Whether tamper proof storage system has facility to check integrity of the system?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.3.9	Whether alert generated by tamper proof storage system during integrity check are monitored, corrective actions are taken and reported the same to NSDL by the Participant?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.4	**Dormant Account Monitoring**			
7.4.1	Whether in case of an accounts which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months and whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time, Participant has verified with the client before execution of DIS?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.4.2	Whether authorized official of the Participant verifying such transactions with the Client has recorded the details of the process, date, time, etc., of the verification on the instruction slip under his signature?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8	**Account Closure**			

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
8.1	Whether clients' request for closure of account has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.2	Whether DIS has been obtained in case of transfer of securities to an account other than clients' own account pursuant to account closure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.3	Whether 30 days notice is given to the client as well as to the depository before closing client account, in case account closure is initiated by Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.4	Whether Participant has refunded the account maintenance charges collected upfront on annual/half yearly basis (if so), to the client for the balance of the quarter/s, in the event of closing of the demat account or shifting of the demat account from one Participant to another?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9	**Transmission of Securities**			
9.1	Whether all transmission cases have been processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9.2	Whether all transmission cases have been processed within 7 days of receipt of the transmission request?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10	**Freeze/Unfreeze**			
10.1	Whether freeze and unfreeze instructions received from the clients' are processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
10.2	Whether PAN card is obtained and verified as per prescribed procedure before unfreezing an account which was frozen due to non-availability of PAN	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.3	Whether appropriate reason has been captured while freezing/unfreezing clients' account in case freeze is initiated by Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
11	**Investor Grievances**			
11.1	Whether all investors' grievances have been redressed as per the procedure and within the stipulated time?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details of grievances pending for redressal	
11.2	Whether Participant has prominently displayed basic information about the grievance redressal mechanism available to investors in their offices?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
11.3	Whether grievances received directly from clients at service center or DPM setup location through NSDL or SEBI are included in the monthly Investor grievance report submitted to NSDL by Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
11.4	Whether Participant has dedicated email ID for informing investor grievances?	☐ Yes ☐ No	If no, then details must be mentioned here	
12	**Statement of Account (including transaction statement and holdings statement)**			
12.1	Whether statements provided to the clearing member accounts are as per the prescribed frequency?	☐ Yes ☐ No ☐ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.2	Whether statements are provided to the client as and when requested?	☐ Yes ☐ No	If no, then details must be mentioned here	
12.3	In case a third party address has been captured in the demat account, whether a statement is sent to the address of the Client once a year?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
12.4	Whether statements are generated from back office or DPM system?	☐ Back office ☐ DPM system		

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
12.5	If generated from back office, whether the details match with statement generated from DPM system?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.6	Whether the narration of corporate action / ISIN description (*especially in case of debt*) appearing in the statement of accounts are meaningful to the Client?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.7	If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
13	**Compliance under Prevention of Money Laundering Act, 2002 (PMLA)**			
13.1	Whether Participant has adopted a policy to comply with its obligations under PMLA?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.2	If reply to 13.1 is yes, whether the policy is in line with SEBI / NSDL requirements, approved by Board of Participant and reviewed periodically?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.3	Whether Participant has complied with all the policies and procedures as prescribed under PMLA and SEBI guidelines such as customer due diligence, suspicious transaction monitoring and reporting, record keeping etc.?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.4	Whether AML Policy is updated to reflect recent changes as prescribed by SEBI?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
13.5	In case of applicable Non Individual clients, Whether Participants obtains copy of balance sheet and latest share holding pattern, including list of all those holding control, either directly or indirectly, in terms of SEBI takeover Regulations, duly certified by the company secretary / Whole Time Director/ MD, every year?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.6	Whether Participant has carried out risk assessment to mitigate its money laundering and terrorist financing risk with respect to its clients, as required under PMLA?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.7	Whether necessary checks and balances are put in place to ensure that the identity of the clients (both existing and new) does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.8	Whether the Participant has internal mechanism to monitor and detect suspicious transactions as per the requirements of PMLA/ SEBI/NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.9	Whether Participant has submitted STR within 7 days of arriving at a conclusion that any transaction, or a series of transactions integrally connected are of suspicious nature?	☐ Yes ☐ No ☐ No STR filled	If no, then details of the non compliance must be mentioned here	
13.10	Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.11	Whether enhanced due diligence measures have been applied for clients categorised as high risk / special category including clients who are residents of jurisdictions listed in FATF statements?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.12	In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
13.13	Whether ongoing due diligence and scrutiny of the transactions and account throughout the course of the business relationship is conducted by the Participant to ensure that the transactions being conducted are consistent with the Participant's knowledge of the client, its business and risk profile and where necessary, the client's source of funds is also taken into consideration?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.14	Whether Participant has revisited the CDD process when there are suspicions of money laundering or financing of terrorism and the matter has been disposed off after carrying necessary due diligence?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.15	Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.16	Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.17	Whether there is a mechanism to deal appropriately with the alerts provided by NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.18	If any suspicious transaction is reported to FIU-India India then whether count of STRs reported to FIU-India are informed to NSDL?	☐ Yes ☐ No ☐ No STR filled	If no, then details of the non compliance must be mentioned here	
13.19	Whether suspicious transaction register (physical and/or in electronic form) has been maintained?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
14	**Operations Manual**			
14.1	Whether Participant has prepared an operations manual?	☐ Yes ☐ No		
14.2	If reply to 14.1 is yes, whether operations manual covers all depository activities?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention the areas not covered in operations manual	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
14.3	If reply to 14.1 is yes, whether operations manual is updated as and when required?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention when is it updated	
14.4	If reply to 14.1 is yes, whether operations manual is available to persons who need to refer it?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention how is the work done by those persons	
14.5	If reply to 14.1 is yes, whether procedures mentioned in the operations manual are followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details here	
15	**Maintenance of record**			
15.1	Whether Participant has informed NSDL about place(s) of record keeping?	☐ Yes ☐ No	If no, then mention the place of record keeping	
15.2	Whether an internal mechanism has been evolved by Participant for proper maintenance and preservation of such records and information in the manner that allows easy and quick retrieval of data as and when requested by competent authorities?	☐ Yes ☐ No	If no, then give details here	
16	**Outsourced activities**			
16.1	Whether Participant has outsourced record keeping activity (partly or fully)?	☐ Yes ☐ No	If yes, then the name of the agency / firm and nature of arrangement must be mentioned here	
16.2	If reply to 16.1 is yes, whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details here	
16.3	Whether any business activity **other than record maintenance** is outsourced?	☐ Yes ☐ No		
16.4	If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details here	
16.5	If reply to 16.1 and / or 16.3 is yes -			

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
	a) Whether Participant has entered into legally binding written contract/agreement/ terms and conditions with the Vendor(s) as per the stipulated guidelines issued by SEBI?	☐ Yes ☐ No ☐ Not Applicable	If no, then various outsourcing risks inherent in the process must be mentioned here	
	b) Whether proper checks and control mechanism has been implemented by the vendor/agency?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
	c) Whether during the course of periodic review, material outsourcing risks if any, are properly mitigated?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
	d) Whether Participant has a comprehensive policy to guide the assessment of whether and how the above activities are outsourced in terms of stipulated SEBI guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
17	**Service centre (whether offering the services as a DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name)**			
17.1	Whether NSDL's approval has been obtained for all the service centres opened during the audit period?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
17.2	Whether prescribed procedure has been followed for any service centre closed / terminated during the audit period?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
17.3	Whether the data of all the service centres (DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name) displayed on the NSDL website is updated and correct?	☐ Yes ☐ No	If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact information, etc. must be mentioned here	
17.4	Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE/NCFM/NCDO) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person?	☐ Yes ☐ No	If no, then details of non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
17.5	Whether internal audit has been conducted at adequate number of service centres other than DPM setup to verify guidelines prescribed by SEBI, PMLA and NSDL have been followed ?	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention count of service centres audited and locations thereof and If no, then details of non compliance must be mentioned here	
17.6	Whether the depository services offered at the service center are displayed at the service centers (where all depository services are not offered by the service center)?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
18	**Status of compliance for deviations / observations noted in last NSDL inspection and internal / concurrent audit report**			
18.1	Whether Participant has complied with all the deviations noted during last NSDL inspection?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.2	Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection?	☐ Yes ☐ No ☐ Not Applicable		
18.3	Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	☐ Yes ☐ No	If yes, then provide details / comments on issues	
18.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	☐ Yes ☐ No	If yes, provide details along with supporting documents	
19	**Reporting by Participants to its Board of Directors**			
19.1	Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? (*same may be verified from the extract of the minutes of the Board Meeting).*	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention date of the Board Meeting	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
19.2	Whether Participant has placed last internal/concurrent audit findings alongwith management comment before its Board of Directors / Audit Committee? (*same may be verified from the extract of the minutes of the Board Meeting*)	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention date of the Board Meeting	
20	**Billing**			
20.1	Whether all account holder are billed as per the tariff sheet?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
20.2	Whether Participant has given atleast one month's prior notice for any increase in the tariff sheet?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
20.3	Whether charges levied for demat accounts are in accordance with SEBI/NSDL guidelines?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
20.4	Whether Participant has not charged account holder(s), for transfer of all the securities lying in his account to another account of client with another branch of the same Participant or to another Participant of the same depository or another depository, provided the account holder(s) at transferee Participant and at transferor Participant are identical in all respects?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	
20.5	Whether increase or decrease made in charges i.e changes in tariff sheet has been intimated to NSDL for making it available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
21	**Back Office**			
21.1	If Participant is using backoffice software for depository operations like providing statement, billing etc., whether balances as per back office are reconciled on a daily basis with DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
22	**Miscellaneous areas**			
22.1	Whether there is any supplementary agreement / letter of confirmation / power of attorney obtained / executed with account holder which are in contravention to 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.2	Whether Participant has collected requisite documents to claim waiver of settlement fees?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.3	Whether pledge and hypothecation instructions are processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.4	Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
22.5	Whether forms in use for various activities are as prescribed?	☐ Yes ☐ No	If no, then mention the forms and the discrepancies observed therein.	
22.6	Whether Participant has a policy for dealing with conflicts of interest?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
22.7	Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
22.8	Whether Participant has provided 'Annual Statement- RGESS' to account holders who have availed RGESS facility or has informed to client that the Annual Statement for RGESS is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
22.9	Whether Participant has provided 'RGESS Compliance Report to client who have availed RGESS facility or has informed to client that the RGESS Compliance Report is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
22.10	Whether Participant has offered BSDA facility to all eligible Beneficial Owners?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
22.11	Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility of BSDA and has converted all eligible demat accounts into BSDA until such BOs specifically opt to continue to avail the facility of a regular demat account?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
22.12	Whether Participant has displayed various tickers on its website to create awareness among clients to subscribe for SMS alerts, for KYC registration and that ASBA has been made mandatory payment mechanism for all investors including retail investors for all public issues opening on or after Jan 1, 2016??	☐ Yes ☐ No ☐ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.13	Whether Participant has taken up the matter with Clients where same mobile number and email ID is captured for more than one Client?	☐ Yes ☐ No ☐ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.14	Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.15	Whether 'Document Received Date' has been captured correctly in DPM/eDPM by the Participant in respect of various service requests?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
22.16	Comment on improvements made in the operations since last audit.		Views of the auditor on the improvements, if any (or nil), in operations of the Participant should be mentioned here	
23	**System areas**			
23.1	Whether hardware and software installed on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL and made available on i-Assist?	☐ Yes ☐ No	If no, then mention the mismatch	
23.2	Whether Participant is taking backup on a daily basis?	☐ Yes ☐ No		
23.3	Whether Participant has kept remote backup media as per prescribed guidelines?	☐ Yes ☐ No		
23.4	Whether updated antivirus is installed on the server and all the client machines?	☐ Yes ☐ No		
23.5	Whether log shipping facility for log generation is working?	☐ Yes ☐ No		
23.6	Whether all the software installed on server and client machines are licensed?	☐ Yes ☐ No		
23.7	Whether RAID has been configured as per the prescribed guidelines?	☐ Yes ☐ No		
23.8	Whether database reorg and shrinking are done as per the prescribed guidelines?	☐ Yes ☐ No		
23.9	Whether scheduled switch to fallback connectivity is done and the record thereof is maintained?	☐ Yes ☐ No		
23.10	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	☐ Yes ☐ No	If no, then mention whether the Participant has obtained approval for the same?	
23.11	Whether UPS / alternate power arrangement is available for all the hardware / equipments used for depository operations?	☐ Yes ☐ No		

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
23.12	Whether adequate physical and logical access restrictions for usage of system are in place?	☐ Yes ☐ No		
23.13	Whether backup of back office data is taken?	☐ Yes ☐ No ☐ Not Applicable		
23.14	Whether back office is directly connected to DPM system?	☐ Yes ☐ No		
23.15	If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.16	Whether atleast one staff managing the systems is NSDL trained?	☐ Yes ☐ No		
23.17	Whether physical access to client machines and server is restricted only to authorised persons?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
23.18	Whether the operating system and other softwares installed on the machines used for depository operations are as per NSDL specifications and upgraded as per NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.19	Whether the Participant has adequate safeguards as regards cyber security?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24	**Additional information about Participant**			
24.1	Whether Participant is satisfying the eligibility criteria as specified at Regulation 19 (a) of SEBI (Depositories and Participants) Regulations, 1996?	☐ Yes ☐ No	If no, then details of the same must be mentioned here	
24.2	Whether the Compliance Officer of the Participant has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE)?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
24.3	Whether the Participant is a fit and proper person as per Regulation 7 of SEBI (Intermediaries) Regulations, 2008 and the provisions of Schedule II?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24.4	Whether Risk Assessment Template (RAT), Internal and/or Concurrent Audit Report, Net worth Certificate and Compliance Certificate has been submitted periodically by participant?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24.5	Whether change in Director / compliance officer/ Shareholding pattern of the Participant /name of the participant/registered address of the participant and any such changes have been informed to NSDL?	☐ Yes ☐ No ☐ No such changes	If no, then details of the non compliance must be mentioned here	
24.6	Whether any other deviation/non-complaince observed by internal auditor which is not specifically covered above?	☐ Yes ☐ No	If Yes, then details must be mentioned here	
24.7	Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
Management's Comment* - Mandatory if auditor's observation is negative.				

Auditor's Report on Internal / Concurrent Audit

I/a We have carried out audit of depository operations of <Name of Participant> and I/We hereby declare the following:

1. The operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 1996, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.
2. The system related to depository operations is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.
3. The capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.
4. The business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.
5. The operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.
6. The business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.
7. The Participant has required internal controls, checks, risk management procedure in place.
8. The procedures with respect to maintenance of records (electronic and physical) are adequate.
9. To the best of our knowledge and belief and according to the information and explanations sought by us, no material fraud / non-compliance / violation by the Participant is observed during the course of this Audit
10. We do not have any direct / indirect interest in or relationship with the Participant or its shareholders / directors / partners / proprietors / management and also confirm that we do not have any conflict of interest in such relationship / interest while conducting internal/ concurrent audit of the said Participant.
11. The Report provided by us covers the entire scope of the Internal/concurrent audit, is true and correct.
12. I hereby declare that digital signature certificate being used by me for signing this document is a valid digital signature certificate on this date in terms of provisions of Information Technology Act, 2000 and rules framed thereunder and that it has not been revoked by the issuing authority till this date.

Signed by the auditor using its Digital Certificate.

Annexure 3

Objectives of audit of depository operations

i. To assure the management that the operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 1996, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.

ii. To assure management that the DPM is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.

iii. To assure management that the capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.

iv. To assure management and NSDL that the business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.

v. To assure management that the operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.

vi. To assure management and NSDL that the business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.

Circular No. NSDL/POLICY/ 2017/0041 Date: July 5, 2017	***Subject: Internal and Concurrent Audit for depository operations*** Participants are aware that as per Bye Law 10.3, each Participant is required to have its depository operations audited by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant holding a Certificate of Practice. Such audit should be conducted twice a year and a copy of the report should be submitted to NSDL. Attention of Participants is invited to Circular No. NSDL/POLICY/2017/0013 dated March 17, 2017 in which guidelines related to scope of the audit and format of the audit report were provided. The audit report format has been modified and enclosed as Annexure 1 in track change mode and as Annexure 2 (without highlighting the changes). The broad objectives / guidelines for the internal / concurrent audit are enclosed as Annexure 3. Participants are advised to take note of the following:W1. Audit should cover all facets of the depository operations. Auditor may expand the scope of audit / add more audit points to achieve the objectives enclosed as Annexure 3. Participants are advised to extend full co-operation to their auditors to enable them to perform an effective audit. All circulars / guidelines issued by NSDL / SEBI from time to time and other information / records desired by the auditors should be made available to them within a reasonable time. 2. Participants should forward the audit report as per schedule given below to NSDL – **Audit Period** — **Due date for submission of report to NSDL** April 1 to September 30 — November 15 October 1 to March 31 — May 15 3. The Participants which remain operational for less than three months in an audit period can submit audit report for that audit period along with the audit report for next audit period. For example, if a Participant is made operational by NSDL on January 1, 2016, then it can submit first audit report for period January 1, 2016– September 30, 2016. 4. Audit work for areas which are covered under the scope of concurrent audit should be completed by next working day. If audit cannot be completed by next working day due to large volume, it must be completed within a week. 5. Participants may appoint same auditor for concurrent and internal audit. If both audits are done by same auditor, then a consolidated report must be submitted instead of two separate reports. If both audits are being done by different auditors, then two separate reports must be submitted. 6. Participants are advised to note that the audit report format provided in this circular is applicable for audit period April 1, 2017 to September 30, 2017 and onwards. 7. Participants are hereby informed that internal and/or concurrent audit reports which are not as per guidelines will be treated as non-submission of the report. NSDL reserves the right to advise a Participant to change its auditor if quality of the report is found to be not satisfactory or the audit is not carried out as per guidelines.

	8. The auditors may visit service centers (on sample basis) to check whether proper procedures are being followed at such centers. Any one person conducting the internal and/or concurrent audit (risk prone areas) should obtain certification from the National Institute of Securities Markets (NISM) by passing the NISM-Series-VI: Depository Operations Certification Examination DOCE). Alternatively, such persons, if eligible, may undergo Continuing Professional Education (CPE) program for depository operations (details available on www.nism.ac.in). 9. Internal/concurrent audit report needs to be submitted in electronic form through e-PASS platform as mentioned in circular NSDL/POLICY/2016/0091 dated November 9, 2016. For and on behalf of National Securities Depository Limited Ravindra Sahu Senior Manager

Cover page	
Internal / Concurrent Audit Report for Depository Operations	
Type of Audit Report	☐ Internal Audit Report (IAR) ☐ Concurrent Audit Report (CAR) ☐ Combined IAR and CAR
Name of the auditee	
DP ID(s)	INXXXXXX
	INXXXXXX
SEBI Registration Number	
Audit period	**From DD-MMM-YYYY to DD-MMM-YYYY**
Name of the auditor	
Membership no. of the auditor	
NISM – DOCE / CPE Certificate no. [*of any one person conducting the internal and/or concurrent audit*]	
Date till which certificate is valid	**DD-MMM-YYYY**
Name of the audit firm	
Full postal address of the audit firm	
Contact number along with STD code / mobile number of auditor	
email ID of auditor	
Signature of the auditor	
Date	

Activity wise sampling details				
Sr. No.	**Area**	**Count for the audit period (total number of accounts opened, demat request processed, etc.)**	**No. of samples checked**	**Percentage of samples checked**
1	Account Opening (100%)			
2	KYC re-confirmation cases: - Initiated by Participant (100%)			
	- Intimated by NSDL (100%)			
3	Demat requests / Conversion request			
4	Remat requests / Reconversion request / Redemption request			
5	DIS book issuance (Including loose slip issuance) (100%)			
6	DIS execution (at least 25%)			
7	Pledge / hypothecation instructions			
8	Client data modifications			
9	Account Freeze			
10	Account Unfreeze			
11	Modification in the name of client pursuant to error made by Participant (100%)			
12	Power of Attorney modifications (100%)			
13	Account Closure requests - Initiated by Participant (100%)			
	- Initiated by client			
14	Transmission (100%)			
15	Investor grievances received by Participant (100%)			
16	Providing statement of accounts to clearing member (100% process level) (For count / samples checked, specify number of occasions of dispatch during audit period - typically it would be six for the six month period). [In case a Participant does not have any clearing member account and has only beneficial owner account then 'Not Applicable' may be specified].	**Specify number of occasions of dispatch of statement during audit period by Participant**	**Specify number of occasions of dispatch checked by auditor**	
17	Any other samples picked by Auditors (Please provide detailed break-up of areas verified alongwith sample count for that particular area)			

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1	KYC and Account Opening			
1.1	Whether proof of identity, proof of address and other stipulated documents have been obtained for all the accounts as per KYC guidelines issued by SEBI, PMLA and NSDL?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.2	Whether PANs and copies of PAN Cards have been obtained for all the accounts, wherever applicable?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.3	Whether PANs are verified with the database of Income Tax Department and stamp of "PAN Verified" has been affixed on the photocopy of the PAN card(s) for all the accounts?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.4	If correspondence address of a third party has been accepted, whether guidelines prescribed by SEBI, PMLA and NSDL have been followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.5	Whether all KYC application forms and account opening forms are completely filled in respect of all account holder(s)?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.6	Whether photograph(s) of client(s)/ Authorised signatories/Director(s)/ Promoter(s)/ Trustee(s)/ Partner(s) etc provided on KYC Form matches with the photograph on Proof of Identity and PAN card of respective person(s)?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.7	Whether signature(s) of client(s)/Authorised signatories provided on Account Opening Form and KYC Documents matches with the signature(s) on Proof of Identity and PAN card of respective person(s)?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
1.8	Whether copies of all the documents submitted by the applicant are self-attested?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.9	Whether copies of all the documents submitted by the applicant are accompanied with originals for verification / properly attested by entities authorized for attesting the documents in cases where the original of the said document is not produced for verification?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.10	Whether the 'in - person' verification of the account holders has been done before activation of the account and the record of in-person verification is maintained as per SEBI, PMLA and NSDL guidelines?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.11	Whether Participant has provided a copy of the “Rights and Obligations of the Beneficial Owner and Depository Participant” document to the client either in electronic or physical form, depending upon the preference of the clientand obtained an acknowledgement of the same from the client?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.12	Whether data entered in DPM system matches with the details mentioned in the account opening form?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.13	Whether mobile number and email id captured are of the client or family member as per the circular of NSDL and SEBI?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.14	Whether the bank details have been correctly captured in compliance with SEBI and NSDL circular?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1.15	Whether signature of account holder(s) as given in the account opening form has been scanned in the DPM system clearly and correctly?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.16	Whether the scanned images of the KYC documents of the clients have been furnished to KRA within 10 working days from the date of execution of documents by clients?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.17	Whether required information / documents are forwarded by Participants to KRA for cases which are informed as incomplete by KRA?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.18	Whether the Participant has uploaded existing clients' KYC data on KRA system and sent scanned images of KYC documents to KRA as per SEBI guidelines?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether the Participant has used the KYC data of a client obtained from the KRA only for the purposes it is meant for?	☐ Yes ☐ No	If no, then details must be mentioned here	
1.20	Whether Participant has downloaded KYC information of client(s) who are KYC compliant from KRA platform?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.21	Whether sufficient information has been obtained from clients, to identify and verify the identity of persons who beneficially own or control the securities account (i.e Ultimate Beneficial Owner) as per SEBI, PMLA and NSDL guidelines (specially for non-individual clients)?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.22	Whether activation of Rajiv Gandhi Equity Savings Scheme (RGESS) flag in the Depository account opened is as per SEBI and NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.23	Whether Participant has provided 'New Retail Investor Certificate' (NRIC) to accountholders who have availed RGESS facility or has informed to client that the NRIC is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
1.24	Whether SARAL account is opened as per SEBI/NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.25	Whether Participant has captured the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PMLA Rules, as per the KYC template for "individuals" finalised by CERSAI?	☐ Yes ☐ No	If no, then details must be mentioned here	
1.26	Whether Participant has uploaded the existing clients' KYC details with Central KYC Records Registry (CKYCR) System?	☐ Yes ☐ No	If no, then details must be mentioned here	
1.27	Whether Participant is in compliance with the clauses of undertaking submitted to NSDL for availing the facility of advance generation of separate series of Client ID from the DPM system?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
2	**KYC Re-Confirmation**			
2.1	**Initiated by Participant**			
2.1.1.	Whether periodicity for updation of all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is defined?	☐ Yes ☐ No	If no, then details must be mentioned here	
2.1.2	Whether all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is updated as per defined periodicity and as and when there are suspicions of money laundering or financing of terrorism?	☐ Yes ☐ No	If no, then details must be mentioned here	
2.2	**Intimated by NSDL**			
2.2.1	Whether KYC confirmation response is updated on i-assist intranet site of NSDL within the stipulated time as prescribed by NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with delayed responses must be mentioned here or enclosed as Annexure	
2.2.2	For all such accounts for which KYC is confirmed on i-assist, whether all KYC documents (*as per the KYC guidelines issued by SEBI, PMLA and NSDL*) are in possession of Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
2.2.3	Whether all such KYC documents (referred in point no. 2.2.2) are verified with originals / properly attested by entities authorized for attesting the documents?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.4	Whether all such KYC documents are verified by the auditor before KYC confirmation response is updated by the Participant on i-assist on concurrent basis and auditor has provided certification to that effect?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.5	Whether Participant has suspended for debits all such accounts which are reported as KYC non-compliant on i-assist after giving appropriate notice to the client(s) till the time such client(s) submits necessary KYC documents as per the KYC guidelines issued by SEBI, PMLA and NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.6	For accounts reported as non-compliant by the Participant on i-assist where the client(s) subsequently submits necessary KYC documents as per the stipulated KYC guidelines, whether the Participant has provided KYC confirmation response to NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
3	**Client Data Modification**			
3.1	Whether clients' request for changes in data (e.g. name of client, address, signature, bank details, mobile number, E-mail, mode of receiving annual report, AGM notice and other communications, Type & Sub type, RGESS Flag, BSDA Flag, Mode of receiving statement of account in electronic form, Family flag, SI indicator etc.) have been processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.2	Whether Client name modification pursuant to error of Participant has been processed as per prescribed procedure ?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.3	Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
4	**Power of Attorney (POA)**			
4.1	Whether POA documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of POA holder(s)) have been entered into DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4.2	Whether POA contains clauses which are as per the SEBI stipulated guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
4.3	Whether specific purpose POA contains list of demat accounts where securities can be transferred based on POA?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
4.4	Whether Participant has created POA ID for all POA holders in DPM and map the same to the respective demat account where DIS is issued to POA holder?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.5	For specific purpose POA, list of demat accounts where securities can be transferred are mapped with POA ID in DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
4.6	Whether modification/cancellation of Power of Attorney is done as per SEBI/NSDL prescribed guidelines and details have been entered into DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.7	Whether Participant has complied with the requirement of not obtaining POA in its capacity as a Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5	**Nomination**			
5.1	Whether nomination is made as per the prescribed procedure and based on the duly filled nomination form?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
5.2	Whether Nomination details are entered in DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.3	Whether nomination is modified / cancelled in demat account as per NSDL prescribed guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6	**Demat / Remat / Conversion / Reconversion / Redemption request**			
6.1	Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.2	Whether Participant refers to the list of Distinctive Numbers of certificates submitted for dematerialisation as made available by NSDL and ensures that the appropriate International Securities Identification Number (ISIN) is filled in DRF?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
6.3	Whether Participant refers to lists of companies having high demat pendency and non-responding/services stopped by Registrar and Transfer Agent(s) as displayed on NSDL website and informs clients suitably while accepting demat requests of these companies?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
6.4	Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
6.5	Whether demat / conversion requests received have been sent to Issuer / Registrar & Transfer Agent within seven days from the date of receipt of the request from the account holder?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
6.6	Whether there are sufficient provisions / arrangements for safe keeping of security certificates received from account holders for dematerialisation and certificates received after rejection of the demat request from Issuer / Registrar & Transfer Agent?	☐ Yes ☐ No	If no, then details must be mentioned here	
6.7	Whether any demat / conversion request was rejected due to error attributable to Participant?	☐ Yes ☐ No	If ,yes then number of cases with discrepancies must be mentioned here	
6.8	Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
6.9	Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.10	Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.11	Whether the Mutual Fund redemption requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7	**Delivery Instruction Slip (DIS)**			
7.1	***Issuance of DIS***			
7.1.1	Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically?	☐ Yes ☐ No	If no, then details must be mentioned here	
7.1.2	Whether the DIS issued to client has pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID or POA ID in case of DIS issued to POA holder??	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
7.1.3	Whether DIS booklets have been issued on receipt of requisition slips signed by the client (all holders in case of joint account)?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.4	Whether issuance of loose DIS to account holder is done as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.5	If DIS booklet is handed over to the authorized person other than account holder, then whether the signature of authorized person and his proof of identity are verified before issuance of DIS booklet?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.6	Whether the details regarding issuance of DIS (booklet and loose slips) to the clients have been entered in the DPM within two days of issuance?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.7	Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.8	Whether Participant has a system in place to ensure that the DIS issued prior January 7, 2014 are not accepted?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.9	Whether in cases of inter depository account closure, inter depository transmission of securities and execution of instructions based on court/regulatory orders, Participant has captured the required codes such as 'CL9999999999', 'TR9999999999' and 'RO9999999999' respectively against DIS serial number for execution of instructions?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
7.2	***Verification of DIS***			
7.2.1	Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.2	Whether serial number of all the DIS(s) reported as lost / misplaced / stolen by the account holder or undelivered DIS are blocked in the DPM ?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.3	Whether DIS(s) given by account holder are available for all instructions executed in DPM (instruction other than those given by account holders through Speed-e electronically)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.4	Whether signature(s) on DIS match with the signature(s) scanned in the DPM system?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.5	Whether corrections / cancellation on DIS, if any, are authenticated by the client (all holders for joint accounts)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.6	Whether Participant accepts instructions by fax from account holder?	☐ Yes ☐ No		
7.2.7	If reply to 7.2.6 is yes, then whether original DIS has been received within three working days for all faxed instructions?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.8	If reply to 7.2.6 is yes, then whether Participant has obtained an indemnity from account holders who want to give instruction over fax?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
7.2.9	If Participant is accepting delivery instruction in form of an annexure to a DIS, whether it is done as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.10	Whether Participant is ensuring that information under columns "Consideration" and "Reason / Purpose /code" are mentioned for off market instructions by clients?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.11	Whether Participant follows maker - checker system to process the instructions?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.12	Whether there is an additional level of verification for high value instructions in a single DIS (DIS with value of Rs. 5 lakhs and above)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.13	Whether in case active accounts has five or more ISINs and all such ISIN balances are transferred at a time, Participant has verified with the client before execution of DIS and recorded the details of the same on DIS?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.14	Whether instructions executed in the DPM system are as per DIS?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.15	Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)?	☐ Yes ☐ No		
7.2.16	If reply to 7.2.15 is yes, whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
7.2.17	If reply to 7.2.15 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
7.3	**Scanning of Delivery Instruction Slips (DIS) and Tamper proof storage of DIS images**			
7.3.1	Whether every DIS executed in the DPM is scanned alongwith all annexures / computer printouts (if any) by the end of the next working day and digitally signed image of the same is posted on DIVS system successfully for validation and digitally signature of NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.2	Whether the Participant scans the DIS received through fax and post the same to the DIVS and whenever original DIS is received the same is also scanned and posted on DIVS system within one working day from receipt of original DIS?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.3	Whether scanned images of DIS are legible and tagged to the correct DIS serial number?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.4	Whether the NSDL signed DIS images are stored in the system set up by the Participant as per the specification of NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.5	Whether tamper proof storage system of DIS images in which the NSDL signed DIS images (i.e. response files generated by DIVS) are stored, maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS images?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.3.6	Whether tamper proof storage system restricts unauthorized alteration or deletion?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.3.7	Whether tamper proof storage system is in compliance with the specification prescribed by NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
7.3.8	Whether tamper proof storage system has facility to check integrity of the system?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.3.9	Whether alert generated by tamper proof storage system during integrity check are monitored, corrective actions are taken and reported the same to NSDL by the Participant?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.4	**Dormant Account Monitoring**			
7.4.1	Whether in case of an accounts which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months and whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time, Participant has verified with the client before execution of DIS?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.4.2	Whether authorized official of the Participant verifying such transactions with the Client has recorded the details of the process, date, time, etc., of the verification on the instruction slip under his signature?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8	**Account Closure**			
8.1	Whether clients' request for closure of account has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.2	Whether DIS has been obtained in case of transfer of securities to an account other than clients' own account pursuant to account closure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
8.3	Whether 30 days notice is given to the client as well as to the depository before closing client account, in case account closure is initiated by Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.4	Whether Participant has refunded the account maintenance charges collected upfront on annual/half yearly basis (if so), to the client for the balance of the quarter/s, in the event of closing of the demat account or shifting of the demat account from one Participant to another?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9	**Transmission of Securities**			
9.1	Whether all transmission cases have been processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9.2	Whether all transmission cases have been processed within 7 days of receipt of the transmission request?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10	**Freeze/Unfreeze**			
10.1	Whether freeze and unfreeze instructions received from the clients' are processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.2	Whether PAN card is obtained and verified as per prescribed procedure before unfreezing an account which was frozen due to non-availability of PAN	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
10.3	Whether appropriate reason has been captured while freezing/unfreezing clients' account in case freeze is initiated by Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
11	**Investor Grievances**			
11.1	Whether all investors' grievances have been redressed as per the procedure and within the stipulated time?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details of grievances pending for redressal	
11.2	Whether Participant has prominently displayed basic information about the grievance redressal mechanism available to investors in their offices?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
11.3	Whether grievances received directly from clients at service center or DPM setup location through NSDL or SEBI are included in the monthly Investor grievance report submitted to NSDL by Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
11.4	Whether Participant has dedicated email ID for informing investor grievances?	☐ Yes ☐ No	If no, then details must be mentioned here	
12	**Statement of Account (including transaction statement and holdings statement)**			
12.1	Whether statements provided to the clearing member accounts are as per the prescribed frequency?	☐ Yes ☐ No ☐ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.2	Whether statements are provided to the client as and when requested?	☐ Yes ☐ No	If no, then details must be mentioned here	
12.3	In case a third party address has been captured in the demat account, whether a statement is sent to the address of the Client once a year?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
12.4	Whether statements are generated from back office or DPM system?	☐ Back office ☐ DPM system		

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
12.5	If generated from back office, whether the details match with statement generated from DPM system?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.6	Whether the narration of corporate action / ISIN description (*especially in case of debt*) appearing in the statement of accounts are meaningful to the Client?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.7	If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
13	**Compliance under Prevention of Money Laundering Act, 2002 (PMLA)**			
13.1	Whether Participant has adopted a policy to comply with its obligations under PMLA?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.2	If reply to 13.1 is yes, whether the policy is in line with SEBI / NSDL requirements, approved by Board of Participant and reviewed periodically?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.3	Whether Participant has complied with all the policies and procedures as prescribed under PMLA and SEBI guidelines such as customer due diligence, suspicious transaction monitoring and reporting, record keeping etc.?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.4	Whether AML Policy is updated to reflect recent changes as prescribed by SEBI?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
13.5	In case of applicable Non Individual clients, Whether Participants obtains copy of balance sheet and latest share holding pattern, including list of all those holding control, either directly or indirectly, in terms of SEBI takeover Regulations, duly certified by the company secretary / Whole Time Director/ MD, every year?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.6	Whether Participant has carried out risk assessment to mitigate its money laundering and terrorist financing risk with respect to its clients, as required under PMLA?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.7	Whether necessary checks and balances are put in place to ensure that the identity of the clients (both existing and new) does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.8	Whether the Participant has internal mechanism to monitor and detect suspicious transactions as per the requirements of PMLA/SEBI/NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.9	Whether Participant has submitted STR within 7 days of arriving at a conclusion that any transaction, or a series of transactions integrally connected are of suspicious nature?	☐ Yes ☐ No ☐ No STR filled	If no, then details of the non compliance must be mentioned here	
13.10	Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.11	Whether enhanced due diligence measures have been applied for clients categorised as high risk / special category including clients who are residents of jurisdictions listed in FATF statements?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.12	In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
13.13	Whether ongoing due diligence and scrutiny of the transactions and account throughout the course of the business relationship is conducted by the Participant to ensure that the transactions being conducted are consistent with the Participant's knowledge of the client, its business and risk profile and where necessary, the client's source of funds is also taken into consideration?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.14	Whether Participant has revisited the CDD process when there are suspicions of money laundering or financing of terrorism and the matter has been disposed off after carrying necessary due diligence?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.15	Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.16	Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.17	Whether there is a mechanism to deal appropriately with the alerts provided by NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.18	If any suspicious transaction is reported to FIU-India India then whether count of STRs reported to FIU-India are informed to NSDL?	☐ Yes ☐ No ☐ No STR filled	If no, then details of the non compliance must be mentioned here	
13.19	Whether suspicious transaction register (physical and/or in electronic form) has been maintained?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
14	**Operations Manual**			
14.1	Whether Participant has prepared an operations manual?	☐ Yes ☐ No		
14.2	If reply to 14.1 is yes, whether operations manual covers all depository activities?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention the areas not covered in operations manual	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
14.3	If reply to 14.1 is yes, whether operations manual is updated as and when required?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention when is it updated	
14.4	If reply to 14.1 is yes, whether operations manual is available to persons who need to refer it?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention how is the work done by those persons	
14.5	If reply to 14.1 is yes, whether procedures mentioned in the operations manual are followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details here	
15	**Maintenance of record**			
15.1	Whether Participant has informed NSDL about place(s) of record keeping?	☐ Yes ☐ No	If no, then mention the place of record keeping	
15.2	Whether an internal mechanism has been evolved by Participant for proper maintenance and preservation of such records and information in the manner that allows easy and quick retrieval of data as and when requested by competent authorities?	☐ Yes ☐ No	If no, then give details here	
16	**Outsourced activities**			
16.1	Whether Participant has outsourced record keeping activity (partly or fully)?	☐ Yes ☐ No	If yes, then the name of the agency / firm and nature of arrangement must be mentioned here	
16.2	If reply to 16.1 is yes, whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details here	
16.3	Whether any business activity **other than record maintenance** is outsourced?	☐ Yes ☐ No		
16.4	If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details here	
16.5	If reply to 16.1 and / or 16.3 is yes -			
	a) Whether Participant has entered into legally binding written contract/agreement/ terms and conditions with the Vendor(s) as per the stipulated guidelines issued by SEBI?	☐ Yes ☐ No ☐ Not Applicable	If no, then various outsourcing risks inherent in the process must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
	b) Whether proper checks and control mechanism has been implemented by the vendor/agency?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
	c) Whether during the course of periodic review, material outsourcing risks if any, are properly mitigated?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
	d) Whether Participant has a comprehensive policy to guide the assessment of whether and how the above activities are outsourced in terms of stipulated SEBI guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
17	**Service centre (whether offering the services as a DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name)**			
17.1	Whether NSDL's approval has been obtained for all the service centres opened during the audit period?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
17.2	Whether prescribed procedure has been followed for any service centre closed / terminated during the audit period?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
17.3	Whether the data of all the service centres (DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name) displayed on the NSDL website is updated and correct?	☐ Yes ☐ No	If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact information, etc. must be mentioned here	
17.4	Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE/NCFM/NCDO) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person?	☐ Yes ☐ No	If no, then details of non compliance must be mentioned here	
17.5	Whether internal audit has been conducted at adequate number of service centres other than DPM setup to verify guidelines prescribed by SEBI, PMLA and NSDL have been followed ?	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention count of service centres audited and locations thereof and If no, then details of non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
17.6	Whether the depository services offered at the service center are displayed at the service centers (where all depository services are not offered by the service center)?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
18	**Status of compliance for deviations / observations noted in last NSDL inspection and internal / concurrent audit report**			
18.1	Whether Participant has complied with all the deviations noted during last NSDL inspection?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.2	Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection?	☐ Yes ☐ No ☐ Not Applicable		
18.3	Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	☐ Yes ☐ No	If yes, then provide details / comments on issues	
18.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	☐ Yes ☐ No	If yes, provide details along with supporting documents	
19	**Reporting by Participants to its Board of Directors**			
19.1	Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? (*same may be verified from the extract of the minutes of the Board Meeting).*	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention date of the Board Meeting	
19.2	Whether Participant has placed last internal/concurrent audit findings alongwith management comment before its Board of Directors / Audit Committee? (*same may be verified from the extract of the minutes of the Board Meeting*)	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention date of the Board Meeting	
20	**Billing**			
20.1	Whether all account holder are billed as per the tariff sheet?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
20.2	Whether Participant has given atleast one month's prior notice for any increase in the tariff sheet?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
20.3	Whether charges levied for demat accounts are in accordance with SEBI/NSDL guidelines?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
20.4	Whether Participant has not charged account holder(s), for transfer of all the securities lying in his account to another account of client with another branch of the same Participant or to another Participant of the same depository or another depository, provided the account holder(s) at transferee Participant and at transferor Participant are identical in all respects?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	
20.5	Whether increase or decrease made in charges i.e changes in tariff sheet has been intimated to NSDL for making it available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
21	**Back Office**			
21.1	If Participant is using backoffice software for depository operations like providing statement, billing etc., whether balances as per back office are reconciled on a daily basis with DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22	**Miscellaneous areas**			
22.1	Whether there is any supplementary agreement / letter of confirmation / power of attorney obtained / executed with account holder which are in contravention to 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.2	Whether Participant has collected requisite documents to claim waiver of settlement fees?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.3	Whether pledge and hypothecation instructions are processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
22.4	Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
22.5	Whether forms in use for various activities are as prescribed?	☐ Yes ☐ No	If no, then mention the forms and the discrepancies observed therein.	
22.6	Whether Participant has a policy for dealing with conflicts of interest?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
22.7	Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
22.8	Whether Participant has provided 'Annual Statement- RGESS' to account holders who have availed RGESS facility or has informed to client that the Annual Statement for RGESS is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
22.9	Whether Participant has provided 'RGESS Compliance Report to client who have availed RGESS facility or has informed to client that the RGESS Compliance Report is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
22.10	Whether Participant has offered BSDA facility to all eligible Beneficial Owners?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
22.11	Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility of BSDA and has converted all eligible demat accounts into BSDA until such BOs specifically opt to continue to avail the facility of a regular demat account?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
22.12	Whether Participant has displayed various tickers on its website to create awareness among clients to subscribe for SMS alerts, for KYC registration and that ASBA has been made mandatory payment mechanism for all investors including retail investors for all public issues opening on or after Jan 1, 2016??	☐ Yes ☐ No ☐ Not Applicable	If no, then reason for the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
22.13	Whether Participant has taken up the matter with Clients where same mobile number and email ID is captured for more than one Client?	☐ Yes ☐ No ☐ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.14	Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.15	Whether 'Document Received Date' has been captured correctly in DPM/eDPM by the Participant in respect of various service requests?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
22.16	Comment on improvements made in the operations since last audit.		Views of the auditor on the improvements, if any (or nil), in operations of the Participant should be mentioned here	
23	**System areas**			
23.1	Whether hardware and software installed on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL and made available on i-Assist?	☐ Yes ☐ No	If no, then mention the mismatch	
23.2	Whether Participant is taking backup on a daily basis?	☐ Yes ☐ No		
23.3	Whether Participant has kept remote backup media as per prescribed guidelines?	☐ Yes ☐ No		
23.4	Whether updated antivirus is installed on the server and all the client machines?	☐ Yes ☐ No		
23.5	Whether log shipping facility for log generation is working?	☐ Yes ☐ No		
23.6	Whether all the software installed on server and client machines are licensed?	☐ Yes ☐ No		
23.7	Whether RAID has been configured as per the prescribed guidelines?	☐ Yes ☐ No		

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
23.8	Whether database reorg and shrinking are done as per the prescribed guidelines?	☐ Yes ☐ No		
23.9	Whether scheduled switch to fallback connectivity is done and the record thereof is maintained?	☐ Yes ☐ No		
23.10	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	☐ Yes ☐ No	If no, then mention whether the Participant has obtained approval for the same?	
23.11	Whether UPS / alternate power arrangement is available for all the hardware / equipments used for depository operations?	☐ Yes ☐ No		
23.12	Whether adequate physical and logical access restrictions for usage of system are in place?	☐ Yes ☐ No		
23.13	Whether backup of back office data is taken?	☐ Yes ☐ No ☐ Not Applicable		
23.14	Whether back office is directly connected to DPM system?	☐ Yes ☐ No		
23.15	If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.16	Whether atleast one staff managing the systems is NSDL trained?	☐ Yes ☐ No		
23.17	Whether physical access to client machines and server is restricted only to authorised persons?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
23.18	Whether the operating system and other softwares installed on the machines used for depository operations are as per NSDL specifications and upgraded as per NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
23.19	Whether the Participant has adequate safeguards as regards cyber security?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24	**Additional information about Participant**			
24.1	Whether Participant is satisfying the eligibility criteria as specified at Regulation 19 (a) of SEBI (Depositories and Participants) Regulations, 1996?	☐ Yes ☐ No	If no, then details of the same must be mentioned here	
24.2	Whether the Compliance Officer of the Participant has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE)?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24.3	Whether the Participant is a fit and proper person as per Regulation 7 of SEBI (Intermediaries) Regulations, 2008 and the provisions of Schedule II?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24.4	Whether Risk Assessment Template (RAT), Internal and/or Concurrent Audit Report, Net worth Certificate and Compliance Certificate has been submitted periodically by participant?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24.5	Whether change in Director / compliance officer/ Shareholding pattern of the Participant /name of the participant/ registered address of the participant and any such changes have been informed to NSDL?	☐ Yes ☐ No ☐ No such changes	If no, then details of the non compliance must be mentioned here	
24.6	Whether any other deviation/non-complaince observed by internal auditor which is not specifically covered above?	☐ Yes ☐ No	If Yes, then details must be mentioned here	
24.7	Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
Management's Comment* - Mandatory if auditor's observation is negative.				

Auditor's Report on Internal / Concurrent Audit

I/ We have carried out audit of depository operations of <Name of Participant> and I/We hereby declare the following:

1. The operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 1996, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.
2. The system related to depository operations is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.
3. The capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.
4. The business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.
5. The operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.
6. The business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.
7. The Participant has required internal controls, checks, risk management procedure in place.
8. The procedures with respect to maintenance of records (electronic and physical) are adequate.
9. To the best of our knowledge and belief and according to the information and explanations sought by us, no material fraud / non-compliance / violation by the Participant is observed during the course of this Audit
10. We do not have any direct / indirect interest in or relationship with the Participant or its shareholders / directors / partners / proprietors / management and also confirm that we do not have any conflict of interest in such relationship / interest while conducting internal/ concurrent audit of the said Participant.
11. The Report provided by us covers the entire scope of the Internal/concurrent audit, is true and correct.
12. I hereby declare that digital signature certificate being used by me for signing this document is a valid digital signature certificate on this date in terms of provisions of Information Technology Act, 2000 and rules framed thereunder and that it has not been revoked by the issuing authority till this date.

Signed by the auditor using its Digital Certificate.

Circular No. NSDL/POLICY/ 2017/0013 Date: March 17, 2017	***Subject: Internal and Concurrent Audit for depository operations.*** Participants are aware that as per Bye Law 10.3, each Participant is required to have its depository operations audited by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant holding a Certificate of Practice. Such audit should be conducted twice a year and a copy of the report should be submitted to NSDL. Attention of Participants is invited to Circular No. NSDL/POLICY/2015/0087 dated October 1, 2015 in which guidelines related to scope of the audit and format of the audit report were provided. The audit report format has been modified and enclosed as Annexure 1 in track change mode and as Annexure 2 (without highlighting the changes). The broad objectives / guidelines for the internal / concurrent audit are enclosed as Annexure 3. Participants are advised to take note of the following: 1. Audit should cover all facets of the depository operations. Auditor may expand the scope of audit / add more audit points to achieve the objectives enclosed as Annexure 3. Participants are advised to extend full co-operation to their auditors to enable them to perform an effective audit. All circulars / guidelines issued by NSDL / SEBI from time to time and other information / records desired by the auditors should be made available to them within a reasonable time. 2. Participants should forward the audit report as per schedule given below to NSDL – **Audit Period** — **Due date for submission of report to NSDL** April 1 to September 30 — November 15 October 1 to March 31 — May 15 3. The Participants which remain operational for less than three months in an audit period can submit audit report for that audit period along with the audit report for next audit period. For example, if a Participant is made operational by NSDL on January 1, 2016, then it can submit first audit report for period January 1, 2016– September 30, 2016. 4. Audit work for areas which are covered under the scope of concurrent audit should be completed by next working day. If audit cannot be completed by next working day due to large volume, it must be completed within a week. 5. Participants may appoint same auditor for concurrent and internal audit. If both audits are done by same auditor, then a consolidated report must be submitted instead of two separate reports. If both audits are being done by different auditors, then two separate reports must be submitted.

	6. Participants are advised to note that the audit report format provided in this circular is applicable for audit period October 1, 2016 to March 31, 2017 and onwards. 7. Participants are hereby informed that internal and/or concurrent audit reports which are not as per guidelines will be treated as non-submission of the report. NSDL reserves the right to advise a Participant to change its auditor if quality of the report is found to be not satisfactory or the audit is not carried out as per guidelines. 8. The auditors may visit service centers (on sample basis) to check whether proper procedures are being followed at such centers. Any one person conducting the internal and/or concurrent audit (risk prone areas) should obtain certification from the National Institute of Securities Markets (NISM) by passing the NISM-Series-VI: Depository Operations Certification Examination DOCE). Alternatively, such persons, if eligible, may undergo Continuing Professional Education (CPE) program for depository operations (details available on www.nism.ac.in). 9. Internal / concurrent audit report needs to be submitted in electronic form through e-PASS platform [Ref. Circular No. NSDL/POLICY/2016/0091 dated November 9, 2016]. For and on behalf of National Securities Depository Limited Ravindra Sahu Senior Manager

Cover page	
Internal / Concurrent Audit Report for Depository Operations	
Type of Audit Report	☐ Internal Audit Report (IAR) ☐ Concurrent Audit Report (CAR) ☐ Combined IAR and CAR
Name of the auditee	
DP ID(s)	INXXXXXX
	INXXXXXX
SEBI Registration Number	
Audit period	**From DD-MMM-YYYY to DD-MMM-YYYY**

Name of the auditor	
Membership no. of the auditor	
NISM – DOCE / CPE Certificate no. [*of any one person conducting the internal and/or concurrent audit*]	
Date till which certificate is valid	**DD-MMM-YYYY**
Name of the audit firm	
Full postal address of the audit firm	
Contact number along with STD code / mobile number of auditor	
email ID of auditor	
Signature of the auditor	
Date	

Activity wise sampling details				
Sr. No.	**Area**	**Count for the audit period (total number of accounts opened, demat request processed, etc.)**	**No. of samples checked**	**Percentage of samples checked**
1	Account Opening (100%)			
2	KYC re-confirmation cases: - Initiated by Participant (100%)			
	- Intimated by NSDL (100%)			
3	Demat requests / Conversion request			
4	Remat requests / Reconversion request / Redemption request			
5	DIS book issuance (Including loose slip issuance) (100%)			
6	DIS execution (at least 25%)			
7	Pledge / hypothecation instructions			
8	Client data modifications			
9	Account Freeze			

10	Account Unfreeze			
11	Modification in the name of client pursuant to error made by Participant(100%)			
12	Power of Attorney modifications (100%)			
13	Account Closure requests - Initiated by Participant (100%)			
	- Initiated by client			
14	Transmission (100%)			
15	Investor grievances received by Participant (100%)			
16	Providing statement of accounts to clearing member (100% process level) (For count / samples checked, specify number of occasions of dispatch during audit period - typically it would be six for the six month period). [In case a Participant does not have any clearing member account and has only beneficial owner account then 'Not Applicable' may be specified].	**Specify number of occasions of dispatch of statement during audit period by Participant**	**Specify number of occasions of dispatch checked by auditor**	
17	Any other samples picked by Auditors (Please provide detailed break-up of areas verified alongwith sample count for that particular area)			

Checklist

Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1	**KYC and Account Opening**			
1.1	Whether proof of identity, proof of address and other stipulated documents have been obtained for all the accounts as per KYC guidelines issued by SEBI, PMLA and NSDL?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.2	Whether PANs and copies of PAN Cards have been obtained for all the accounts, wherever applicable?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1.3	Whether PANs are verified with the database of Income Tax Department and stamp of "PAN Verified" has been affixed on the photocopy of the PAN card(s) for all the accounts?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.4	If correspondence address of a third party has been accepted, whether guidelines prescribed by SEBI, PMLA and NSDL have been followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.5	Whether all KYC application forms and account opening forms are completely filled in respect of all account holder(s)?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.6	Whether photograph(s) of client(s)/ Authorised signatories/Director(s)/ Promoter(s)/ Trustee(s)/ Partner(s) etc provided on KYC Form matches with the photograph on Proof of Identity and PAN card of respective person(s)?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.7	Whether signature(s) of client(s)/Authorised signatories provided on Account Opening Form and KYC Documents matches with the signature(s) on Proof of Identity and PAN card of respective person(s)?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.8	Whether copies of all the documents submitted by the applicant are self-attested?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.9	Whether copies of all the documents submitted by the applicant are accompanied with originals for verification / properly attested by entities authorized for attesting the documents in cases where the original of the said document is not produced for verification?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1.10	Whether the 'in - person' verification of the account holders has been done before activation of the account and the record of in-person verification is maintained as per SEBI, PMLA and NSDL guidelines?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.11	Whether Participant has provided a copy of the "Rights and Obligations of the Beneficial Owner and Depository Participant" document to the client and obtained an acknowledgement of the same from the client?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.12	Whether data entered in DPM system matches with the details mentioned in the account opening form?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.13	Whether mobile number and email id captured are of the client or family member as per the circular of NSDL and SEBI?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.14	Whether the bank details have been correctly captured in compliance with SEBI and NSDL circular?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.15	Whether signature of account holder(s) as given in the account opening form has been scanned in the DPM system clearly and correctly?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.16	Whether the scanned images of the KYC documents of the clients have been furnished to KRA within 10 working days from the date of execution of documents by clients?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.17	Whether required information / documents are forwarded by Participants to KRA for cases which are informed as incomplete by KRA?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
1.18	Whether the Participant has uploaded existing clients' KYC data on KRA system and sent scanned images of KYC documents to KRA as per SEBI guidelines?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether the Participant has used the KYC data of a client obtained from the KRA only for the purposes it is meant for?	☐ Yes ☐ No	If no, then details must be mentioned here	
1.20	Whether Participant has downloaded KYC information of client(s) who are KYC compliant from KRA platform?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.21	Whether sufficient information has been obtained from clients, to identify and verify the identity of persons who beneficially own or control the securities account (i.e Ultimate Beneficial Owner) as per SEBI, PMLA and NSDL guidelines (specially for non-individual clients)?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.22	Whether activation of Rajiv Gandhi Equity Savings Scheme (RGESS) flag in the Depository account opened is as per SEBI and NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.23	Whether Participant has provided 'New Retail Investor Certificate' (NRIC) to accountholders who have availed RGESS facility or has informed to client that the NRIC is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.24	Whether SARAL account is opened as per SEBI/NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
2	**KYC Re-Confirmation**			
2.1	**Initiated by Participant**			
2.1.1.	Whether periodicity for updation of all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is defined?	☐ Yes ☐ No	If no, then details must be mentioned here	
2.1.2	Whether all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is updated as per defined periodicity and as and when there are suspicions of money laundering or financing of terrorism?	☐ Yes ☐ No	If no, then details must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
2.2	**Intimated by NSDL**			
2.2.1	Whether KYC confirmation response is updated on i-assist intranet site of NSDL within the stipulated time as prescribed by NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with delayed responses must be mentioned here or enclosed as Annexure	
2.2.2	For all such accounts for which KYC is confirmed on i-assist, whether all KYC documents (*as per the KYC guidelines issued by SEBI, PMLA and NSDL*) are in possession of Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.3	Whether all such KYC documents (referred in point no. 2.2.2) are verified with originals / properly attested by entities authorized for attesting the documents?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.4	Whether all such KYC documents are verified by the auditor before KYC confirmation response is updated by the Participant on i-assist on concurrent basis and auditor has provided certification to that effect?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.5	Whether Participant has suspended for debits all such accounts which are reported as KYC non-compliant on i-assist after giving appropriate notice to the client(s) till the time such client(s) submits necessary KYC documents as per the KYC guidelines issued by SEBI, PMLA and NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.6	For accounts reported as non-compliant by the Participant on i-assist where the client(s) subsequently submits necessary KYC documents as per the stipulated KYC guidelines, whether the Participant has provided KYC confirmation response to NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
3	**Client Data Modification**			

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
3.1	Whether clients' request for changes in data (e.g. name of client, address, signature, bank details, mobile number, E-mail, mode of receiving annual report, AGM notice and other communications, Type & Sub type, RGESS Flag, BSDA Flag, Mode of receiving statement of account in electronic form, Family flag, SI indicator etc.) have been processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.2	Whether Client name modification pursuant to error of Participant has been processed as per prescribed procedure ?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.3	Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4	**Power of Attorney (POA)**			
4.1	Whether POA documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of POA holder(s)) have been entered into DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4.2	Whether POA contains clauses which are as per the SEBI stipulated guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
4.3	Whether specific purpose POA contains list of demat accounts where securities can be transferred based on POA?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
4.4	Whether Participant has created POA ID for all POA holders in DPM and map the same to the respective demat account where DIS is issued to POA holder?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
4.5	For specific purpose POA, list of demat accounts where securities can be transferred are mapped with POA ID in DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
4.6	Whether modification/cancellation of Power of Attorney is done as per SEBI/NSDL prescribed guidelines and details have been entered into DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.7	Whether Participant has complied with the requirement of not obtaining POA in its capacity as a Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5	**Nomination**			
5.1	Whether nomination is made as per the prescribed procedure and based on the duly filled nomination form?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.2	Whether Nomination details are entered in DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.3	Whether nomination is modified / cancelled in demat account as per NSDL prescribed guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6	**Demat / Remat / Conversion / Reconversion / Redemption request**			
6.1	Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
6.2	Whether Participant refers to the list of Distinctive Numbers of certificates submitted for dematerialisation as made available by NSDL and ensures that the appropriate International Securities Identification Number (ISIN) is filled in DRF?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
6.3	Whether Participant refers to lists of companies having high demat pendency and non-responding/services stopped by Registrar and Transfer Agent(s) as displayed on NSDL website and informs clients suitably while accepting demat requests of these companies?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
6.4	Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
6.5	Whether demat / conversion requests received have been sent to Issuer / Registrar & Transfer Agent within seven days from the date of receipt of the request from the account holder?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
6.6	Whether there are sufficient provisions / arrangements for safe keeping of security certificates received from account holders for dematerialisation and certificates received after rejection of the demat request from Issuer / Registrar & Transfer Agent?	☐ Yes ☐ No	If no, then details must be mentioned here	
6.7	Whether any demat / conversion request was rejected due to error attributable to Participant?	☐ Yes ☐ No	If ,yes then number of cases with discrepancies must be mentioned here	
6.8	Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
6.9	Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.10	Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.11	Whether the Mutual Fund redemption requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7	**Delivery Instruction Slip (DIS)**			
7.1	***Issuance of DIS***			
7.1.1	Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically?	☐ Yes ☐ No	If no, then details must be mentioned here	
7.1.2	Whether the DIS issued to client has pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID or POA ID in case of DIS issued to POA holder??	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.3	Whether DIS booklets have been issued on receipt of requisition slips signed by the client (all holders in case of joint account)?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.4	Whether issuance of loose DIS to account holder is done as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
7.1.5	If DIS booklet is handed over to the authorized person other than account holder, then whether the signature of authorized person and his proof of identity are verified before issuance of DIS booklet?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.6	Whether the details regarding issuance of DIS (booklet and loose slips) to the clients have been entered in the DPM within two days of issuance?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.7	Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.8	Whether Participant has a system in place to ensure that the DIS issued prior January 7, 2014 are not accepted?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.9	Whether in cases of inter depository account closure, inter depository transmission of securities and execution of instructions based on court/regulatory orders, Participant has captured the required codes such as 'CL9999999999', 'TR9999999999' and 'RO9999999999' respectively against DIS serial number for execution of instructions?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2	***Verification of DIS***			
7.2.1	Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
7.2.2	Whether serial number of all the DIS(s) reported as lost / misplaced / stolen by the account holder or undelivered DIS are blocked in the DPM ?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.3	Whether DIS(s) given by account holder are available for all instructions executed in DPM (instruction other than those given by account holders through Speed-e electronically)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.4	Whether signature(s) on DIS match with the signature(s) scanned in the DPM system?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.5	Whether corrections / cancellation on DIS, if any, are authenticated by the client (all holders for joint accounts)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.6	Whether Participant accepts instructions by fax from account holder?	☐ Yes ☐ No		
7.2.7	If reply to 7.2.6 is yes, then whether original DIS has been received within three working days for all faxed instructions?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.8	If reply to 7.2.6 is yes, then whether Participant has obtained an indemnity from account holders who want to give instruction over fax?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.9	If Participant is accepting delivery instruction in form of an annexure to a DIS, whether it is done as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
7.2.10	Whether Participant is ensuring that information under columns "Consideration" and "Reason / Purpose /code" are mentioned for off market instructions by clients?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.11	Whether Participant follows maker - checker system to process the instructions?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.12	Whether there is an additional level of verification for high value instructions in a single DIS (DIS with value of Rs. 5 lakhs and above)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.13	Whether in case active accounts has five or more ISINs and all such ISIN balances are transferred at a time, Participant has verified with the client before execution of DIS and recorded the details of the same on DIS?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.14	Whether instructions executed in the DPM system are as per DIS?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.15	Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)?	☐ Yes ☐ No		
7.2.16	If reply to 7.2.15 is yes, whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
7.2.17	If reply to 7.2.15 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3	**Scanning of Delivery Instruction Slips (DIS) and Tamper proof storage of DIS images**			

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
7.3.1	Whether every DIS executed in the DPM is scanned alongwith all annexures / computer printouts (if any) by the end of the next working day and digitally signed image of the same is posted on DIVS system successfully for validation and digitally signature of NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.2	Whether the Participant scans the DIS received through fax and post the same to the DIVS and whenever original DIS is received the same is also scanned and posted on DIVS system within one working day from receipt of original DIS?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.3	Whether scanned images of DIS are legible and tagged to the correct DIS serial number?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.4	Whether the NSDL signed DIS images are stored in the system set up by the Participant as per the specification of NSDL?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.5	Whether tamper proof storage system of DIS images in which the NSDL signed DIS images (i.e. response files generated by DIVS) are stored, maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS images?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.3.6	Whether tamper proof storage system restricts unauthorized alteration or deletion?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
7.3.7	Whether tamper proof storage system is in compliance with the specification prescribed by NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.3.8	Whether tamper proof storage system has facility to check integrity of the system?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.3.9	Whether alert generated by tamper proof storage system during integrity check are monitored, corrective actions are taken and reported the same to NSDL by the Participant?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
7.4	**Dormant Account Monitoring**			
7.4.1	Whether in case of an accounts which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months and whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time, Participant has verified with the client before execution of DIS?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.4.2	Whether authorized official of the Participant verifying such transactions with the Client has recorded the details of the process, date, time, etc., of the verification on the instruction slip under his signature?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8	**Account Closure**			
8.1	Whether clients' request for closure of account has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
8.2	Whether DIS has been obtained in case of transfer of securities to an account other than clients' own account pursuant to account closure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.3	Whether 30 days notice is given to the client as well as to the depository before closing client account, in case account closure is initiated by Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.4	Whether Participant has refunded the account maintenance charges collected upfront on annual/half yearly basis (if so), to the client for the balance of the quarter/s, in the event of closing of the demat account or shifting of the demat account from one Participant to another?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9	**Transmission of Securities**			
9.1	Whether all transmission cases have been processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9.2	Whether all transmission cases have been processed within 7 days of receipt of the transmission request?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10	**Freeze/Unfreeze**			

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
10.1	Whether freeze and unfreeze instructions received from the clients' are processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.2	Whether PAN card is obtained and verified as per prescribed procedure before unfreezing an account which was frozen due to non-availability of PAN	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.3	Whether appropriate reason has been captured while freezing/unfreezing clients' account in case freeze is initiated by Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
11	**Investor Grievances**			
11.1	Whether all investors' grievances have been redressed as per the procedure and within the stipulated time?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details of grievances pending for redressal	
11.2	Whether Participant has prominently displayed basic information about the grievance redressal mechanism available to investors in their offices?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
11.3	Whether grievances received directly from clients at service center or DPM setup location through NSDL or SEBI are included in the monthly Investor grievance report submitted to NSDL by Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
11.4	Whether Participant has dedicated email ID for informing investor grievances?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
12	**Statement of Account (including transaction statement and holdings statement)**			

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
12.1	Whether statements provided to the clearing member accounts are as per the prescribed frequency?	☐ Yes ☐ No ☐ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.2	Whether statements are provided to the client as and when requested?	☐ Yes ☐ No	If no, then details must be mentioned here	
12.3	In case a third party address has been captured in the demat account, whether a statement is sent to the address of the Client once a year?	☐ Yes ☐ No	If no, then details must be mentioned here	
12.4	Whether statements are generated from back office or DPM system?	☐ Back office ☐ DPM system		
12.5	If generated from back office, whether the details match with statement generated from DPM system?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.6	Whether the narration of corporate action / ISIN description (*especially in case of debt*) appearing in the statement of accounts are meaningful to the Client?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.7	If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
13	**Compliance under Prevention of Money Laundering Act, 2002 (PMLA)**			
13.1	Whether Participant has adopted a policy to comply with its obligations under PMLA?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.2	If reply to 13.1 is yes, whether the policy is in line with SEBI / NSDL requirements, approved by Board of Participant and reviewed periodically?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
13.3	Whether Participant has complied with all the policies and procedures as prescribed under PMLA and SEBI guidelines such as customer due diligence, suspicious transaction monitoring and reporting, record keeping etc.?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.4	Whether AML Policy is updated to reflect recent changes as prescribed by SEBI?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.5	In case of applicable Non Individual clients, Whether Participants obtains copy of balance sheet and latest share holding pattern, including list of all those holding control, either directly or indirectly, in terms of SEBI takeover Regulations, duly certified by the company secretary / Whole Time Director/ MD, every year?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.6	Whether Participant has carried out risk assessment to mitigate its money laundering and terrorist financing risk with respect to its clients, as required under PMLA?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.7	Whether necessary checks and balances are put in place to ensure that the identity of the clients (both existing and new) does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.8	Whether the Participant has internal mechanism to monitor and detect suspicious transactions as per the requirements of PMLA/SEBI/NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.9	Whether Participant has submitted STR within 7 days of arriving at a conclusion that any transaction, or a series of transactions integrally connected are of suspicious nature?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.10	Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
13.11	Whether enhanced due diligence measures have been applied for clients categorised as high risk / special category including clients who are residents of jurisdictions listed in FATF statements?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.12	In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.13	Whether ongoing due diligence and scrutiny of the transactions and account throughout the course of the business relationship is conducted by the Participant to ensure that the transactions being conducted are consistent with the Participant's knowledge of the client, its business and risk profile and where necessary, the client's source of funds is also taken into consideration?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.14	Whether Participant has revisited the CDD process when there are suspicions of money laundering or financing of terrorism and the matter has been disposed off after carrying necessary due diligence?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.15	Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.16	Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.17	Whether there is a mechanism to deal appropriately with the alerts provided by NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.18	If any suspicious transaction is reported to FIU-India India then whether count of STRs reported to FIU-India are informed to NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.19	Whether suspicious transaction register (physical and/or in electronic form) has been maintained?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
14	**Operations Manual**			

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
14.1	Whether Participant has prepared an operations manual?	☐ Yes ☐ No		
14.2	If reply to 14.1 is yes, whether operations manual covers all depository activities?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention the areas not covered in operations manual	
14.3	If reply to 14.1 is yes, whether operations manual is updated as and when required?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention when is it updated	
14.4	If reply to 14.1 is yes, whether operations manual is available to persons who need to refer it?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention how is the work done by those persons	
14.5	If reply to 14.1 is yes, whether procedures mentioned in the operations manual are followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details here	
15	**Maintenance of record**			
15.1	Whether Participant has informed NSDL about place(s) of record keeping?	☐ Yes ☐ No	If no, then mention the place of record keeping	
15.2	Whether an internal mechanism has been evolved by Participant for proper maintenance and preservation of such records and information in the manner that allows easy and quick retrieval of data as and when requested by competent authorities?	☐ Yes ☐ No	If no, then give details here	
16	**Outsourced activities**			
16.1	Whether Participant has outsourced record keeping activity (partly or fully)?	☐ Yes ☐ No	If yes, then the name of the agency / firm and nature of arrangement must be mentioned here	
16.2	If reply to 16.1 is yes, whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details here	
16.3	Whether any business activity **other than record maintenance** is outsourced?	☐ Yes ☐ No		
16.4	If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
16.5	If reply to 16.1 and / or 16.3 is yes -			
	a) Whether Participant has entered into legally binding written contract/agreement/ terms and conditions with the Vendor(s) as per the stipulated guidelines issued by SEBI?	☐ Yes ☐ No ☐ Not Applicable	If no, then various outsourcing risks inherent in the process must be mentioned here	
	b) Whether proper checks and control mechanism has been implemented by the vendor/agency?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
	c) Whether during the course of periodic review, material outsourcing risks if any, are properly mitigated?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
	d) Whether Participant has a comprehensive policy to guide the assessment of whether and how the above activities are outsourced in terms of stipulated SEBI guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
17	**Service centre (whether offering the services as a DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name)**			
17.1	Whether NSDL's approval has been obtained for all the service centres opened during the audit period?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
17.2	Whether prescribed procedure has been followed for any service centre closed / terminated during the audit period?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
17.3	Whether the data of all the service centres (DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name) displayed on the NSDL website is updated and correct?	☐ Yes ☐ No	If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact information, etc. must be mentioned here	
17.4	Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE/NCFM/NCDO) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person?	☐ Yes ☐ No	If no, then details of non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
17.5	Whether internal audit has been conducted at adequate number of service centres other than DPM setup to verify guidelines prescribed by SEBI, PMLA and NSDL have been followed ?	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention count of service centres audited and locations thereof and If no, then details of non compliance must be mentioned here	
17.6	Whether the depository services offered at the service center are displayed at the service centers (where all depository services are not offered by the service center)?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
18	**Status of compliance for deviations / observations noted in last NSDL inspection and internal / concurrent audit report**			
18.1	Whether Participant has complied with all the deviations noted during last NSDL inspection?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.2	Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection?	☐ Yes ☐ No ☐ Not Applicable		
18.3	Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	☐ Yes ☐ No	If yes, then provide details / comments on issues	
18.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	☐ Yes ☐ No	If yes, provide details along with supporting documents	
19	**Reporting by Participants to its Board of Directors**			
19.1	Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? (*same may be verified from the extract of the minutes of the Board Meeting).*	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention date of the Board Meeting	
19.2	Whether Participant has placed last internal/concurrent audit findings alongwith management comment before its Board of Directors / Audit Committee? (*same may be verified from the extract of the minutes of the Board Meeting*)	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention date of the Board Meeting	

Checklist				
Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
20	**Billing**			
20.1	Whether all account holder are billed as per the tariff sheet?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
20.2	Whether Participant has given atleast one month's prior notice for any increase in the tariff sheet?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
20.3	Whether charges levied for demat accounts are in accordance with SEBI/NSDL guidelines?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
20.4	Whether Participant has not charged account holder(s), for transfer of all the securities lying in his account to another account of client with another branch of the same Participant or to another Participant of the same depository or another depository, provided the account holder(s) at transferee Participant and at transferor Participant are identical in all respects?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	
20.5	Whether increase or decrease made in charges i.e changes in tariff sheet has been intimated to NSDL for making it available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
21	**Back Office**			
21.1	If Participant is using backoffice software for depository operations like providing statement, billing etc., whether balances as per back office are reconciled on a daily basis with DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22	**Miscellaneous areas**			
22.1	Whether there is any supplementary agreement / letter of confirmation / power of attorney obtained / executed with account holder which are in contravention to 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.2	Whether Participant has collected requisite documents to claim waiver of settlement fees?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
22.3	Whether pledge and hypothecation instructions are processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.4	Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
22.5	Whether forms in use for various activities are as prescribed?	☐ Yes ☐ No	If no, then mention the forms and the discrepancies observed therein.	
22.6	Whether Participant has a policy for dealing with conflicts of interest?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
22.7	Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
22.8	Whether Participant has provided 'Annual Statement- RGESS' to account holders who have availed RGESS facility or has informed to client that the Annual Statement for RGESS is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
22.9	Whether Participant has provided 'RGESS Compliance Report to client who have availed RGESS facility or has informed to client that the RGESS Compliance Report is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
22.10	Whether Participant has offered BSDA facility to all eligible Beneficial Owners?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
22.11	Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility of BSDA and has converted all eligible demat accounts into BSDA until such BOs specifically opt to continue to avail the facility of a regular demat account?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
22.12	Whether Participant has displayed various tickers on its website to create awareness among clients to subscribe for SMS alerts, for KYC registration and that ASBA has been made mandatory payment mechanism for all investors including retail investors for all public issues opening on or after Jan 1, 2016??	☐ Yes ☐ No ☐ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.13	Whether Participant has taken up the matter with Clients where same mobile number and email ID is captured for more than one Client?	☐ Yes ☐ No ☐ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.14	Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.15	Comment on improvements made in the operations since last audit.		Views of the auditor on the improvements, if any (or nil), in operations of the Participant should be mentioned here	
23	**System areas**			
23.1	Whether hardware and software installed on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL and made available on i-Assist?	☐ Yes ☐ No	If no, then mention the mismatch	
23.2	Whether Participant is taking backup on a daily basis?	☐ Yes ☐ No		
23.3	Whether Participant has kept remote backup media as per prescribed guidelines?	☐ Yes ☐ No		
23.4	Whether updated antivirus is installed on the server and all the client machines?	☐ Yes ☐ No		
23.5	Whether log shipping facility for log generation is working?	☐ Yes ☐ No		
23.6	Whether all the software installed on server and client machines are licensed?	☐ Yes ☐ No		
23.7	Whether RAID has been configured as per the prescribed guidelines?	☐ Yes ☐ No		
23.8	Whether database reorg and shrinking are done as per the prescribed guidelines?	☐ Yes ☐ No		

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
23.9	Whether scheduled switch to fallback connectivity is done and the record thereof is maintained?	☐ Yes ☐ No		
23.10	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	☐ Yes ☐ No	If no, then mention whether the Participant has obtained approval for the same?	
23.11	Whether UPS / alternate power arrangement is available for all the hardware / equipments used for depository operations?	☐ Yes ☐ No		
23.12	Whether adequate physical and logical access restrictions for usage of system are in place?	☐ Yes ☐ No		
23.13	Whether backup of back office data is taken?	☐ Yes ☐ No ☐ Not Applicable		
23.14	Whether back office is directly connected to DPM system?	☐ Yes ☐ No		
23.15	If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.16	Whether atleast one staff managing the systems is NSDL trained?	☐ Yes ☐ No		
23.17	Whether physical access to client machines and server is restricted only to authorised persons?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
23.18	Whether the operating system and other softwares installed on the machines used for depository operations are as per NSDL specifications and upgraded as per NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
23.19	Whether the Participant has adequate safeguards as regards cyber security?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24	**Additional information about Participant**			
24.1	Whether Participant is satisfying the eligibility criteria as specified at Regulation 19 (a) of SEBI (Depositories and Participants) Regulations, 1996?	☐ Yes ☐ No	If no, then details of the same must be mentioned here	
24.2	Whether the Compliance Officer of the Participant has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE)?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24.3	Whether the Participant is a fit and proper person as per Regulation 7 of SEBI (Intermediaries) Regulations, 2008 and the provisions of Schedule II?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24.4	Whether Risk Assessment Template (RAT), Internal and/or Concurrent Audit Report, Net worth Certificate and Compliance Certificate has been submitted periodically by participant?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24.5	Whether change in Director / compliance officer/ Shareholding pattern of the Participant /name of the participant/ registered address of the participant and any such changes have been informed to NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
24.6	Whether any other deviation/non-complaince observed by internal auditor which is not specifically covered above?	☐ Yes ☐ No	If Yes, then details must be mentioned here	
24.7	Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it?	☐ Yes ☐ No	If no, then details must be mentioned here	
Management's Comment* - Mandatory if auditor's observation is negative.				

Auditor's Report on Internal / Concurrent Audit

I/ We have carried out audit of depository operations of <Name of Participant> and I/We hereby declare the following:

1. The operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 1996, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.
2. The system related to depository operations is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.
3. The capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.
4. The business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.
5. The operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.
6. The business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.
7. The Participant has required internal controls, checks, risk management procedure in place.
8. The procedures with respect to maintenance of records (electronic and physical) are adequate.
9. To the best of our knowledge and belief and according to the information and explanations sought by us, no material fraud / non-compliance / violation by the Participant is observed during the course of this Audit
10. We do not have any direct / indirect interest in or relationship with the Participant or its shareholders / directors / partners / proprietors / management and also confirm that we do not have any conflict of interest in such relationship / interest while conducting internal/ concurrent audit of the said Participant.
11. The Report provided by us covers the entire scope of the Internal/concurrent audit, is true and correct.
12. I hereby declare that digital signature certificate being used by me for signing this document is a valid digital signature certificate on this date in terms of provisions of Information Technology Act, 2000 and rules framed thereunder and that it has not been revoked by the issuing authority till this date.

    Signed by the auditor using its Digital Certificate.

Annexure 3

Objectives of audit of depository operations

i. To assure the management that the operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 1996, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.

ii. To assure management that the DPM is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.

iii. To assure management that the capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.

iv. To assure management and NSDL that the business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.

v. To assure management that the operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.

vi. To assure management and NSDL that the business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.

Circular No. NSDL/POLICY/ 2016/0091 Date: Nov. 9, 2016	***Subject: Facility for submission of Internal and Concurrent Audit Reports in electronic form through e-PASS.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2015/0087 dated October 1, 2015 regarding submission of half yearly Internal and Concurrent audit reports (IAR/CAR) by Participants in prescribed format by May 15th and November 15th of every year. In this context, Participants are hereby informed that NSDL has developed a facility for online submission of IAR/CAR in electronic form through e-PASS platform. Accordingly, Participants can submit IAR/CAR for half year ended September 30, 2016 online through e-PASS platform or continue to submit in physical form (i.e. in hard copy) or digitally signed by email (Ref: Circular No. NSDL/POLICY/2010/0017 dated February 22, 2010) latest by November 15, 2016. It may be mentioned that from next cycle onwards, it will be mandatory to submit it in electronic form through e-PASS platform and thus, Participants are encouraged to submit it through e-PASS this time also. The Auditor can fill and submit the IAR/CAR online through e-PASS platform using their login credentials. The procedure for addition/modification/deactivation of Auditor login ID is enclosed at Annexure *A*. The procedure for submission of Internal and Concurrent Audit Reports through e-PASS is enclosed at Annexure B. For further information / assistance, Participants are requested to contact Mr. Devendra Singh Bhadoriya, Tel: (022) 2499 4371, Mr. Jainil Rambhia, Tel: (022) 24994495 or send an email on NSDL-BP-INSPECTION@nsdl.co.in and for technical queries, Participants are requested to contact Mr. Shiv Kumar, Tel: (022) 2499 4785 / shivkumarj@nsdl.co.in Participants are advised to take note of the above and ensure compliance. For and on behalf of **National Securities Depository Limited** **Ravindra Sahu** **Senior Manager**

A. Procedure for submission of Internal and Concurrent Audit Report through e-PASS:

1) Auditor Login :

a) Auditor shall login to e-PASS portal (https://www.epass.nsdl.com/epass/) using their credential as created by Participant. "User ID" will be the email ID of auditor as provided by auditor to Participant. After entering user ID and password Click on "Generate OTP" as exhibited below:

b) Upon clicking on "Generate OTP", a One Time Password (OTP) will be sent on registered mobile number and email ID of Auditor and same has to be entered for login to e-PASS. On first login with default password Nsdl@123 and OTP, e-PASS portal will prompt the user to change password. Upon successfully changing the password, Auditor needs to re-login with new password to get access to e-PASS.

c) Forgot Password:
In case Auditor forgets password, a link – "Forgot Password" is provided on login screen of e-PASS portal through which a new password can be generated. Upon clicking the link "Forgot Password" (as exhibited below), users login password will be reset and an email intimation will be sent on the registered email id (e-mail ID provided at the time of registration) with the new password. On receipt of this email, user can login to e-PASS using this new password. After login, the user can change the password by using the Change Password functionality provided under "Tools" in the main menu.

2) Submission of Audit Report by Auditor:

a) In case the Auditor is registered by the Participant as Internal and Concurrent Auditor, the auditor will be able to fill and submit a combined audit report for the relevant audit period. In case the auditor is registered for only internal audit or only for concurrent audit by the Participant, the auditor will be able to fill and submit the respective audit reports as per registration by the Participant.

b) After login to e-PASS, for submissions of Internal and Concurrent Audit Report, click on 'Submit IAR/ CAR Report' under the 'IAR/CAR Report' head.

c) Upon Clicking 'Submit IAR/CAR Report' screen as exhibited below will be displayed. Auditor has to select audit period, DP ID and Participant Name and click on submit button.

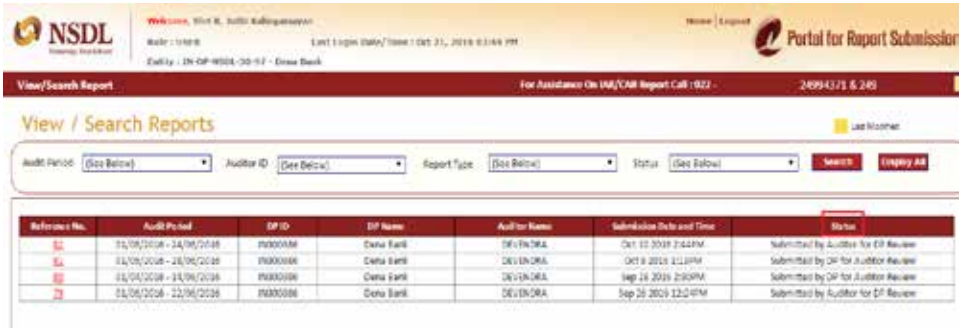
d) Once the auditor selects audit period, DP ID and Participant Name and clicks on 'submit' button, the IAR/CAR checklist will be displayed on the screen as exhibited below, which has to be filled completely by the auditor.

e) The auditor can enter his remarks, mention observations and attach documents [*as exhibited below*]. The attachment can be made in formats viz; .JPG, .TIFF, .PDF, .DOC, .DOCX, .XLS and .XLSX format with a maximum size of 10 MB per attachment.

f) Auditor can click "Save Draft" button to save the draft report at any point in time while filling the report. The auditor can view the saved Audit report under 'view/search reports' option. The Auditor can complete the checklist at a future date [*as exhibited below*].

g) Once the audit report/checklist is filled completely, the Auditor will need to click on 'validate checklist' button. If there are any error/s the same would be highlighted which are required to be corrected by the Auditor and once again click on button 'validate checklist'. Once audit checklist is validated successfully then Auditor can send the report to Participant for review and its comments (if any) by clicking on "Send to DP for review" button [*as exhibited below*].

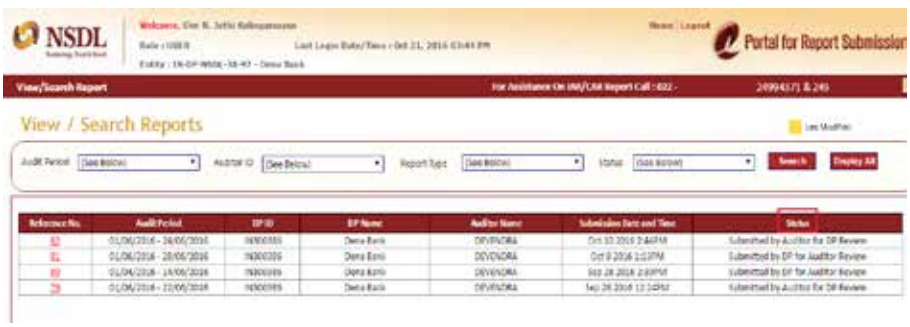
h) The process of review by the Participant is provided in point no 3 below. Once the report is submitted by the Participant for review by auditor, auditor will able to see the IAR/CAR under the head of 'IAR/CAR reports' -> 'view/Search reports' [*as exhibited below*] with status 'Submitted by DP for Auditor Review'.



i) If the auditor is not satisfied with the comments/review of the Participant the auditor may resend the report to Participant again for review. The changes, if any, made by the auditor in report resent to Participant for review will be highlighted in the report.

j) If the auditor is satisfied with the comments & review made by the Participant, then auditor will need to click on 'validate checklist' button. If there are any error/s the same would be highlighted which are required to be corrected by the Auditor and once again click on button 'validate checklist'. Once audit checklist is validated successfully then the report has to be signed digitally by the auditor by using the relevant digital signature certificate (DSC) registered in e-PASS at the time of addition of the auditor by the Participant.

k) The Auditor and Participant will able to see the IAR/CAR with relevant status of the IAR/CAR under the head of 'IAR/CAR reports' -> 'View/Search reports'. The relevant screen shot is exhibited below.

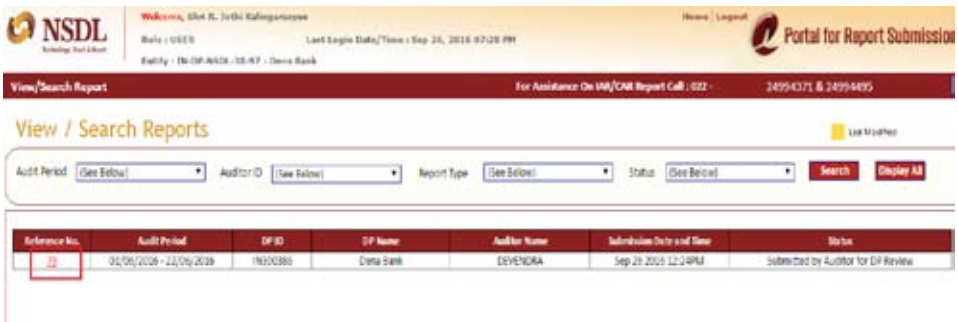


3) **Review by Participant:**

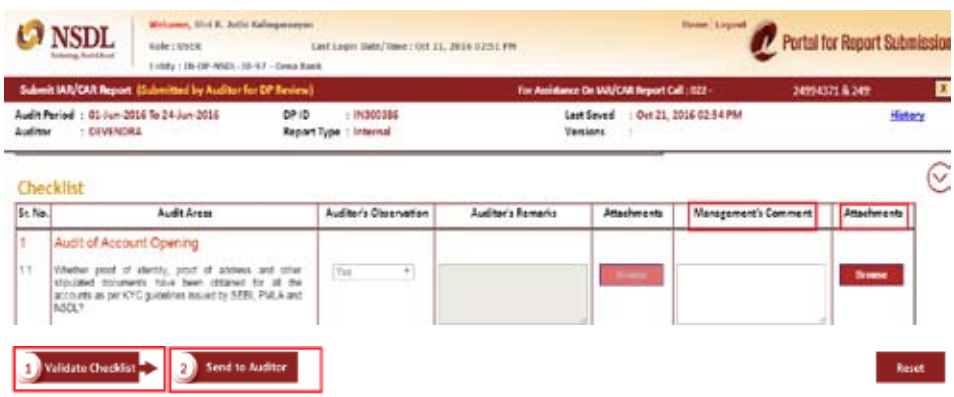
a) Once the report has been sent by the Auditor to its Participant for review, the Participant can login into e-PASS using login credential. Participant can view the IAR/CAR report under the head of 'IAR/CAR reports' -> 'View/Search reports' [as exhibited below].

b) A list of IAR/CAR submitted by auditor will be displayed to Participant. Participant will be able to review and add its comments (if any) on the IAR/CAR where status of the report is 'Submitted by Auditor for DP review'.

c) Participant is required to select IAR/CAR where status of the report is 'Submitted by Auditor for DP review' by Clicking on relevant reference no. which will be displayed as per screen shot below.



l) Participant is required to review the IAR/CAR and add remarks and comments (if any) wherever required. Participant can also attach files in .JPG, .TIFF, .PDF, .DOC, .DOCX, .XLS and .XLSX formats, up to a maximum size of 10 MB per attachment. Once, Participant has completed its review and entered its comments, wherever required, it will be required to validate the audit checklist by clicking on 'Validate Checklist' button. If there are any error/s the same would be highlighted which are required to be corrected by the Participant and once again click on button 'validate checklist'. Once audit checklist is validated successfully then Participant has to click on button 'Send to Auditor' pursuant to which the report will be sent to auditor for review.



m) After the report is sent to the auditor for review, the auditor can review the comments/ remarks given by Participant's management. If the auditor is satisfied with the comments, it will sign the report using its DSC and submit the same to Participant by following the procedure as stated at 2(j) above.

n) IAR/CAR submitted by auditor after attaching its DSC can be viewed by the Participant under the head 'IAR/CAR reports' -> 'View/Search reports'. The Participant is required to digitally sign the report using its DSC before submitting to NSDL. After digitally signing the report, the same is required to be submitted to NSDL by clicking on "submit to NSDL for review". Button.

4) **Version Management:**

There may be multiple rounds of iterations in the audit reports exchanged between the auditor and Participant. The same will be handled through version management. The Auditor and Participant will be able to view the different versions of reports for their reference [*as exhibited below*]

5) **Change in details of Participant :**

In case there is any change in details of Compliance Officer's/ Alternative Compliance Officer's name, email ID and mobile number, Participants are requested to inform the same on email ID NSDL-BP-INSPECTION@nsdl.co.in

B. Procedure for installation of Capicom.dll Utility for signing of Report using digital signature

Capicom is a discontinued ActiveX control. This can be used to sign data using digital signature certificate. A link for downloading the Capicom utility has been provided at the top (extreme right) on the audit checklist screen. For installation of Capicom.dll utility, Auditors and Participants need to click on link 'Download e-token utility'. Once clicked, the respective e-token utility folders to be downloaded for relevant operating system i.e. Windows XP, Windows 7/8/10-32 Bit and Windows 7/8/10-64 bit will be displayed on the screen. Participants may click on relevant link to install the folders as per the operating system. The procedure to install the e-token utility for each of the operating systems is provided below:

1) **To install capicom.dll for Windows XP:**
   a. Extract the folder to your desktop and copy "capicom.dll" to your system folder i.e **C:\Windows\System32.**
   b. Execute batch file "e token" as administrator (right click and select run as administrator) from the extracted folder to register 'e token'.

2) **To install capicom.dll for Windows 7/8/10-32 Bit:**
   a. Extract the folder to your desktop and copy "capicom.dll" and "Interop.CAPICOM.dll" to your system folder i.e **C:\Windows\System32.**
   b. Execute batch file "e token" as administrator (right click and select run as administrator) from the extracted folder to register 'e token'.

3) **To install capicom.dll for Windows 7/8/10-64 Bit:**
   a. Extract the folder to your desktop and copy "capicom.dll" and "Interop.CAPICOM.dll" to your system folder i.e **C:\Windows\SysWOW64.**
   b. Execute batch file "e token" as administrator (right click and select run as administrator) from the extracted folder to register 'e token'.

Circular No. NSDL/POLICY/ 2015/0087 Date: October 1, 2015	***Sub: Internal and Concurrent Audit for depository operations.*** Participants are aware that as per Bye Law 10.3, each Participant is required to have its depository operations audited by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant holding a Certificate of Practice. Such audit should be conducted twice a year and a copy of the report should be submitted to NSDL. Attention of Participants is invited to Circular No. NSDL/POLICY/2015/0025 dated February 23, 2015 in which guidelines related to scope of the audit and format of the audit report were provided. The audit report format has been modified and enclosed as Annexure 1 in track change mode and as Annexure 2 (without highlighting the changes). The broad objectives / guidelines for the internal / concurrent audit are enclosed as Annexure 3. Participants are advised to take note of the following: 1. Audit should cover all facets of the depository operations. Auditor may expand the scope of audit / add more audit points to achieve the objectives enclosed as Annexure 3. Participants are advised to extend full co-operation to their auditors to enable them to perform an effective audit. All circulars / guidelines issued by NSDL / SEBI from time to time and other information / records desired by the auditors should be made available to them within a reasonable time. 2. Participants should forward the audit report as per schedule given below to NSDL – **Audit Period** | **Due date for submission of report to NSDL** April 1 to September 30 | November 15 October 1 to March 31 | May 15 3. The Participants which remain operational for less than three months in an audit period can submit audit report for that audit period along with the audit report for next audit period. For example, if a Participant is made operational by NSDL on January 1, 2015, then it can submit first audit report for period January 1, 2015– September 30, 2015. 4. Audit work for areas which are covered under the scope of concurrent audit should be completed by next working day. If audit cannot be completed by next working day due to large volume, it must be completed within a week. 5. Participants may appoint same auditor for concurrent and internal audit. If both audits are done by same auditor, then a consolidated report must be submitted instead of two separate reports. If both audits are being done by different auditors, then two separate reports must be submitted. 6. Participants are advised to note that the audit report format provided in this circular is applicable for audit period April 1, 2015 to September 30, 2015 and onwards. 7. Participants are hereby informed that internal and/or concurrent audit reports which are not as per guidelines will be treated as non-submission of the report. NSDL reserves the right to advise a Participant to change its auditor if quality of the report is not satisfactory or the audit is not carried out as per guidelines. 8. The auditors may visit service centers (on sample basis) to check whether proper procedures are being followed at such centers. 9. Any one person conducting the internal and/or concurrent audit (risk prone areas) should obtain certification from the National Institute of Securities Markets (NISM) by passing the NISM-Series-VI: Depository Operations Certification Examination DOCE). Alternatively, such persons, if eligible, may undergo Continuing Professional Education (CPE) program for depository operations (details available on www.nism.ac.in). 10. Participants can submit internal/concurrent audit report in electronic form subject to the conditions mentioned in circular NSDL/POLICY/2010/0017 dated February 22, 2010.

Cover page	
Internal / Concurrent Audit Report for Depository Operations	
Type of Audit Report	☐ Internal Audit Report (IAR) ☐ Concurrent Audit Report (CAR) ☐ Combined IAR and CAR
Name of the auditee	
DP ID(s)	INXXXXXX
	INXXXXXX
SEBI Registration Number	
Audit period	**From DD-MMM-YYYY to DD-MMM-YYYY**
Name of the auditor	
Membership no. of the auditor	
NISM – DOCE / CPE Certificate no. [*of any one person conducting the internal and/or concurrent audit*]	
Date till which certificate is valid	**DD-MMM-YYYY**
Name of the audit firm	
Full postal address of the audit firm	
Contact number along with STD code / mobile number of auditor	
email ID of auditor	
I / We hereby declare that Circular no. NSDL/Policy/2015/0087 dated October 1, 2015 was read and understood by me / us and this report is based on the guidelines given in this Circular. I / We hereby further declare that I / we have no conflict of interest with the Participant.	
Signature of the auditor	
Stamp of the auditor / audit firm	
Date	**DD-MMM-YYYY**
If auditor is submitting digitally signed audit report then the holder of the digital signature certificate should give following declaration: "I hereby declare that digital signature certificate being used by me for signing this document is a valid digital signature certificate on this date in terms of provisions of Information Technology Act, 2000 and rules framed thereunder and that it has not been revoked by the issuing authority till this date."	

Activity wise sampling details				
Sr. No.	**Area**	**Count for the audit period (total number of accounts opened, demat request processed, etc.)**	**No. of samples checked**	**Percentage of samples checked**
1	Account Opening (100%)			
2	Demat requests / Conversion request			
3	Remat requests / Reconversion request / Redemption request			
4	DIS book issuance (100%)			
5	DIS execution (atleast 25%)			
6	Pledge / hypothecation instructions			
7	Client data modifications			
8	Modification in the name of client pursuant to error made by Participant(100%)			
9	Power of Attorney modifications (100%)			
10	Account Closure requests - Initiated by Participant (100%)			
	- Initiated by client			
11	Transmission (100%)			
12	Investor grievances received by Participant (100%)			
13	Providing statement of accounts to clearing member (100% process level) (For count / samples checked, specify number of occasions of dispatch during audit period - typically it would be six for the six month period). [In case a Participant does not have any clearing member account and has only beneficial owner account then 'Not Applicable' may be specified].	**Specify number of occasions of dispatch of statement during audit period by Participant**	**Specify number of occasions of dispatch checked by auditor**	

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
1	**Audit of Account Opening**			
1.1	Whether proof of identity, proof of address and other stipulated documents have been obtained for all the accounts as per KYC guidelines issued by SEBI, PMLA and NSDL?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.2	If correspondence address of third party is accepted, whether guidelines prescribed by SEBI, PMLA and NSDL have been followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.3	Whether PANs are obtained for all the accounts, wherever applicable?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.4	Whether PANs are verified with the database of Income Tax Department and stamp of "PAN Verified" has been affixed on the photocopy of the PAN card(s) for all the accounts?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.5	Whether copies of all the documents submitted by the applicant are self-attested?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.6	Whether copies of all the documents submitted by the applicant are accompanied with originals for verification / properly attested by entities authorized for attesting the documents in cases where the original of the said document is not produced for verification?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	

1.7	Whether the 'in - person' verification of the account holders has been done before activation of the account and the record of in-person verification is maintained as per SEBI, PMLA and NSDL guidelines?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.8	Whether Participant has provided a copy of the "Rights and Obligations of the Beneficial Owner and Depository Participant" document to the client and obtained an acknowledgement of the same from the client?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.9	Whether data entered in DPM system matches with the details mentioned in the account opening form?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.10	Whether signature of account holder(s) as given in the account opening form has been scanned in the DPM system clearly and correctly?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.11	Whether all KYC application forms and account opening forms are completely filled?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.12	Whether the scanned images of the KYC documents of the clients have been furnished to KRA within 10 working days from the date of execution of documents by clients?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.13	Whether required information / documents are forwarded by Participants to KRA for cases which are informed as incomplete by KRA?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	

1.14	Whether the Participant has uploaded existing clients' KYC data on KRA system and sent scanned images of KYC documents to KRA as per SEBI guidelines?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.15	Whether the Participant has used the KYC data of a client obtained from the KRA only for the purposes it is meant for?	☐ Yes ☐ No	If no, then details must be mentioned here	
1.16	Whether Participant has downloaded KYC information of client(s) who are KYC compliant from KRA platform?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.17	Whether sufficient information has been obtained from clients, to identify and verify the identity of persons who beneficially own or control the securities account as per SEBI, PMLA and NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.18	Whether activation of Rajiv Gandhi Equity Savings Scheme (RGESS) flag in the Depository account opened is as per SEBI and NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.19	Whether Participant has provided 'New Retail Investor Certificate' (NRIC) to accountholders who have availed RGESS facility or has informed to client that the NRIC is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
1.20	Whether Participant has created POA ID for all POA holders in DPM and map the same to the respective demat account where DIS is issued to POA holder?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
2	**Client Data Modification**			
2.1	Whether clients' request for changes in data (e.g. name of client, address, signature, bank details, nomination, mobile number, E-mail, mode of receiving annual report, AGM notice and other communications, etc.) have been processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	

2.2	Whether Client name modification pursuant to error of Participant has been processed as per prescribed procedure ?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
2.3	Whether clients' request for closure / freezing / unfreezing of account have been processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
2.4	Whether modification in RGESS flag has been done as per SEBI and NSDL prescribed guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
2.5	Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3	**Demat / Remat / Conversion / Reconversion / Redemption request**			
3.1	Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
3.2	Whether Participant refers to the list of Distinctive Numbers of certificates submitted for dematerialisation as made available by NSDL and ensures that the appropriate International Securities Identification Number (ISIN) is filled in DRF?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
3.3	Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	

3.4	Whether demat / conversion requests received have been sent to Issuer / Registrar & Transfer Agent within seven days from the date of receipt of the request from the account holder?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
3.5	Whether there are sufficient provisions / arrangements for safe keeping of security certificates received from account holders for dematerialisation and certificates received after rejection of the demat request from Issuer / Registrar & Transfer Agent?	☐ Yes ☐ No		
3.6	Whether any demat / conversion request was rejected due to error attributable to Participant?	☐ Yes ☐ No		
3.7	Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant?	☐ Yes ☐ No ☐ Not Applicable		
3.8	Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
3.9	Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
3.10	Whether the Mutual Fund redemption requests have been accepted and processed as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4	**Delivery Instruction Slip (DIS)**			
4.1	***Issuance of DIS***			
4.1.1	Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically?	☐ Yes ☐ No		

4.1.2	Whether the DIS issued to client has pre-stamped client ID and pre-printed unique serial number?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.1.3	Whether DIS booklets have been issued on receipt of requisition slips signed by the client (all holders in case of joint account)?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.1.4	Whether issuance of loose DIS to account holder is done as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.1.5	If DIS booklet is handed over to the authorized person other then account holder, then whether the signature of authorized person and his proof of identity are verified before issuance of DIS booklet?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.1.6	Whether DIS (booklet or loose) issued to account holder is immediately updated in back office or issuance register?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.1.7	Whether the existing stock of DIS which is already printed and being used is in accordance with NSDL guidelines such as DIS serial number not greater than 12 digits and DIS serial number is unique within a DP ID?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.1.8	Whether the details regarding issuance of DIS booklet and loose slips to the clients made on or after October 1, 2014 have been entered in the eDPM within two days of issuance?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	

4.1.9	Whether DIS printed on or after October 1, 2014 are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.1.10	Whether post one month from the date of issuance of new DIS booklet (new format) the old slips have been blocked in the back-office and the DPM system (if old DIS master is entered in the DPM system)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.1.11	Whether DP has intimated to clients that old DIS will not be accepted after the receipt of new DIS by the clients?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.1.12	Whether code 'CL9999999999', 'TR9999999999' and 'RO9999999999' are entered in the system for instruction for which it is allowed?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.2	***Verification of DIS***			
4.2.1	Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.2.2	Whether Participant affixes 'late stamp' on DIS received beyond the prescribed deadline time for old DIS?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.2.3	Whether Participant verifies that the DIS received from client was actually issued to same client ID?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	

4.2.4	Whether serial number of all the executed DIS(s) (irrespective of whether executed through back office or directly in DPM system) and DIS(s) reported as lost / misplaced / stolen by the account holder are blocked in the back office or in the DIS issuance register and eDPM to prevent any re-acceptance?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.2.5	Whether DIS(s) given by account holder are available for all instructions executed in DPM (instruction other than those given by account holders through Speed-e electronically)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.2.6	Whether signature(s) on DIS match with the signature(s) scanned in the DPM system?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.2.7	Whether corrections / cancellation on DIS, if any, are authenticated by the client (all holders for joint accounts)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.2.8	Whether Participant accepts instructions by fax from account holder?	☐ Yes ☐ No		
4.2.9	If reply to 4.2.8 is yes, then whether original DIS has been received within three working days for all faxed instructions?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.2.10	If reply to 4.2.8 is yes, then whether there is a system in place to prevent multiple execution of the same instruction, in case fax instructions are accepted?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.2.11	If reply to 4.2.8 is yes, then whether Participant has obtained an indemnity from account holders who want to give instruction over fax?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

4.2.12	If Participant is accepting delivery instruction in form of an annexure to a DIS, whether it is done as per the prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.2.13	Whether Participant is ensuring that information under columns "Consideration" and "Reason / Purpose /code" are mentioned for off market instructions by clients?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.2.14	Whether Participant follows maker - checker system to process the instructions?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.2.15	Whether there is an additional level of verification for high value instructions in a single DIS (DIS with value of Rs. 5 lakhs and above)?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.2.16	Whether there is an additional level of verification for DIS received for dormant accounts?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.2.17	Whether instructions executed in the DPM system are as per DIS?	☐ Yes ☐ No	If no, then number of cases with discrepancies must be mentioned here	
4.2.18	Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/ SPICE)?	☐ Yes ☐ No		
4.2.19	If reply to 4.2.18 is yes, whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable		

4.2.20	If reply to 4.2.18 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
5	**Statement of Account (including transaction statement and holdings statement)**			
5.1	Whether statements are generated from back office or DPM system?	☐ Back office ☐ DPM system		
5.2	If generated from back office, whether the details match with statement generated from DPM system?	☐ Yes ☐ No ☐ Not Applicable		
5.3	Whether the narration of corporate action / ISIN description (*especially in case of debt*) appearing in the statement of accounts are meaningful to the Client?	☐ Yes ☐ No ☐ Not Applicable		
5.4	Whether statements are provided to the clearing member account are as per prescribed frequency:	☐ Yes ☐ No ☐ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
5.5	If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

6	**Compliance under Prevention of Money Laundering Act, 2002 (PMLA)**			
6.1	Whether Participant has adopted a policy to comply with its obligations under PMLA?	☐ Yes ☐ No		
6.2	Whether Participant has complied with all the policies and procedures as prescribed under PMLA and SEBI guidelines such as customer due diligence, suspicious transaction monitoring and reporting, record keeping etc.?	☐ Yes ☐ No		
6.3	Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU?	☐ Yes ☐ No		
6.4	Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU?	☐ Yes ☐ No		
6.5	Whether there is a mechanism to deal appropriately with the alerts provided by NSDL?	☐ Yes ☐ No		
6.6	If any suspicious transaction is reported to FIU India then whether count of STRs reported to FIU are informed to NSDL?	☐ Yes ☐ No ☐ Not Applicable		
6.7	Whether suspicious transaction register (physical and/or in electronic form) has been maintained?	☐ Yes ☐ No		
7	**Operations Manual**			
7.1	Whether Participant has prepared an operations manual?	☐ Yes ☐ No		
7.2	If reply to 7.1 is yes, whether operations manual covers all depository activities?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention the areas not covered in operations manual	
7.3	If reply to 7.1 is yes, whether operations manual is updated as and when required?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention when is it updated	
7.4	If reply to 7.1 is yes, whether operations manual is available to persons who need to refer it?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention how is the work done by those persons	
7.5	If reply to 7.1 is yes, whether procedures mentioned in the operations manual are followed?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details here	

8	**Maintenance of record**			
8.1	Whether Participant has informed NSDL about place(s) of record keeping?	☐ Yes ☐ No	If no, then mention the place of record keeping	
8.2	Whether every DIS executed in the DPM on or after October 1, 2014 is scanned alongwith all annexures / computer printouts (if any) by the end of the next working day and digital signed image of the same is posted on DIVS system successfully for validation and digital signature of NSDL?	☐ Yes ☐ No	If no, then mention the place of record keeping	
8.3	If reply to point to 4.2.8 is yes, then whether the Participant scans the DIS received through fax and post the same to the DIVS and whenever original DIS is received the same is also scanned and posted on DIVS system within one working day from receipt of original DIS?	☐ Yes ☐ No	If no, then mention the place of record keeping	
8.4	Whether scanned images of DIS are legible and tagged to the correct DIS serial number?	☐ Yes ☐ No	If no, then mention the place of record keeping	
8.5	Whether the NSDL signed DIS images are stored in the system set up by the Participants as per the specification of NSDL?	☐ Yes ☐ No	If no, then mention the place of record keeping	
9	**Outsourced activities**			
9.1	Whether Participant has outsourced record keeping activity (partly or fully)?	☐ Yes ☐ No	If yes, then the name of the agency / firm and nature of arrangement must be mentioned here	
9.2	If reply to 9.1 is yes, whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable		
9.3	Whether any business activity **other than record maintenance** is outsourced?	☐ Yes ☐ No		
9.4	If reply to 9.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained?	☐ Yes ☐ No ☐ Not Applicable		

9.5	If reply to 9.1 and / or 9.3 is yes - a) Whether Participant has entered into legally binding written contract/agreement/ terms and conditions with the Vendor(s) as per the stipulated guidelines issued by SEBI?	☐ Yes ☐ No ☐ Not Applicable	If no, then various outsourcing risks inherent in the process must be mentioned here	
	b) Whether proper checks and control mechanism has been implemented by the vendor/agency?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
	c) Whether during the course of periodic review, material outsourcing risks if any, are properly mitigated?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
	d) Whether Participant has a comprehensive policy to guide the assessment of whether and how the above activities are outsourced in terms of stipulated SEBI guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
10	**Service centre (whether offering the services as a DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name)**			
10.1	Whether NSDL's approval has been obtained for all the service centres opened during the audit period?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
10.2	Whether prescribed procedure has been followed for any service centre closed / terminated during the audit period?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
10.3	Whether the data of all the service centres (DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name) displayed on the NSDL website is updated and correct?	☐ Yes ☐ No	If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact information, etc. must be mentioned here	

10.4	Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE/NCFM/NCDO) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person?	☐ Yes ☐ No	If no, then details of non compliance must be mentioned here	
10.5	Whether internal audit has been conducted at adequate number of service centres other than DPM setup to verify guidelines prescribed by SEBI, PMLA and NSDL have been followed ?	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention count of service centres audited and locations thereof and If no, then details of non compliance must be mentioned here	
10.6	Whether the depository services offered at the service center are displayed at the service centers (where all depository services are not offered by the service center)?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of non compliance must be mentioned here	
11	**Status of compliance for deviations / observations noted in last NSDL inspection and internal / concurrent audit report**			
11.1	Whether Participant has complied with all the deviations noted during last NSDL inspection?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
11.2	Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection?	☐ Yes ☐ No ☐ Not Applicable		
11.3	Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
11.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	☐ Yes ☐ No	If yes, then provide details / comments on issues	

11.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	☐ Yes ☐ No	If yes, provide details along with supporting documents	
12	**Reporting by Participants to its Board of Directors**			
12.1	Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? (*same may be verified from the extract of the minutes of the Board Meeting)*.	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention date of the Board Meeting	
12.2	Whether Participant has placed last internal/ concurrent audit findings alongwith management comment before its Board of Directors / Audit Committee? (*same may be verified from the extract of the minutes of the Board Meeting*)	☐ Yes ☐ No ☐ Not Applicable	If yes, then mention date of the Board Meeting	
13	**Billing**			
13.1	Whether all account holder are billed as per the tariff sheet?	☐ Yes ☐ No		
13.2	Whether Participant has given atleast one month's prior notice for any increase in the tariff sheet?	☐ Yes ☐ No ☐ Not Applicable		
13.3	Whether charges levied for demat accounts are in accordance with SEBI/NSDL guidelines?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
13.4	Whether Participant, in the event of closing of the demat account or shifting of the demat account from one Participant to another, refunded the account maintenance charges collected upfront on annual/half yearly basis (if so), to the client for the balance of the quarter/s?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	
13.5	Whether Participant has not charged account holder(s), for transfer of all the securities lying in his account to another account of client with another branch of the same Participant or to another Participant of the same depository or another depository, provided the account holder(s) at transferee Participant and at transferor Participant are identical in all respects?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	

13.6	Whether Participant has offered BSDA facility to all eligible Beneficial Owners?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
13.7	Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility of BSDA?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
13.8	Whether increase or decrease made in charges i.e changes in tariff sheet has been intimated to NSDL for making it available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
14	**Back Office**			
14.1	If Participant is using backoffice software for depository operations like providing statement, billing etc., whether balances as per back office are reconciled on a daily basis with DPM?	☐ Yes ☐ No ☐ Not Applicable		
15	**Miscellaneous areas**			
15.1	Whether all transmission cases have been processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	
15.2	Whether there is any supplementary agreement / letter of confirmation / power of attorney obtained / executed with account holder which are in contravention to 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable		
15.3	Whether Participant has collected requisite documents to claim waiver of settlement fees?	☐ Yes ☐ No ☐ Not Applicable		
15.4	Whether pledge and hypothecation instructions are processed as per prescribed procedure?	☐ Yes ☐ No ☐ Not Applicable		
15.5	Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified?	☐ Yes ☐ No		

15.6	Whether all investors' grievances have been redressed as per the procedure and within the stipulated time?	☐ Yes ☐ No ☐ Not Applicable	If no, then give details of grievances pending for redressal	
15.7	Whether Participant has prominently displayed basic information about the grievance redressal mechanism available to investors in their offices?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
15.8	Whether grievances received directly from clients at service center or DPM setup location/ through NSDL or SEBI are included in the monthly Investor grievance report submitted to NSDL by Participant?	☐ Yes ☐ No ☐ Not Applicable	If no, then details should be mentioned here	
15.9	Whether forms in use for various activities are as prescribed?	☐ Yes ☐ No	If no, then mention the forms and the discrepancies observed therein.	
15.10	Whether Power of Attorney contains clauses which are as per the SEBI stipulated guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention the discrepancies observed therein.	
15.11	Whether Power of Attorney documents are duly executed and the details have been entered into DPM?	☐ Yes ☐ No ☐ Not Applicable	If no, then mention the discrepancies observed therein.	
15.12	Whether Participant has a policy for dealing with conflicts of interest?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	

15.13	Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
15.14	Whether Participant has provided 'Annual Statement- RGESS' to account holders who have availed RGESS facility or has informed to client that the Annual Statement for RGESS is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	
15.15	Whether Participant has displayed ticker on its website to create awareness among clients to subscribe for SMS alerts?	☐ Yes ☐ No ☐ Not Applicable	If no, then reason for the non compliance must be mentioned here	
15.16	Whether Participant has displayed ticker on its website to create awareness among clients for KYC registration?	☐ Yes ☐ No ☐ Not Applicable	If no, then reason for the non compliance must be mentioned here	
15.17	Whether separate mobile number and email ID for each client is captured in the DPM system as per prescribed guidelines?	☐ Yes ☐ No	If no, then reason for the non compliance must be mentioned here	
15.18	Whether Participant has taken up the matter with Clients where same mobile number and email ID is captured for more than one Client?	☐ Yes ☐ No ☐ Not Applicable	If no, then reason for the non compliance must be mentioned here	
15.19	Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	

15. 20	Comment on improvements made in the operations since last audit.		Views of the auditor on the improvements, if any (or nil), in operations of the Participant should be mentioned here	
16	**System areas**			
16.1	Whether hardware and software installed on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL and made available on i-Assist?	☐ Yes ☐ No	If no, then mention the mismatch	
16.2	Whether Participant is taking backup on a daily basis?	☐ Yes ☐ No		
16.3	Whether Participant has kept remote backup media as per prescribed guidelines?	☐ Yes ☐ No		
16.4	Whether updated antivirus is installed on the server and all the client machines?	☐ Yes ☐ No		
16.5	Whether robocopy feature is working on one client machine?	☐ Yes ☐ No		
16.6	Whether all the software installed on server and client machines are licensed?	☐ Yes ☐ No		
16.7	Whether RAID has been configured as per the prescribed guidelines?	☐ Yes ☐ No		
16.8	Whether database reorg and shrinking are done as per the prescribed guidelines?	☐ Yes ☐ No		
16.9	Whether scheduled switch to fallback connectivity is done and the record thereof is maintained?	☐ Yes ☐ No		
16.10	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	☐ Yes ☐ No	If no, then mention whether the Participant has obtained approval for the same?	
16.11	Whether UPS / alternate power arrangement is available for all the hardware / equipments used for depository operations?	☐ Yes ☐ No		
16.12	Whether adequate physical and logical access restrictions for usage of system are in place?	☐ Yes ☐ No		

16.13	Whether backup of back office data is taken?	☐ Yes ☐ No ☐ Not Applicable		
16.14	Whether back office is directly connected to DPM system?	☐ Yes ☐ No		
16.15	If reply to 16.14 is yes, whether it is in accordance with NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
16.16	Whether atleast one staff managing the systems is NSDL trained?	☐ Yes ☐ No		
16.17	Whether physical access to client machines and server is restricted only to authorised persons?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
16.18	Whether tamper proof storage system of DIS images in which the NSDL signed DIS images (i.e. response files generated by DIVS) are stored maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS images?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
16.19	Whether tamper proof storage system restrict unauthorized alteration or deletion?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
16.20	Whether tamper proof storage system is in compliance with the specification prescribed by NSDL?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	

16.21	Whether tamper proof storage system has facility to check integrity of the system?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
16.22	Details of alert generated by tamper proof storage system during integrity check.		Number of alert generated	
16.23	Whether the operating system and other softwares installed on the machines used for depository operations are as per NSDL specifications and upgraded as per NSDL guidelines?	☐ Yes ☐ No ☐ Not Applicable	If no, then details of the non compliance must be mentioned here	
17	**Additional information about Participant**			
17.1	Whether Participant is satisfying the eligibility criteria as specified at Regulation 19 (a) of SEBI (Depositories and Participants) Regulations, 1996?	☐ Yes ☐ No	If no, then details of the same must be mentioned here	
17.2	Whether the Compliance Officer of the Participant has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE)?	☐ Yes ☐ No	If no, then details of the non compliance must be mentioned here	
	Important References (only illustrative, not exhaustive) -			
1	NSDL Bye laws and Business Rules			
2	Compliance Manual			
3	Circular No. NSDL/POLICY/ 2014/ 0065 dated May 21, 2014 - Master Circular on 'Account Opening'			
4	Circular No. NSDL/POLICY/2013/0017 dated January 24, 2013 - Guidelines on Identification of Beneficial Ownership			
5	Circular No. NSDL/POLICY/ 2013/ 0096 dated July 26, 2013- Master Circular on 'Delivery Instruction Slip'			
6	Circular No. NSDL/POLICY/ 2014/ 0029 dated March 14, 2014- Master Circular on Anti Money Laundering and Combating Financing of Terrorism			
7	Circular No. NSDL/POLICY/ 2013/ 0066 dated May 6, 2013- Master Circular on 'Mutual Fund Units in dematerialized form'			
8	Other circulars issued by NSDL and SEBI from time to time			
Management's Comment* - Mandatory if auditor's observation is negative.				

Circular No. NSDL/POLICY/ 2014/0106 Date: Sept. 30, 2014	***Sub: Extension of time for Submission of networth certificate and/or audited financial statements.*** As all Participants are aware, as per Bye law 6.3.6 (i), Participants who are required to maintain a minimum networth as per the stipulated requirement of SEBI/NSDL are required to submit a networth certificate in the format prescribed as per Form 1 based on the audited annual accounts. Further, as per Bye Law 10.2.1, all Participants are required to submit every year, a copy of its audited financial statement within six months from the end of the Participant's financial year. Accordingly, the same had to be submitted by September 30, 2014 for financial year 2013-14. In this context, various Participants have made representations to NSDL to extend the deadline for submission of the aforementioned documents. In view of the above, the last date for submission of aforementioned documents for the financial year 2013-14 is extended to **October 31, 2014**. Accordingly, Participants who have not yet submitted the required documents are requested to submit the same on or before October 31, 2014 and ensure compliance.
Circular No. NSDL/POLICY/ 2013/0097 Date: July 30, 2013	***Sub: Internal and Concurrent Audit Report*** Participants are aware that as per Bye Law 10.3, each Participant is required to have its depository operations audited by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant holding a Certificate of Practice. Such audit should be conducted at least twice a year and a copy of the report should be submitted to NSDL. All Participants are advised to refer to Circular No. **NSDL/POLICY/2013/0068 dated May 7, 2013** in which guidelines related to scope of the audit and format of the audit report (IAR/ CAR) were provided. Since then, there were certain audit areas which required further clarity, and for which it is required to revise the guidelines by amending the checkpoints in the checklist defining the scope of the internal / concurrent audit. In view of the above, Participants are requested to take note of the amended checkpoint 1.13 and 1.19 as mentioned below:

Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1.13	Whether the scanned images of the KYC documents of the clients has been furnished to KRA within 10 working days from the date of execution of documents by clients?	☐ Yes ☐ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether Participant has provided 'New Retail Investor Certificate (NRIC)' to accountholders who have availed RGESS facility or have informed to client that the NRIC is available on NSDL website?	☐ Yes ☐ No ☐ Not Applicable	If no, then details must be mentioned here	

	* Mandatory if auditor's observation is negative Participants are also requested to note that in accordance with Circular No. **NSDL/POLICY/2013/0084 dated June 27, 2013**, the internal audit findings along with management comments pertaining to the above mentioned addendum are placed before its Board of Directors. Participants are advised to note that the revised guidelines provided in this circular are applicable for audit period **April 1, 2013 to September 30, 2013** and onwards.
Circular No. NSDL/POLICY/ 2013/0094 Date: July 24, 2013	***Sub: Addendum to Internal and Concurrent Audit Report by Qualified Participants*** All Qualified Participants (QP) are aware that as per Bye Law 10.3, each Participant is required to have its depository operations audited by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant holding a Certificate of Practice. Such audit should be conducted at least twice a year and a copy of the report should be submitted to NSDL. All QP are advised to refer to Circular No. **NSDL/POLICY/2013/0068 dated May 7, 2013** in which guidelines related to scope of the audit and format of the audit report (IAR/ CAR) were provided.
	In addition to above, QPs are required to submit addendum to the IAR in the format enclosed as Annexure A. Further, QPs are advised to take note of the following: 1. The requirement to submit the addendum shall be applicable with effect from the date of opening the QFI accounts by the QPs in the relevant audit period. 2. The addendum is required to be submitted in addition to Internal/ Concurrent Audit report submitted to NSDL. QPs can submit a consolidated report. 3. Timelines for submission of Internal/ Concurrent Audit report are applicable for submission of Addendum to IAR/ CAR. QPs are advised to extend full co-operation to their auditors to enable them to perform an effective audit. All circulars / guidelines issued by NSDL / SEBI from time to time and other information / records desired by the auditors should be made available to them within a reasonable time. 4. QPs are also requested to note that in accordance with Circular No. **NSDL/POLICY/2013/0084 dated June 27, 2013**, the internal audit findings along with management comments pertaining to the above mentioned addendum are placed before its Board of Directors. 5. QPs are advised to note that the guidelines provided in this circular are applicable for audit period **April 1, 2013 to September 30, 2013** and onwards. 6. QPs are hereby informed that non submission of Addendum to Internal and/or concurrent audit reports as per guidelines will be treated as non submission of the report. NSDL reserves the right to advise a QP to change its auditor if quality of the report is not satisfactory or the audit is not carried out as per guidelines.

				Annexure A
Checklist				

Ref. No.	Audit Area	Auditor's Observation	Auditor's Remarks	Management's Comment
	Qualified Participant			
1	Whether there is adequate system in place to monitor compliance with the 5% cap on total shareholding of a QFI in the paid up equity capital of a company?	☐ Yes ☐ No		
2	Whether the Participant has obtained prior approvals from the Depository before facilitating QFI to make additional investments in equity shares or debt securities in cases where the Depositories have notified crossing of threshold limits?	☐ Yes ☐ No ☐ Not Applicable		
3	Whether the Participant has reported the transaction details in prescribed format on a daily basis to NSDL?	☐ Yes ☐ No		
4	Whether an undertaking in the prescribed format has been provided by Qualified Foreign Investors(QFI) to QP?	☐ Yes ☐ No		

Circular No. NSDL/POLICY/ 2014/0063 Date: May 16, 2014	***Sub: Clarification regarding reporting of findings of NSDL inspection and internal audit to Board of Directors.*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2013/0084 dated June 27, 2013 by which a new Bye Law 10.5 was inserted in NSDL Bye Laws. This Bye Law deals with reporting of findings of inspection conducted by NSDL and those made by internal and concurrent auditors to Board of Directors. It is reproduced below for reference - **"10.5 Reporting by Participants to its Board of Directors** 10.5.1 Every Participant shall ensure that following items are placed before its Board of Directors in respect of its depository operations: (i) Internal audit findings alongwith management comments (ii) Inspection findings of NSDL alongwith management comments Provided that, in case the Participant is incorporated outside India, then such findings may be placed before a Committee constituted to oversee its Indian operations". Some Participants have requested for certain clarifications regarding the above requirement. In this context, Participants are requested to take note of following – 1. Internal audit findings (including those made by concurrent auditor) and findings of NSDL inspection may be reported to the Audit Committee, instead of Board of Directors, provided: a) the Audit Committee comprises of members who are also on the Board and b) the minutes of the Audit Committee are placed before the Board. 2. If there was no adverse finding in NSDL inspection / Internal Audit, then it is not mandatory for the Participant to report to its Board of Directors. 3. NSDL inspection for the above purpose, includes all inspections conducted by NSDL either at DPM location or any other service center.

Circular No. NSDL/POLICY/ 2007/0017 Date: March 22, 2007	***Sub: Important-Mandatory comments in Internal Audit Report and Clarification for Concurrent Audit Report.*** Attention of Depository Participants (DPs) is invited to revised NSDL Circular No. NSDL/POLICY/2006/0027 dated July 17, 2006 regarding guidelines in respect of internal audit of the Depository Participant (DP) operations. In this regard, some of the important areas of Internal Audit Report are **reiterated** for the attention and necessary action to be initiated by DPs: **1) Internal Audit Report (IAR)** **(I) Compliance with regard to submission of IAR in revised format and comment on compliance letters sent by NSDL:** a) IAR should be submitted strictly as per the revised format given in NSDL Circular No. NSDL/POLICY/2006/0027 dated July 17, 2006; b) Auditor has to comment on the issues for which NSDL vide its compliance letters has specifically asked for auditor's certification. Non-compliance with the point nos. (I) a and b will be considered as non-submission of IAR and penalty will be levied accordingly. **(II) Audit Points to be included in IAR with effect from quarter ending December 2006:** a) The auditor should mandatorily comment on the execution of utilities and the action taken by the DPs with respect to NSDL Circular Nos. NSDL/POLICY/2006/0042,NSDL/POLICY/2006/0047, NSDL/POLICY/2006/0057 dated September 23, 2006, October 16, 2006 and November 24, 2006 respectively. b) Report on the signature(s) matched and deviation found, if any, with respect to signature(s) of the Client(s) scanned in the DPM Application Software against the signature(s) on the account opening form(s) (Refer Circular No. NSDL/POLICY/2007/0002 dated January 4, 2007). c) DPs are advised to inform their internal auditors to add the following area to point no. 6. Audit of Service Centres of Circular no. NSDL/POLICY/2006/0027 dated July 17, 2006: **Point No. 6. regarding Audit of Service Centres:** ***6.3. Certify that franchisee outlet(s) has / have been opened by the Depository Participant pursuant to NSDL approval.*** **These audit points should be included in the IAR with effect from quarter ending December 2006 to be submitted by March 31, 2007.**

(III) Mandatory comments required by Internal Auditor in IAR

It has been observed that in the IAR submitted for the quarter ending September 2006, internal auditors have **not commented** or audit report has not been found in order as mentioned in the circular no. NSDL/POLICY/2006/0027 dated July 17, 2006 in certain areas such as availability of operational manual, Anti Money Laundering Measures adopted by the DP, exception reporting etc.

In view of the deficiencies observed, it is reiterated that all DPs are advised to communicate to their internal auditor to mandatorily comment upon the given below areas as mentioned in revised circular no. NSDL/POLICY/2006/0027 dated July 17, 2006:

a) Certify the operation manual covering all depository activities of the DP, ensuring compliance with relevant NSDL guidelines;

b) Compliance related with the relevant laws, rules and instructions on Anti Money Laundering Measures (Refer Circular No. NSDL/POLICY/2006/0025 dated July 17, 2006);

c) Exceptional reporting;

d) Improvements brought about in the operations between the last audit and the current audit;

e) Management comment on the deviations pointed out by the internal auditor;

f) DP's compliance with all observations noted during NSDL visit.

2) Clarification regarding Concurrent Audit Report (CAR)

Attention of DPs is invited to NSDL Circular no. NSDL/POLICY/2006/0021 dated June 24, 2006 regarding Concurrent Audit of account opening, control and verification of Delivery Instruction Slips (DIS).

DPs have sought clarification whether the requirement of 100% Concurrent Audit applies to control and verification of DIS as well. It is clarified as follows:

(a) 100% verification needs to be carried out only in respect of account opening.

(b) As regards Delivery Instruction Slips (DIS) :

(i) auditor should carry out 100% verification with respect to control over issuance and acceptance of DIS booklets including loose slips; however

(ii) with respect to verification (execution and processing) of DIS, auditor should verify atleast 25% of the DIS processed. The sample percentage checked in this regard should be mentioned in the CAR.

Deviation and/or non-compliance observed in the aforesaid areas should be mentioned in the CAR by the Concurrent Auditor. The top Management of the DP should comment on the observations made by the Concurrent Auditor.

	(3) Consolidated report for CAR and IAR, in case auditor is the same entity: If the Auditor for Internal and Concurrent Audit is the same entity, consolidated report should be submitted on quarterly basis (time frame for submission CAR and IAR is mentioned in Circular No. NSDL/POLICY/2006/0027 dated July 17, 2006).
Circular No. NSDL/POLICY/2006/0021 Date: June 24, 2006	***Sub: Concurrent Audit - Account opening, Control and Verification of Delivery Instruction Slips*** Attention of Participants is invited to NSDL Circular no. NSDL/PI/2002/1271 dated July 30, 2002 regarding the scope of internal audit and subsequent amendments / modifications intimated vide various circulars from time to time. All Participants are advised that w.e.f. August 1, 2006, the process of demat account opening, control and verification of Delivery Instruction Slips (DIS) shall be subject to **Concurrent Audit**. In this regard, Participants are advised as follows: 1. Appoint a firm of qualified Chartered Accountant(s) or Company Secretary(ies) holding a certificate of practice for conducting the concurrent audit. Participants in case they so desire, may entrust the concurrent audit to their Internal Auditors. 2. In respect of account opening, the auditor should verify all the documents including KYC documents furnished by the Clients and verified by the officials of the Participant (Refer Circular Nos. NSDL/PI/2002/1271 dated July 30, 2002, NSDL/PI/2004/1622 dated September 7, 2004, NSDL/POLICY/2006/0005 dated February 7, 2006 and NSDL/POLICY/2006/0007 dated March 3, 2006). 3. The scope of concurrent audit with respect to control and verification of DIS should cover the areas given below: (I) Issuance of DIS The procedure followed by the Participants with respect to : (a) Issuance of DIS booklets including loose slips. (b) Existence of controls on DIS issued to Clients including pre-stamping of Client Id and unique pre-printed serial numbers. (c) Record maintenance for issuance of DIS booklets (including loose slips) in the back office. (II) Verification of DIS The procedure followed by the Participants with respect to : (a) Date and time stamping (including late stamping) on instruction slips; (b) Blocking of used/reported lost/stolen instruction slips in back office system / manual record. (c) Blocking of slips in the back office system / manual record which are executed in DPM directly. (d) Two step verification for a transaction for more than Rs. 5 lakh, especially in case of off-market transactions. (e) Instructions received from dormant accounts. In this regard, Participants are requested to refer Circular Nos. NSDL/PI/2002/1271 dated July 30, 2002 and NSDL/PI/2004/1401 dated August 5, 2004.

	4. The Concurrent Auditor should conduct the audit in respect of all accounts opened, DIS issued and controls on DIS as mentioned above, during the day, by the next working day. In case the audit could not be completed within the next working day due to large volume, the auditor should ensure that the audit is completed within a week's time. 5. Any deviation and/or non-compliance observed in the aforesaid areas should be mentioned in the audit report of the Concurrent Auditor. The Management of the Participant should comment on the observations made by the Concurrent Auditor. 6. The Concurrent Audit Report should be submitted to NSDL, on a quarterly basis, in a hard copy form, at the address given hereunder. Further, the time frame for submission of concurrent audit would be same as mentioned in our Circular No. NSDL/PI/2002/1271 dated July 30, 2002. However, the first concurrent audit report for the month of August and September 2006, should be submitted alongwith Internal Audit report for the quarter ending September 2006. The Vice President Business Partners Inspection Department National Securities Depository Limited Trade World, A-Wing, 5th floor Kamala Mills Compound Senapati Bapat Marg Lower Parel Mumbai - 400 013. 7. Participants may note that if the Auditor for Internal and Concurrent Audit is the same, consolidated report may be submitted.

Circular No. NSDL/POLICY/ 2000/515 Date: April 20,2000	Attention of all Participants is invited to Bye Law 10.3 of the Bye Laws of NSDL which states that every Participant shall ensure that an internal audit shall be conducted in respect of the operations of the Depository by a qualified Chartered Accountant or a Company Secretary holding a Certificate of Practice at intervals of not more than three months and a copy of the internal audit report shall be furnished to the Depository. Attention is also invited to Circular No. NSDL/PI/98/51 dated February 6, 1998 wherein the schedule for submission of internal audit reports and broad contents of internal audit report were specified. SEBI (Depositories and Participants) Regulations, 1996, require that every Participant should have adequate mechanism for the purpose of reviewing, monitoring and evaluating internal controls and systems. Further, the Regulations also require certain set of records to be maintained by every Participant. It is expected that internal audit is conducted with the objective of assuring the Participant that the unmanaged residual risk in the business operations is minimum, operations are in compliance with the requirements of SEBI (Depositories & Participants) Regulations, 1996, NSDL's Bye Laws, Business Rules and the agreement with the clients. On the basis of inspection of the operations of the participants over the past two years and the review of internal audit reports submitted by participants, it is found necessary to state in detail the objectives and the contents of an internal audit report.

Annual System Audit Report	
Circular No.: NSDL/POLICY/ 2020/0090 July 03, 2020	**Subject: Facility for submission of Annual System Audit Report in electronic form through e-PASS.** Attention of Participants is invited to Circular No. NSDL/POLICY/2020/0071 dated May 19, 2020 wherein Participants were requested to take note of the annual system audit checklist to be submitted by July 31, 2020 for the financial year ended March 31, 2020. In this context, Participants are hereby informed that NSDL has developed a facility for online submission of Annual System Audit Report in electronic form through e-PASS platform. Accordingly, Participants shall be required to submit Annual System Audit Report for financial year ended March 31, 2020 online through e-PASS platform. The System Auditor can fill and submit the Annual System Audit Report online through e-PASS platform using their login credentials. The procedure for submission of Annual System Audit Report through e-PASS platform is enclosed at Annexure A. This facility will be made available to Participants with effect from July 04, 2020. Further, with regard to periodic audit as specified in paragraph 58 of Annexure 1 of the SEBI circular dated December 03, 2018, auditors qualified in following certifications can audit the systems of Participants to check the compliance of Cyber Security and Cyber Resilience provisions: CERT-IN empanelled auditor, an independent DISA (ICAI) Qualification, CISA (Certified Information System Auditor) from ISACA, CISM (Certified Information Securities Manager) from ISACA, CISSP (Certified Information Systems Security Professional) from International Information Systems Security Certification Consortium (commonly known as (ISC)2). For further information / assistance, Participants are requested to contact Ms. Sneha Madhani at Tel: (022) 2499 4672/ sneham@nsdl.co.in., or send an email on NSDL-BP-INSPECTION@nsdl.co.in and for technical queries, Participants are requested to contact Mr. Shiv Kumar, Tel: (022) 2499 4785 / shivkumarj@nsdl.co.in. Participants are advised to take note of the above and ensure compliance.

Annexure A

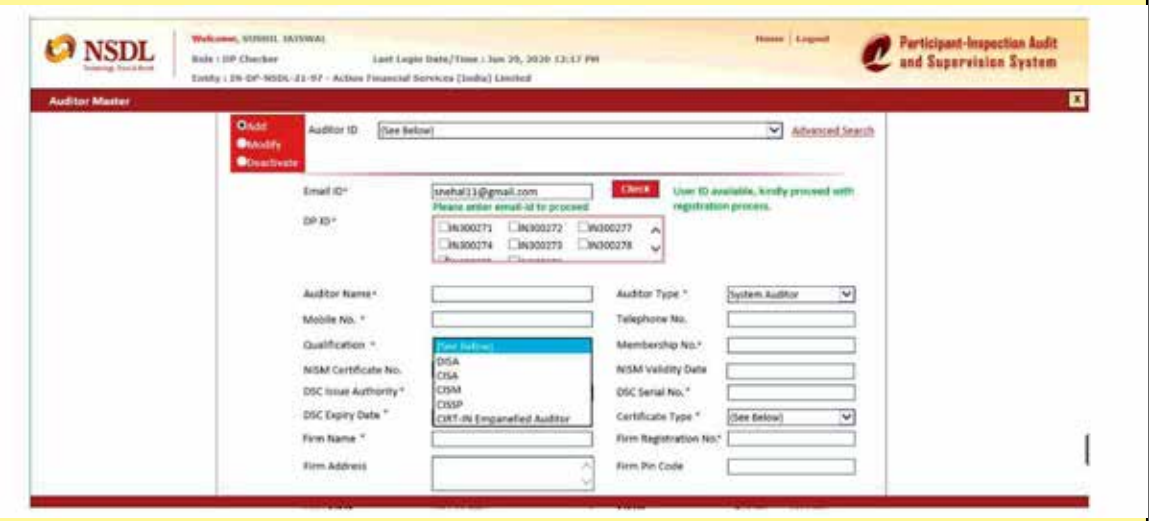
Procedure for submission of Annual System Audit Report through e-PASS

INDEX

Sr. No.	Feature	Page No.
1.	System Auditor Login	2-3
2.	Submission of audit report by System auditor to Participant	3-6
3	Review & Submission by Participant	6-7

A. Procedure for submission of Annual System Audit Report through e-PASS: 1) System Auditor Login :

After login on e-PASS with Participant's login credentials, Participant will be able to add new user for System auditor under head of 'Masters' -> 'Auditor Master' [as exhibited be/ow].This will display auditor master screen, where Participants can add System auditor user IDs. Participant will need to select Auditor type as "System Auditor" and fill the other details as exhibited be/ow.



a) System Auditor shall login to e-PASS portal (https://www.epass.nsdl.com/epass/) using their credential as created by Participant. "User ID" will be the email ID of auditor as provided by System auditor to Participant. After entering user ID and password, Click on "Generate OTP" as exhibited below:

b) Upon clicking on “Generate OTP”, a One Time Password (OTP) will be sent on registered mobile number and email ID of System Auditor and same has to be entered for login to e-PASS. On first login with default password “Nsdl@123” and OTP, e-PASS portal will prompt the user to change password. Upon successfully changing the password, System Auditor needs to re-login with new password to get access to e-PASS.

c) Forgot Password:

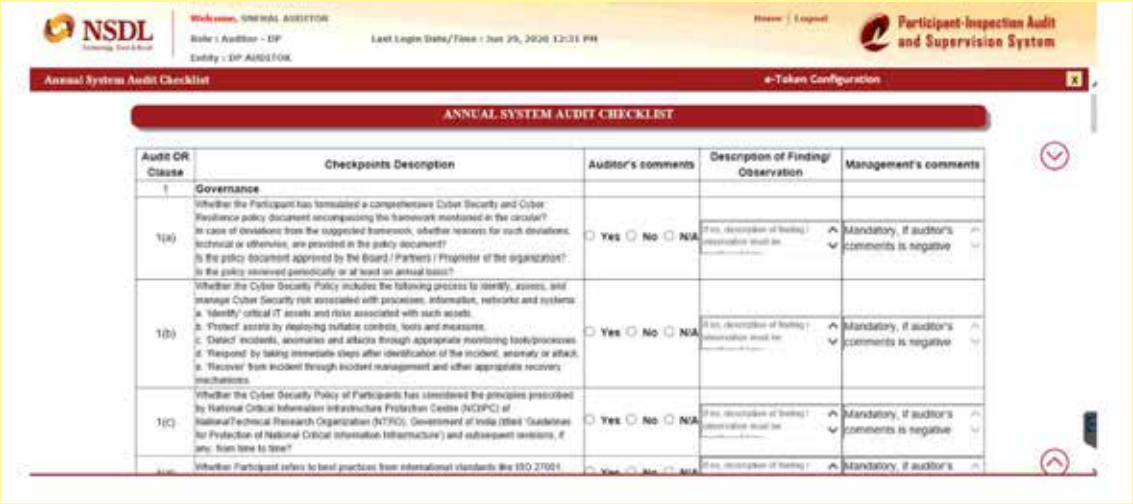
In case System Auditor forgets password, a link - “Forgot Password” is provided on login screen of e-PASS portal through which a new password can be generated. Upon clicking the link “Forgot Password” (as exhibited below), users login password will be reset and an email intimation will be sent on the registered email id (e-mail ID provided at the time of registration) with the new password. On receipt of this email, user can login to e-PASS using this new password. After login, the user can change the password by using the Change Password functionality provided under “Tools” in the main menu.

2) Submission of Annual System Audit Report by System Auditor:

a) After login to e-PASS, for submission of Annual System Audit Report, click on

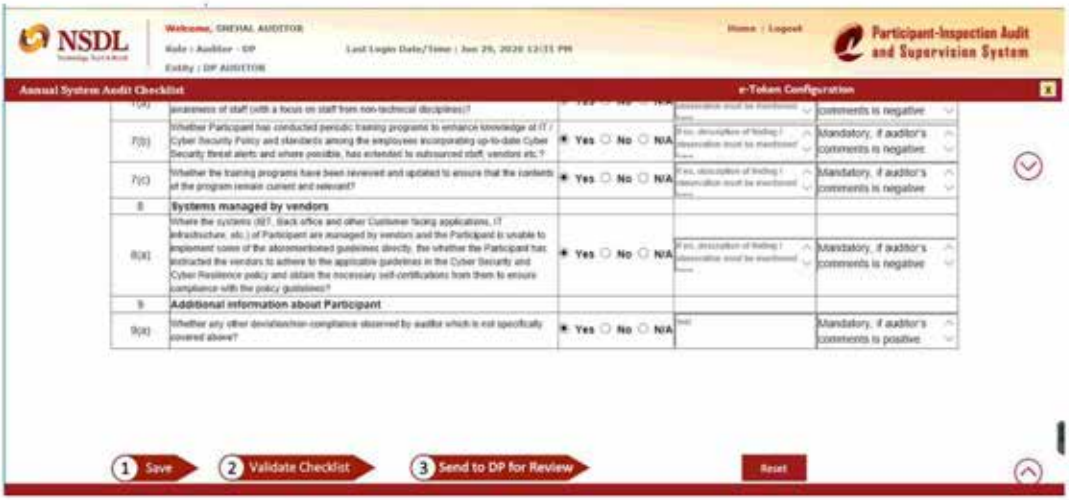
b) Upon Clicking ‘Submit Annual System Audit Report’ screen as exhibited below will be displayed. Auditor has to select audit period, and DP ID and click on submit button.

c) Once the Submit button is clicked, the Annual System Audit checklist will be displayed on the screen as exhibited below, which has to be filled completely by the System auditor.



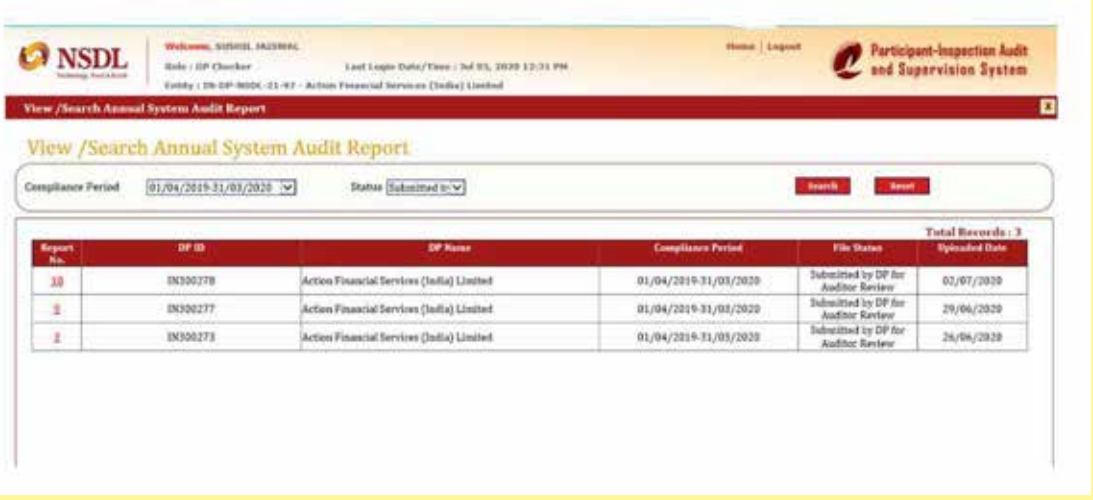
d) The System auditor can enter his comments and mention observations as mentioned in above exhibit.

e) System Auditor can click “Save Draft” button to save the draft report at any point in time while filling the report. The System Auditor can view the saved Audit report under ‘view/search Annual System Audit Report’ option. The System Auditor can complete the checklist at a future date [as exhibited be/ow].



f) Once the system audit checklist is filled completely, the System Auditor will need to click on ‘validate checklist’ button. If there are any error/s, the same would be highlighted which are required to be corrected by the System Auditor and once again click on button ‘validate checklist’. Once audit checklist is validated successfully, then System Auditor can send the report to Participant for review and its comments (if any) by clicking on “Send to DP for Review” button [as exhibited above].

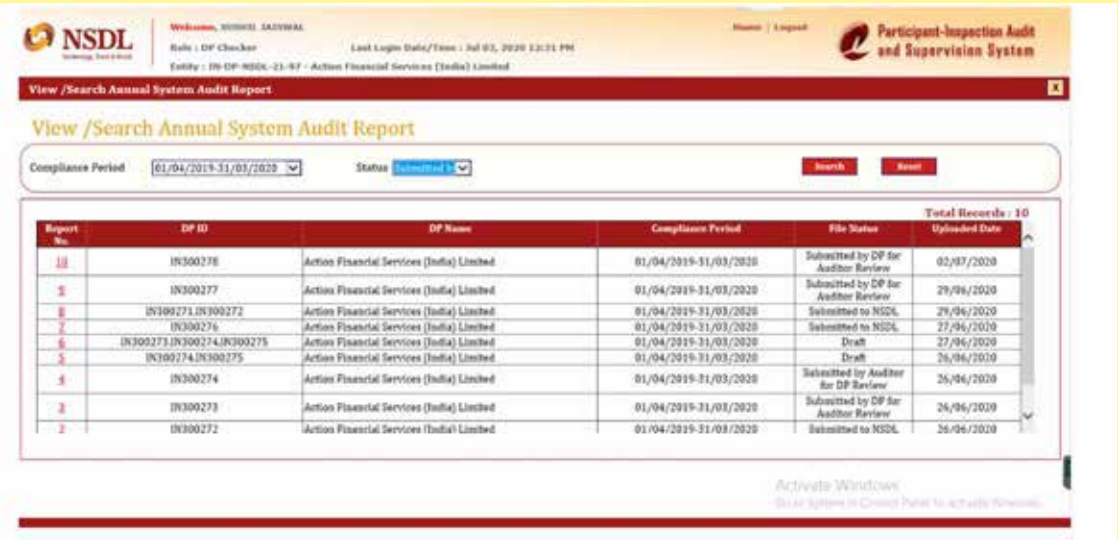
g) The process of review by the Participant is provided in point no. 3 below. Once the report is submitted by the Participant for review by auditor, auditor will be able to see the Annual System Audit Report under the head of ‘Annual System Audit Report -> ‘view/search System Audit Report’ [as exhibited be/ow] with status ‘Submitted by DP for Auditor Review’.



h) If the System auditor is not satisfied with the comments/review of the Participant, the System auditor may resend the report to Participant again for review. The changes, if any, made by the System auditor in report resent to Participant for review will be highlighted in the report.

i) If the System auditor is satisfied with the comments & review made by the Participant, then auditor will need to click on 'Save' and 'validate checklist' button. If there are any error/s the same would be highlighted which are required to be corrected by the System Auditor and once again click on button 'validate checklist'. Once audit checklist is validated successfully then the report has to be signed digitally by the System auditor by using the relevant digital signature certificate (DSC) registered in e-PASS at the time of addition of the System auditor by the Participant.

j) The System Auditor and Participant will be able to see the Annual System Audit Report with relevant status of the Annual System Audit Report under the head of Annual System Audit Report -> 'view/search Annual System Audit Report'. The relevant screen shot is exhibited below.



3) Review by Participant:

a) Once the report has been sent by the System Auditor to its Participant for review, the Participant can login into e-PASS using login credential. Participant can view the Annual System Audit report under the head of 'Annual System Audit Report ->'View/Search Annual System Auditor Report'.

b) A list of Annual System Audit Report submitted by System auditor will be displayed to the Participant. Participant will be able to review and add its comments (if any) on the Annual System Audit Report where status of the report is 'Submitted by Auditor for DP review'.

c) Participant is required to review the Annual System Audit Report and add remarks and comments (if any) wherever required. Once, Participant has completed its review and entered its comments, wherever required, it will be required to validate the audit checklist by clicking on 'Validate Checklist' button. If there are any error/s the same would be highlighted which are required to be corrected by the Participant and once again click on button 'validate checklist'. Once audit checklist is validated successfully then Participant has to click on button 'Send to Auditor' pursuant to which the report will be sent to auditor for review.

d) After the report is sent to the auditor for review, the auditor can review the comments/ remarks given by Participant's management. If the auditor is satisfied with the comments, it will sign the report using its DSC and submit the same to Participant by following the procedure as stated at 2(i) above.

e) Annual System Audit Report submitted by auditor after attaching its DSC can be viewed by the Participant under the head 'Annual System Audit Report' -> 'view/search Annual System Audit Report'. The Participant is required to digitally sign the report using its DSC before submitting to NSDL. After digitally signing the report, the same is required to be submitted to NSDL by clicking on "Send to NSDL" Button as exhibited below.

Circular No.: NSDL/POLICY/ 2020/0071 May 19, 2020	**Subject: Annual System Audit Report.** Attention of Participants is invited to Circular No. NSDL/POLICY/2018/0069 dated December 05, 2018 regarding Cyber Security & Cyber Resilience framework for Depository Participants. With regards to Paragraph 58 of Annexure 1 of the SEBI circular dated December 03, 2018, participants are directed to arrange to have their systems audited on an annual basis by a CERT-IN empanelled auditor or an independent CISA/CISM qualified auditor to check compliance with the above areas and shall submit the report to Depositories along with the comments of the Board / Partners / Proprietor of Participant within three months of the end of the financial year. Further, as Participants are aware that SEBI vide its circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/62 dated April 24, 2020, has extended the deadline for submission of the annual system audit report to July 31, 2020 for the financial year ended March 31, 2020 (communicated to all the Participants vide Circular no. NSDL/POLICY/2020/0052 dated April 24, 2020). In this context, Participants are requested to take note of the annual system audit checklist attached at ***Annexure A***. Procedure for submission of the audit report will be notified separately. Participants are requested to take note of the above and guide their system auditors accordingly.

Audit TOR Clause	**Checkpoints Description**	**Auditor's comments**	**Description of Finding/ Observation**	**Management's comments**
1	***Governance***			
1(a)	Whether the Participant has formulated a comprehensive Cyber Security and Cyber Resilience policy document encompassing the framework mentioned in the circular? In case of deviations from the suggested framework, whether reasons for such deviations, technical or otherwise, are provided in the policy document? Is the policy document approved by the Board / Partners / Proprietor of the organization? Is the policy reviewed periodically or at least on annual basis?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative

1(b)	Whether the Cyber Security Policy includes the following process to identify, assess, and manage Cyber Security risk associated with processes, information, networks and systems: a. 'Identify' critical IT assets and risks associated with such assets. a. 'Identify' critical IT assets and risks ssociated with such assets. b. 'Protect' assets by deploying suitable ontrols, tools and measures. c. 'Detect' incidents, anomalies and attacks through appropriate monitoring tools/processes. d. 'Respond' by taking immediate steps after identification of the incident, anomaly or attack. e. 'Recover' from incident through incident management and other appropriate recovery mechanisms.	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
1(c)	Whether the Cyber Security Policy of Participants has considered the principles prescribed by National Critical Information Infrastructure Protection Centre (NCIIPC) of NationalTechnical Research Organization (NTRO), Government of India (titled 'Guidelines for Protection of National Critical Information Infrastructure') and subsequent revisions, if any, from time to time?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
1(d)	Whether Participant refers to best practices from international standards like ISO 27001, COBIT 5, etc., or their subsequent revisions, if any, from time to time?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
1(e)	Whether Participant has designated a senior official or management personnel (henceforth, referred to as the "Designated Officer") whose function would be to assess, identify, and reduce security and Cyber Security risks, respond to incidents, establish appropriate standards and controls, and direct the establishment and implementation of processes and procedures as per the Cyber Security Policy?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
1(f)	Whether the Board / Partners / Proprietor of the Participant have formed an internal Technology Committee comprising of experts?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative

1(g)	Whether the Participant has established a reporting procedure to facilitate communication of unusual activities and events to the Designated Officer in a timely manner?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
1(h)	Does the "Technology Committee" along with designated officer reviews the status of implementation of Cyber Security & Cyber Resilience Policy on half yearly basis and same has been placed before the Board / Partners / Proprietor of the Participant?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
1(i)	Does the designated officer and technology committee periodically review instances of cyber-attacks, if any, domestically and globally, and take steps to strengthen Cyber Security and cyber resilience framework?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
1(j)	Whether Participant has defined and documented the responsibilities of its employees, outsourced staff, and employees of vendors, members or participants and other entities, who may have privileged access or use systems / networks of the Participant towards ensuring the goal of Cyber Security?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
2	***Identification***			
2(a)	Whether Participant has identified critical assets based on their sensitivity and criticality for business operations, services and data management and maintained up-to-date inventory of its hardware and systems and the personnel to whom these have been issued, software and information assets (internal and external), details of its network resources, connections to its network and data flows?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
2(b)	Whether Participant has identified cyber risks (threats and vulnerabilities) that it may face, along with the likelihood of such threats and impact on the business and thereby, deploy controls commensurate to the criticality?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3	***Protection***			
I	Access Control			

3(a)	Any access to Participants' systems, applications, networks, databases, etc., should be for a defined purpose and for a defined period. Whether Participant has granted access to IT systems, applications, databases and networks on a need-to-use basis and based on the principle of least privilege and has been granted for the period when the access is required and has been authorized using strong authentication mechanisms?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(b)	Whether Participant has implemented an access policy which addresses strong password controls for users' access to systems, applications, networks and databases?(Illustrative examples for this are given in Annexure C of SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018)	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(c)	Whether all critical systems of the Participant accessible over the internet have two-factor security (such as VPNs, Firewall controls etc.)?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(d)	Whether Participant has ensured that records of user access to critical systems, wherever possible, are uniquely identified and logged for audit and review purposes and such logs have been maintained and stored in a secure location for a time period not less than two (2) years?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(e)	Whether Participant has deployed controls and security measures to supervise staff with elevated system access entitlements (such as admin or privileged users) to Participant's critical systems and controls and measures inter-alia includes restricting the number of privileged users, periodic review of privileged users' activities, disallow privileged users from accessing systems logs in which their activities are being captured, strong controls over remote access by privileged users, etc.?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(f)	Whether employees and outsourced staff such as employees of vendors or service providers, who may have been given authorized access to the Participants' critical systems, networks and other computer resources, have been subjected to stringent supervision, monitoring and access restrictions?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative

3(g)	Whether Participant has formulated an Internet access policy to monitor and regulate the use of internet and internet based services such as social media sites, cloud-based internet storage sites, etc. within the Participant's critical IT infrastructure?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(h)	Whether User Management addresses deactivation of access of privileges of users who are leaving the organization or whose access privileges have been withdrawn?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
II	Physical Security			
3(i)	Whether physical access to the critical systems has been restricted to minimum and only to authorized officials and physical access of outsourced staff/visitors are properly supervised by ensuring at the minimum that outsourced staff/visitors are accompanied at all times by authorized employees?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(j)	Whether physical access to the critical systems is being revoked immediately, if the same is no longer required?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(k)	Whether Participant has ensured that the perimeter of the critical equipments room, if any, are physically secured and monitored by employing physical, human and procedural controls such as the use of security guards, CCTVs, card access systems, mantraps, bollards, etc. where appropriate?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
III	Network Security Management			
3(l)	Whether Participant has established baseline standards to facilitate consistent application of security configurations to operating systems, databases, network devices and enterprise mobile devices within their IT environmentand the LAN and wireless networks are secured within the Participants' premises with proper access controls?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(m)	Whether Participant has installed network security devices, such as firewalls, proxy servers, intrusion detection and prevention systems (IDS) to protect their IT infrastructure which is exposed to the internet, from security exposures originating from internal and external sources?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative

3(n)	Whether adequate controls have been deployed to address virus / malware / ransomware attacks. These controls may include host / network / application based IDS systems, customized kernels for Linux, anti-virus and anti-malware software etc.	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
IV	Data Security			
3(o)	Whether critical data has been identified and encrypted in motion and at rest by using strong encryption methods? (Illustrative measures in this regard are given in Annexure A and B of SEBI circular SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018)	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(p)	Whether Participants has implemented measures to prevent unauthorized access or copying or transmission of data / information held in contractual or fiduciary capacity and ensured that confidentiality of information is not compromised during the process of exchanging and transferring information with external parties? (Illustrative measures to ensure security during transportation of data over the internet are given in Annexure B of SEBI circular SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018)	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(q)	Whether the information security policy covers use of devices such as mobile phones, faxes, photocopiers, scanners, etc., within their critical IT infrastructure, that can be used for capturing and transmission of sensitive data? (For instance, defining access policies for personnel, and network connectivity for such devices etc.)	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(r)	Whether Participant allows only authorized data storage devices within their IT infrastructure through appropriate validation processes?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(s)	Whether Participant deploys only hardened hardware / software, including replacing default passwords with strong passwords and disabling or removing services identified as unnecessary for the functioning of the system?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(t)	Whether open ports on networks and systems which are not in use or that can be potentially used for exploitation of data, have been blocked and measures have been taken to secure them?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative

V	Application Security in Customer Facing Applications			
3(u)	Whether application security is in place for Customer facing applications offered over the Internet such as IBTs (Internet Based Trading applications), portals containing sensitive or private information and Back office applications (repository of financial and personal information offered by Participants to Customers) as they carry significant attack surfaces by virtue of being available publicly over the Internet for mass use? (An illustrative list of measures for ensuring security in such applications is provided in Annexure C of SEBI circular SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018)	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
VI	Certification of off-the-shelf products			
3(v)	Whether Participant has ensured that off the shelf products being used for core business functionality (such as Back office applications) bears Indian Common criteria certification of Evaluation Assurance Level 4which is being provided by Standardisation Testing and Quality Certification (STQC) (Ministry of Electronics and Information Technology)(except Custom developed / in-house software and components need not obtain the certification, but have to undergo intensive regression testing, configuration testing etc. The scope of tests should include business logic and security controls)?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
VII	Patch management			
3(w)	Whether Participants has established and ensure that the patch management procedures includes the identification, categorization and prioritization of patches and updates and the implementation timeframe for each category of patches has been established to apply them in a timely manner?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(x)	Whether Participant has performed rigorous testing of security patches and updates, where possible, before deployment into the production environment so as to ensure that the application of patches do not impact other systems?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
VIII	Disposal of data, systems and storage devices			

3(y)	Whether Participant has framed suitable policy for disposal of storage media and systems and the critical data / Information on such devices and systems has been removed by using methods such as crypto shredding / degauss / Physical destruction as applicable?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(z)	Whether Participant has formulated a data-disposal and data- retention policy to identify the value and lifetime of various parcels of data?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
IX	Vulnerability Assessment and Penetration Testing (VAPT)			
3(aa)	Whether Participant regularly conducts vulnerability assessment to detect security vulnerabilities in their IT environments exposed to the internet?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(ab)	Whether Participant with systems publicly available over the internet has carried out penetration tests, at-least once a year, in order to conduct an in-depth evaluation of the security posture of the system through simulations of actual attacks on its systems and networks that are exposed to the internet? In addition, whether Participant has performed vulnerability scanning and conducted penetration testing prior to the commissioning of a new system that is accessible over the internet?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(ac)	In case of vulnerabilities discovered in off-the-shelf products (used for core business) or applications provided by vendors, whether Participant has reported them to the vendors and NSDL in a timely manner?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
3(ad)	Whether remedial actions have been immediately taken to address gaps that are identified during vulnerability assessment and penetration testing?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative

4	***Monitoring and Detection***			
4(a)	Whether Participant has established appropriate security monitoring systems and processes to facilitate continuous monitoring of security events / alerts and timely detection of unauthorised or malicious activities, unauthorised changes, unauthorised access and unauthorised copying or transmission of data / information held in contractual or fiduciary capacity, by internal and external partiesand the security logs of systems, applications	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
	and network devices exposed to the internet has been monitored for anomalies?			
4(b)	Further, to ensure high resilience, high availability and timely detection of attacks on systems and networks exposed to the internet, whether Participant has implemented suitable mechanisms to monitor capacity utilization of its critical systems and networks that are exposed to the internet, for example, controls such as firewalls to monitor bandwidth usage?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
5	***Response and Recovery***			
5(a)	Whether alerts generated from monitoring and detection systems have been suitably investigated in order to determine activities that are to be performed to prevent expansion of such incident of cyber attack or breach, mitigate its effect and eradicate the incident?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
5(b)	Whether the response and recovery plan of the Participant includes plans for the timely restoration of systems affected by incidents of cyber-attacks or breaches, for instance, offering alternate services or systems to Customers and has same Recovery Time Objective (RTO) and Recovery Point Objective (RPO) as specified by SEBI for Market Infrastructure Institutions vide SEBI circular CIR/MRD/DMS/17/20 dated June 22, 2012 as amended from time to time?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
5(c)	Whether the response plan defines responsibilities and actions to be performed by its employees and support / outsourced staff in the event of cyber-attacks or breach of Cyber Security mechanism?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
5(d)	Whether any incident of loss or destruction of data or systems have been thoroughly analyzed and lessons learned from such incidents have been incorporated to strengthen the security mechanism and improve recovery planning and processes?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative

5(e)	Whether Participant has conducted suitable periodic drills to test the adequacy and effectiveness of the aforementioned response and recovery plan?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
6	***Sharing of Information***			
6(a)	Whether quarterly reports containing information on cyber-attacks and threats experienced by Participant and measures taken to mitigate vulnerabilities, threats and attacks including information on bugs / vulnerabilities / threats that may be useful for other Participants have been submitted to NSDL?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
7	***Training and Education***			
7(a)	Whether Participant has worked on building Cyber Security and basic system hygiene awareness of staff (with a focus on staff from non-technical disciplines)?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
7(b)	Whether Participant has conducted periodic training programs to enhance knowledge of IT / Cyber Security Policy and standards among the employees incorporating up-to-date Cyber Security threat alerts and where possible, has extended to outsourced staff, vendors etc.?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
7(c)	Whether the training programs have been reviewed and updated to ensure that the contents of the program remain current and relevant?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
8	***Systems managed by vendors***			
8(a)	Where the systems (IBT, Back office and other Customer facing applications, IT infrastructure, etc.) of Participant are managed by vendors and the Participant is unable to implement some of the aforementioned guidelines directly, the whether the Participant has instructed the vendors to adhere to the applicable guidelines in the Cyber Security and Cyber Resilience policy and obtain the necessary self-certifications from them to ensure compliance with the policy guidelines?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative
9(a)	Whether any other deviation/non-compliance observed by auditor which is not specifically covered above?	Yes/No/NA	If no, description of finding / observation must be mentioned here	Mandatory, if auditor's comments is negative

Internal Audit - Management comments

Circular No. NSDL/POLICY/ 2001/0467 Date: April 4, 2001	Attention of all Participants is invited to our Circular No. NSDL/PI/2000/515 dated April 20, 2000 regarding objectives and contents of an internal audit report. Participants are hereby informed that the internal audit reports which do not have management comments on the adverse observations made by auditors will be treated as non submitted reports and penalty will be imposed on the Participants accordingly
c. Grievance Redressal	
Clause 24 of NSDL-DP Agreement	The Participant shall resolve any investor grievance which has been received against the Participant or NSDL and submit a report of the grievances resolved to NSDL and Securities and Exchange Board of India in accordance with the period stipulated in the Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996
Grievance redressal - Reporting	

d. Termination of Participant	
Procedure- Termination of Participant	
Bye Laws 6.5.4 (viii)	The Participant, upon cancellation of the certificate of registration by the Securities and Exchange Board of India, shall issue a public notice in one national English daily newspaper and in one vernacular daily newspaper, informing the public about the closure of its depository operations. In case of termination of operations of the Participant by the Depository, such public notice may be issued by the Depository at the cost of the Participant

Amendments to Bye Laws	
Circular No.: NSDL/POLICY/ 2020/0010 January 21, 2020	**Subject: Amendments to Bye Laws and Business Rules of NSDL.** Participants are hereby informed that the following amendments have been made in the Bye Laws and Business Rules of NSDL: 1. Amendment in Bye Law 6.5.4 (vii) 2. Amendment in Business Rule 22.8 The amended Bye Laws and Business Rules as mentioned above are enclosed herewith as Annexure A and Annexure B respectively. Participants are requested to take note of the aforesaid and ensure compliance.

Annexure A

BYE LAWS

6.5.4. CONSEQUENCES OF TERMINATION

i. On termination of participation, the depository shall, unless as otherwise provided in the Bye Laws, cause to be returned to or make available for collection by the Participant, all collateral held by the Depository from the Participant.

Provided that the Depository shall have the right (without affecting any other rights it may have) to set off amounts due or which may become due to the Depository and Clients from the Participant, if applicable.

Provided further that the Depository shall refund such amount or amounts to the Participant after a period of three years from the date of cancellation of the certificate of registration issued by the Securities and Exchange Board of India or after resolving pending investor grievances, if any against the Participant, to the satisfaction of the Depository, whichever is later.

ii. The termination of participation in the Depository of a Participant will not affect any rights and liabilities of the Participant arising out of matters which have taken place prior thereto and for the purpose of settlement of any such rights or liabilities of the Participant, the Depository may continue to treat the Participant as a Participant.

iii. Without prejudice to the provisions of (i) and (ii) above, the Depository shall be entitled to set off any earlier claims or rights of the Participant against any amount due to the Depository or any other person entitled for any claim through the Depository irrespective of the fact that such counter claim has arisen after the date of termination of the Participant.

iv. In the event of the termination of participation by the Participant or the receipt of notification to terminate, the depository shall, as soon as practicable, notify the other Participants and initiate suitable steps for protection of the interests of Client account holders with such Participant.

v. The Depository shall notify the Participant and other Participants and the Securities and Exchange Board of India within seven days of the termination of the Participant under Bye Laws 6.5.1, 6.5.2 and 6.5.3 above. The Participant shall inform all its Clients of such termination within a period of seven days from the date on which it receives notice of such termination.

vi. The Participant shall be required to meet all its outstanding obligations to the Depository while the Participant was acting as such and the Client shall have the option of either getting the securities held with the Participant transferred to another Participant, or get the securities rematerialised within thirty days from the date of receipt of intimation as mentioned in Bye Law 6.5.4 (v).

vii. In case Clients do not respond to the advise of the Participant as per Bye Law 6.5.4 (vi), the Participant may request the Depository to manage the accounts of such Clients on its behalf, on such terms and conditions as may be prescribed by the Depository, from time to time.

Provided further that the Depository may, on its own decide to manage the accounts of the clients of such Participant(s) or may nominate one or more Participants to whom such accounts shall stand transferred.

Provided that no transactions in respect of the securities in such account shall be effected until such time as the concerned Beneficial Owner shall make an application and its acceptance by the nominated Participant(s) as per Bye law 9.1.6.

Provided however that the requirement of furnishing transaction statement including statement of accounts as per Bye Law 6.4.4 will not apply to the Client accounts, decided to be managed by the Depository.

viii. The Participant, upon cancellation of the certificate of registration by the Securities and Exchange Board of India, shall issue a public notice in one national English daily newspaper and in one vernacular daily newspaper, informing the public about the closure of its depository operations. In case of termination of operations of the Participant by the Depository, such public notice may be issued by the Depository at the cost of the Participant.

Annexure B

BUSINESS RULES

22. TERMINATION/ SURRENDER OF PARTICIPANTSHIP

22.8 Without prejudice to any other rights of the Clients, when the Participant is unable to close all client accounts; the Participant may request the Depository to manage the accounts of such clients on its behalf as per the terms and conditions prescribed by the Depository from time to time.

Provided that the Depository may, on its own, decide to manage the accounts of the clients of such Participant(s) or may nominate one or more participants to whom such accounts shall stand transferred.

Circular No.: NSDL/POLICY/ 2019/0022 April 09, 2019	Subject: Amendments to Bye Laws and Business Rules of NSDL. Participants are hereby informed that the following amendments have been made in the Bye Laws and Business Rules of NSDL: a) Amendment to Bye Law 6.3.24 b) Deletion of Bye Law 6.3.25 c) Amendment to existing Bye Law 6.3.26 and renumbering it as Bye Laws 6.3.25. d) Insertion of new Business Rule 23 in respect of transfer of depository business The amended Bye Law and Business Rules (in track change mode) as mentioned above are enclosed herewith. Participants are requested to take note of the aforesaid and ensure compliance.

Annexure A

Amendment to the bye law (with track change mode) 6.3 RIGHTS AND OBLIGATIONS OF PARTICIPANTS

6.3.24. Where a Participant (hereinafter referred to as "Transferor Participant") seeks to transfer the Participant business carried on by it to any transferee (hereinafter referred to as "Transferee Participant"), the ~~assignment~~ -transfer of the business or functions of the Transferor Participant to the Transferee Participant shall be regarded as complete and effectual only upon fulfilment of the requirements specified in the Business Rules.

(a) ~~the Transferee Participant meeting all applicable eligibility criteria prescribed for conduct of business as a Participant;~~

(b) ~~—the Transferor Participant giving written notice to each of its Clients about the proposed transfer providing each client an option, which may be exercised within a period of not less than 60 days from receipt of such notice; and~~

(c) ~~the Transferor Participant and the Transferee Participant publishing a joint advertisement of the notice of the proposed transfer in such form as may be prescribed by the Executive Committee in one English national daily, one Hindi national daily with wide circulation and a regional language daily with wide circulation.~~

~~6.3.25 Upon receipt of such notice, each Client shall have a right to elect in writing either (i) to continue as a Client of the Transferee Participant on the same terms and conditions as governed the receipt of services from the Transferor Participant; or (ii) to terminate its existing arrangement with the Transferor Participant and provide to the Transferor Participant details of the new Participant selected by the Client for shifting of all securities held through the Participant. Failure to issue such written election within the prescribed option period shall be deemed an election by the Client to continue as a Client of the Transferee participant. Nothing contained herein shall restrict the ability of the Client to terminate its relationship with the Transferee Participant.~~

6.3.256 Subject to compliance with the foregoing, the Transferee Participant and the Clients electing to continue with the relationship shall be bound in the same manner and on the same terms and conditions as if the Transferee Participant had itself originally opened the accounts of the Clients. Such assignment -transfer from the Transferor Participant to the Transferee Participant shall be subject to the equities to which the parties were subject as at the date of the transfer. After such transfer, the Transferee Participant shall notify the Clients in writing as regards the completion of the assignment of the business in favour of the Transferee Participant.

Annexure B

New Business Rule

23. TRANSFER OF DEPOSITORY BUSINESS

23.1. The transfer of the business or functions of the Transferor Participant to the Transferee Participant shall require the following:-

(i) the Transferee Participant shall meet all applicable eligibility criteria prescribed for conduct of business as a Participant;

(ii) the Transferor Participant shall give written notice to each of its Clients about the proposed transfer providing each client an option, which may be exercised within a period of not less than 30 days from receipt of such notice; and

(iii) the Transferor Participant and the Transferee Participant shall publish a joint advertisement of the notice of the proposed transfer in such form as may be prescribed by the depository in one English national daily, one Hindi national daily with wide circulation and a regional language daily with wide circulation.

23.2 Upon receipt of such notice, each Client shall have a right to elect in writing either (i) to continue as a Client of the Transferee Participant on the same terms and conditions as governed by the receipt of services from the Transferor Participant; or (ii) to terminate its existing arrangement with the Transferor Participant and provide to the Transferor Participant details of the new Participant selected by the Client for shifting of all securities held through the Participant. Failure to issue such written election within the prescribed option period shall be deemed an election by the Client to continue as a Client of the Transferee participant. Nothing contained herein shall restrict the ability of the Client to terminate its relationship with the Transferee Participant.

23.3 After such transfer, the Transferee Participant shall notify the Clients in writing as regards the completion of the transfer of the business in favour of the Transferee Participant.

Circular No.: NSDL/ POLICY/2018/0023 **Date: April 19, 2018**	All Participants are hereby informed that Bye Law 6.5.4 (i) of the Bye Laws of NSDL is amended to increase the period of refund of security deposit of a terminated Participant from six months to three years. The amended Bye Law 6.5.4 is given below: **Amended Bye Law 6.5.4 (i)** On termination of participation, the Executive Committee shall, unless as otherwise provided in the Bye Laws, cause to be returned to or make available for collection by the Participant, all collateral held by the Depository from the Participant. Provided that the Depository shall have the right (without affecting any other rights it may have) to set off amounts due or which may become due to the Depository and Clients from the Participant, if applicable. Provided further that the Depository shall refund such amount or amounts to the Participant after a period of three years from the date of cancellation of the certificate of registration issued by the Securities and Exchange Board of India or after resolving pending investor grievances, if any against the Participant, to the satisfaction of the Depository, whichever is later. The Buy Law 6.5 6.5.4. (i) in track change mode is enclosed at Annexure A.

Annexure A

Amendment to the bye law 6.5.4 (i)

On termination of participation, the Executive Committee shall, unless as otherwise provided in the Bye Laws, cause to be returned to or make available for collection by the Participant, all collateral held by the Depository from the Participant.

Provided that the Depository shall have the right (without affecting any other rights it may have) to set off amounts due or which may become due to the Depository~~, other Participants~~ and Clients from the Participant, if applicable.

Provided further that the Depository shall refund such amount or amounts to the Participant after a period of three years~~six months~~ from the date of cancellation of the certificate of registration issued by the Securities and Exchange Board of India or after resolving pending investor grievances, if any against the Participant, to the satisfaction of the Depository, whichever is later.

e. SEBI Annual Fees	
Schedule of payment of SEBI Annual Fees	
Circular No.: NSDL/POLICY/ 2016/0102 Date: December 19, 2016	***Subject: SEBI annual fees payable by Participants.*** Attention of Participants is invited to Regulation 20(2)(f) of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and Part A and Part B of the Second Schedule thereunder, regarding payment of annual fees by Participants to Securities and Exchange Board of India (SEBI). In this context, SEBI has vide its letter dated August 10, 2016 and email dated December 16, 2016 advised that the annual fees for the financial year shall be remitted to SEBI on or before June 30 of the same financial year. For example, the SEBI annual fee for financial year 2017-18 shall be remitted to SEBI on or before June 30, 2017 and so on. Accordingly, the SEBI annual fee will be included in the monthly bills of April each year to be payable by Participants which shall be remitted by NSDL to SEBI. In respect of SEBI annual fees for financial year 2016-17, the same shall be included in the forthcoming monthly bills for December 2016 to be payable by the Participants and the same shall be remitted by NSDL to SEBI. Participants are requested to take note of the above and ensure compliance.
Circular No. NSDL/POLICY/ 2003/0021 Date: January 3, 2003	Attention of Participants is invited to Regulation 20(2)(f) of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and Part A and Part B of the second schedule thereunder, regarding payment of annual fees of Rs. 1000/- by Participants to Securities and Exchange Board of India (SEBI). At present, NSDL collects this fee by way of banker's cheque/demand draft for Rs. 1000/- in favour of "Securities and Exchange Board of India" and forwards the same to SEBI in April and October every year. Participants are hereby informed that SEBI annual fees will be included in the bill of February 2003 (in case of Participants registered with SEBI between October and March) and August 2003 (in case of Participants registered with SEBI between April and September) for onward remittance to SEBI.
f. Information to SEBI	
Weekly demat information to SEBI not to be furnished	
Circular No. NSDL/POLICY/ 2003/2056 Date: December 20, 2003	SEBI has vide its circular no. SEBI/MRD/DEP/Cir-44/2003 dated December 12, 2003 informed NSDL that henceforth, Participants need not furnish the information to SEBI as prescribed in SEBI circular no. SMDRP/DRP/Cir-30/99 dated August 25, 1999 regarding processing of application for dematerialisation. Participants are advised to take note of the same.
Circular No. NSDL/POLICY/ 2017/0017 Date: March 29, 2017	***Subject: Amendment to Business Rules - Enhanced Supervision of Stock Brokers.*** All Participants are hereby notified that pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 regarding enhanced supervision of Stock Brokers / Depository Participants, Business Rule 18.1.1 has been amended. The amended Rule 18.1.1 is enclosed as Annexure A. The amended Rule will be effective from July 1, 2017. For and on behalf of **National Securities Depository Limited** **Ravindra Sahu** **Senior Manager**

Amendment in Business Rule 18.1.1

18.1.1 The Depository may impose a penalty on the Participant to the extent indicated for non-compliance as described below:

Sr. No.	Nature of Non-compliance	Penal Action in Rs./ Action
I	**Operational deviations**	
1.	Account opened without obtaining adequate proof of identity or any other document – as prescribed under guidelines of NSDL/SEBI/ PMLA/Account opened without obtaining adequate proof of address as prescribed under guidelines of NSDL/SEBI/PMLA or adequate proof of address not collected for change of address as prescribed under guidelines of NSDL/SEBI/PMLA. Record of in-person verification not maintained as prescribed under guidelines of NSDL/ SEBI/PMLA.	Rs.2500 per account. If such deviation is observed in two consecutive inspections, penalty would be Rs.5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee if total penalty imposed in one Inspection under this head exceeds Rs. 50000.
2.	Supplementary agreement executed or undertaking/letter obtained or any modification made in any document which has clauses contradictory to SEBI/Depository prescribed guidelines or Power of attorney executed in favour of Participant in contradiction to SEBI/ Depository prescribed guidelines.	Rs.1000 per occasion.
3.	Accounts opened in the name of Partnership firms / HUF/ proprietary concern / such other entities not entitled to hold securities in its name as prescribed under guidelines of NSDL/SEBI/PMLA.	Rs.1000 per account.
4.	Nomination not done as per prescribed procedure.	Rs.250 per account.
5.	Any type of transaction not executed as per the procedure prescribed by Depository such as change in bank details, change in signature, transmission, account closure, freeze/unfreeze, pledge, remat etc. as prescribed under guidelines of NSDL/ SEBI/PMLA.	Rs.500 per account.
6.	Data entry errors / omission which may cause inconvenience and/or loss to the client/ system / Depository.	Rs.50 per account.
7.	Correct PAN details are not obtained from the clients and the account is not frozen for debit as prescribed under guidelines of NSDL/SEBI/PMLA	Rs.500 per account.
8.	Incorrect entry of PAN details in DPM system as prescribed under guidelines of NSDL/SEBI/PMLA.	Rs.50 per account.
9.	Invalid/ factually incorrect/ meaningless data entered in demographic details.	Rs.500 per account.
10.	Delay in dispatch of demat requests beyond seven working days after receipt of Demat Request Form and certificates from the client.	Rs.250 per occasion

11.	Sending securities for dematerialization to Registrar & Transfer Agents / Issuers without defacing and mutilating certificates.	Rs.100 per occasion
12.	No/inadequate control over issuance and/or acceptance of instruction slips.	Rs.2500 per occasion. If such deviation is observed in two consecutive inspections, penalty would be Rs.5000. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee.
13.	Client account debited without receiving proper authorization as prescribed under guidelines of NSDL/SEBI.	Rs.2500 per account. If such deviation is observed in two consecutive inspections, penalty would be Rs.5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee, if total penalty imposed in one inspection under this head exceeds Rs. 50000. The penalty levied above will be in addition to restoration of securities in case of clients' dispute.
14.	Instruction of the client not executed or erroneously entered by Participants.	Rs.250 per account.
15.	Fax indemnity not executed with the clients for the instructions accepted on fax and/ or original instruction not collected within stipulated time from the date of receipt of the fax instruction.	Rs.500 per account.
16.	Transaction statement not being sent to clients as per requirements or discrepancy observed in the transaction statement sent to clients.	Rs.2000 per occasion.
17.	Change in office address and / or investor relations officers/ compliance officers not intimated to Depository.	Rs.250 per occasion.
18.	Forms used are not in conformity with the prescribed format.	Rs.100 per occasion.
19.	Termination / Closure of franchisee / branch services contrary to Depository instructions.	Rs.500 per occasion.
20.	Speed-e facility made available/operated contradictory to Depository prescribed guidelines.	Rs.500 per account.

21.	Internal Audit Report / Concurrent Audit Report not submitted in the prescribed format within the stipulated time period.	Rs.1000 per occasion plus additional Rs. 500 for any delay per fortnight. Rs.2000 per occasion plus additional ` 1000 for any delay per fortnight if repeated delay found in consecutive period. If delay in submission is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.
22.	Internal audit report/ Concurrent audit report submitted without inclusion of management comments for deviations noted by auditors or not providing compliance duly certified by auditors on the observations made by the Depository.	Rs.1000 per occasion plus additional Rs. 500 for any delay per fortnight till the submission of revised report.
23	Non- Submission of data for risk based supervision in Risk Assessment Template (RAT) within the prescribed time period.	Rs.1000 per occasion Rs.2000 per occasion if repeated delay found in consecutive period. If delay in submission is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.
24.	Non-submission of net worth certificate based on the audited annual accounts by the Participants (as specified in the Bye-Laws) in the prescribed format for 31st March within prescribed time limit.	Rs.2500 per occasion plus additional Rs.1000 for any delay per fortnight. Rs.5000 per occasion plus additional ` 2000 for any delay per fortnight if repeated delay found in consecutive period. If delay in submission is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.
25.	Non-submission of annual financial statement within the prescribed time limit.	Rs.1000 per occasion plus additional Rs. 500 for any delay per fortnight. Rs.2000 per occasion plus additional Rs.1000 for any delay per fortnight if repeated delay found in consecutive period. If delay in submission is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.
26.	Non filing of information sought by Depository either periodically or specifically through circulars / letters etc.	Rs.250 per occasion.

27.	Half yearly Compliance certificate not submitted within the stipulated time.	30 days have elapsed after stipulated time and the certificate is not submitted, Participant will be advised to stop opening fresh demat accounts. If the delay is beyond 60 days from the stipulated time, matter to be referred to Disciplinary Action Committee.
28.	Client Grievances (except disputes/court cases) not redressed within 30 days.	Rs.250 per grievance plus additional Rs. 100 for any further delay per month. Delay beyond six months will be reported to the Disciplinary Action Committee.
29.	Non-submission of monthly report of Client Complaints as required under Bye Law 6.3.6 (iii) to be submitted every month (latest by 10th of the following month).	Rs.500 per month. Rs.1000 per month if repeated delay found in consecutive month. If delay in submission is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.
30.	Data submitted in Internal Audit Report, Concurrent Audit report, Risk Assessment Template (RAT) for Risk based supervision, in Networth certificate, Annual Financial Statements, Compliance Certificate and Investor Grievance Report is found to be false/ incorrect.	Rs.500 per occasion. Rs.1000 per occasion, if same deviation is observed for consecutive period. If same deviation is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.
31.	Depository services are offered through service centres without approval of Depository.	Rs.2,500 per occasion.
32.	(a) In-person verification carried out by any person other than as permitted by SEBI/ Depository. (b) Carrying out functions of verification of delivery instruction slips through franchisees. (c) Dispatch of periodic transaction statements by Participants through its service centre (branch as well as franchisees) other than one which is directly connected to the Depository or through its centralised processing unit under the supervision of its head office.	Matter to be referred to Disciplinary Action Committee.
33.	Anti Money Laundering (AML) policy not framed as required under PMLA and not intimated to FIU-IND.	Rs.2500 per occasion.
34.	Non appointment of Principal officer/Non intimation of change of Principal Officer details to FIU - IND.	Rs.2500 per occasion.
35.	Suspicious Transaction Register not being maintained as prescribed by NSDL.	Rs.2500 per occasion.
36.	System of maintaining documents pertaining to depository operations not satisfactory.	Rs.1000 per occasion.
II	**System related deviations**	
37.	Using the DPM system for any other purpose or loading any other software or alteration of parameters / configuration/ software other than DPM application software/prescribed system software found loaded in the system.	Rs.5000 per occasion.

38.	Not upgrading the software and/or hardware within the prescribed time limit / not complying with prerequisite or post requisite of upgradation.	Rs.5000 per occasion plus actual cost of travel of Depository official/s and/ or other person/s on behalf of Depository, if any, for this purpose.
39	DPM configuration not as per Depository requirements.	Rs.5000 per occasion.
40.	DPM is connected to WAN without permission of relevant authorities.	Rs.5000 per occasion.
41.	Anti Virus Software not loaded/enabled/ upgraded on server and/or client machine(s).	Rs.500 per occasion.
42.	'Variable access rights' scheme suggested by Depository not implemented / not implemented properly.	Rs.250 per occasion.
43.	Physical access to client machine and server is easily available to unauthorized persons.	Rs.100 per occasion
Miscellaneous		
44.	Compliance not reported by Participant within 60 days from the date of communication by depository with respect to deviations observed during the inspections.	Matter to be referred to Disciplinary Action Committee.

Circular No.
NSDL/POLICY/
2017/0040
Date: June 30, 2017

Subject: SEBI Circular on Clarification to Enhanced Supervision Circular

Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 [*NSDL Circular Nos. NSDL/POLICY/2016/0101 dated December 16, 2016 and NSDL/POLICY/2016/0083 dated October 4, 2016*] and Circular No. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/138 dated December 20, 2016 [*NSDL Circular No. NSDL/POLICY/2016/0105 dated December 29, 2016*] regarding enhanced supervision of stock brokers.

In this context, Participants are requested to take note of the following and ensure compliance:

1. SEBI has vide its Circular No. CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017 issued clarification on the aforesaid SEBI circulars. Copy of the same is enclosed.
2. As informed to Participants vide NSDL Circular dated December 29, 2016, additional reason codes for off-market and Inter Depository Transfers and System validation for transfer of securities from 'Stock Broker-Client' account to 'Stock Broker-Proprietary' account will be made operational with effect from BOD of July 1, 2017 in eDPM system.

   For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in.

For and on behalf of
National Securities Depository Limited

Ravindra Sahu
Senior Manager

CIRCULAR

CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 June 22, 2017

To,

The Managing Directors of all Recognized Stock Exchanges and Depositories

Dear Sir/Madam,

Sub: Clarification to Enhanced Supervision Circular

1. SEBI vide circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, has issued guidelines covering broad areas for enhanced supervision based on the recommendation of the committee constituted by SEBI. Following representations from Exchanges as well as market participants, SEBI vide Circular no SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/138 dated December 20, 2016 made the aforesaid Circular effective from April 1, 2017 and accordingly the various timelines mentioned in the circular for different activities was consequently postponed.
2. SEBI has received further representations from the market participants regarding certain provisions of the aforesaid circular. Based on the discussions with different stakeholders, following clarifications are made:
   a. Clause 1.2.2 and 1.2.4 stands deleted; accordingly naming proprietary bank/demat accounts of the stock broker as 'Stock Broker- Proprietary Account' is voluntary. It is however clarified that bank/demat account which do not fall under the Clauses 1.2.1,1.2.3, 1.2.5 , 1.2.6 and 1.2.7 would be deemed to be proprietary.
   b. After Clause 2.1, Clause 2.1.1 is inserted as, "*Stock Broker which is also Bank, may be required to report to the Stock Exchanges only those bank accounts that are used for their stock broking activities*".
   c. Clause 2.5 stand modified as follows: "*As per existing norms, a stock broker is entitled to have a lien on client's securities to the extent of the client's indebtedness to the stock broker and the stock broker may pledge those securities. Pledge of such securities is permitted, only if, the same is done through Depository system in compliance with Regulation 58 of the SEBI (Depositories and Participants) Regulations,1996. To strengthen the existing mechanism, the stock brokers shall ensure the following:*"
   d. Clause 2.6 stands modified as, "*Stock brokers shall not grant further exposure to the clients when debit balances arise out of client's failure to pay the required amount and such debit balances continues beyond the fifth trading day, as reckoned from date of pay-in, except, in accordance with the margin trading facility provided vide SEBI circular CIR/MRD/DP/54/2017 dated June 13, 2017 or as may be issued from time to time.*" This clause would be effective from August 1, 2017.
   e. Clause 3.2 stands clarified that, Stock broker shall upload the data as envisaged in the Clause 3.2 on monthly basis instead of weekly basis till March 31, 2018. Accordingly, till March 31, 2018, stock broker shall submit the data as on the last trading day of every month to the Stock Exchanges on or before the next trading day. Thereafter, the uploading of that data by the stock broker to the Stock Exchanges shall be on weekly basis i.e. stock brokers shall submit the data as on last trading day of every week on or before the next trading day.
   f. Further, it is also clarified that the provisions of this enhanced supervision circular is not applicable to Regional Commodity Exchanges till further notice.
3. You are advised to take necessary steps to ensure compliance with the above.
4. The Stock Exchanges/Depositories are directed to bring the contents of this circular to the notice of the Stock Brokers/Depository Participants and also disseminate the same on their websites.
5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
6. This Circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework".

Yours faithfully,

Debashis Bandyopadhyay
General Manager

7. Grievance Redressal

Regulation 20 (1) (e)	The participant shall redress the grievances of beneficial owners within thirty days of the date of receipt of the complaint and keep the depository informed about the number and the nature of redressals	
Business Rule 18.1.1(29)	**Nature of Non-Compliance**	**Penalty**
	Non-submission of monthly report of Client Complaints as required under Bye Law 6.3.6 (iii) to be submitted every month (latest by 10th of the following month).	Rs.500 per month.
Bye Law 14.3.5	All claims, differences or disputes referred to in this Chapter shall be submitted to arbitration within the limitation period as specified in the Limitation Act, 1963. Provided that the limitation period shall also be applicable in following cases: i. where the limitation period (in terms of Limitation Act 1963) have not yet elapsed and the parties have not filed for arbitration with the depository, or, ii. where the arbitration application was filed but was rejected solely on the ground of delay in filing within the earlier limitation period; and the limitation period (in terms of Limitation Act 1963) have not yet elapsed.	
Clause 16 of DP-Client Agreement	The Depository Participant undertakes to resolve all legitimate grievances of the Client against the Depository Participant within a period of thirty days.	
Redressal of Investor Complaints		
Circular No.: NSDL/ POLICY/2019/0038 July 5, 2019	***Subject: Providing information regarding SEBI Complaint Redress System (SCORES) to the investors.*** All Participants are hereby informed that SEBI vide its letter dated July 03, 2019, with a view to make the complaint redressal mechanism through SCORES more efficient, has advised as under: 1. Participants shall display the following information on their websites: Filling complaints on SCORES- Easy & Quick a. Register on SCORES portal b. Mandatory details for filling complaints on SCORES i. Name, PAN, Address, Mobile Number, E-mail ID c. Benefits: i. Effective Communication ii. Speedy redressal of the grievances 2. Participants shall include the abovementioned procedure for filling of complaints on SCORES and benefits for the same in the welcome kit to be given to the investors at the time of their registration with them. Accordingly, Participants are requested to take note of the above and ensure compliance.	

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange Board of India

ASSISTANT GENERAL MANAGER

MIRSD

SEBI/MIRSD/ 16742/2019
July 03, 2019

To

All Depositories

Dear Sir/Ma'am,

Sub: Displaying of information regarding SEBI Complaint Redress System (SCORES) in the website

1. SEBI has commenced processing of complaints through SCORES since June, 2011.

2. With a view to make the complaint redressal mechanism through SCORES more efficient, all Depository Participants are directed to display the following information on their websites:

   Filing complaints on SCORES – Easy & quick

   a. Register on SCORES portal
   b. Mandatory details for filing complaints on SCORES:
      i. Name, PAN, Address, Mobile Number, E-mail ID
   c. Benefits:
      i. Effective communication
      ii. Speedy redressal of the grievances

3. Further, it is also directed to all the Depository Participants to include procedure for filing of complaints on SCORES and benefits for the same in the welcome kit to be given to the investors at the time of their registration with them.

4. The Depositories are advised to bring the contents of the letter to the notice of Depository Participants for necessary action.

Yours faithfully,

Sisir Mondal

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
Tel.: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in

Circular No.: NSDL/ POLICY/2019/0004

January 17, 2019

Subject: Amendments to Bye Laws and Business Rules of NSDL

All Participants are hereby informed that the following amendments have been made in the Bye Laws and Business Rules of NSDL:

Sr. No.	*Bye Laws*			*Annexures*
1	Amendments to	Bye Law 5.2 (vi)		Amended Bye Law is enclosed as Annexure A.
2	Amendments to	Clause 15 agreement between the Depository Participant and the National Securities Depository Limited		
3	Deletion of	Bye Law 7.1, 5.2 (xii) and 7.5 (ii)		Deleted Bye Laws is enclosed as Annexure B
4	Renumbering	Existing Rule	Renumbered Rule	
		5.2 (xiii)	5.2 (xii)	
		7.2 7.2.1 7.2.2	7.1 7.1.1 7.1.2	
		7.3 7.3.1	7.2 7.2.1	
		7.4 7.4.1	7.3 7.3.1	
		7.5 7.5 (i) 7.5 (iii)	7.4 7.4 (i) 7.4 (ii)	

Sr. No.	*Business Rules*	*Annexures*
1	Deletion of Chapter 17 of Business Rules	Deleted Business Rules is enclosed as Annexure C

Annexure A

1. Amendment to the Bye Law

5.2 (vi) administration, maintenance and investment of the corpus of the Fund(s) set up by the Depository;

2. Amendment in clause 15 of agreement between the Depository Participant and the National Securities Depository Limited.

15) The Participant shall contribute to the Investor Protection Fund and any other fund established to protect the interests of the Clients in the manner laid out in the Bye Laws and Business Rules.

Annexure B

Deletion of the Bye Law

7.1. CONTINGENCY FUNDS

7.1.1 NSDL may establish different contingency funds/reserves including the Participants Fund and Investor Protection Reserve under these Bye Laws from time to time. Each Participant will be required to contribute to these Funds/Reserves in the manner and on such terms and conditions as may be specified by the Depository under the Business Rules.

7.1.2 The Executive Committee may specify in the Business Rules, the procedure for setting up, operation and administration of these funds/reserves and for the purpose for which these funds/ reserves may be used from time to time.

7.1.3 The Executive Committee may also specify the persons who are entitled to make claims, the procedures for making claims and inter se priority of such claims.

7.1.4 The Investor Protection Reserve may be operated and administered by a committee, which will have a maximum of five members, to be appointed by the Board of NSDL from time to time.

7.1.5 The Funds of the Participants Fund shall be operated and administered in accordance with the Deed of Trust of "National Securities Depository Limited Participants Fund Trust" by the Trustees, appointed by the Board of Directors, for the benefit of Participants.

Deletion of the Bye Law

5.2(xii) administration and operation of the reserves created by the Depository including "Investor Protection Reserve";

7.5(ii) The Fund so established shall not be used for the purpose of indemnifying the beneficial owner(s) under section 16 of the Depositories Act, 1996.

Annexure C

Deletion of the Business Rules

17. INVESTOR PROTECTION RESERVE

The Executive Committee may establish an "Investor Protection Reserve" (IPR). Contribution to the IPR will be the amounts that may be decided by the Board of NSDL from time to time. The amounts in the IPR shall be utilised to make good the claims, which may be submitted by the Clients who have suffered pecuniary losses arising from the negligence of the Depository or by the Participants while carrying out the instructions of the Client. The IPR may be operated and administered by a Committee (IPR Committee), which will have a maximum of five members to be appointed by the Board of NSDL from time to time.

17.1. SOURCES OF IPR

17.1.1. Contribution to the IPR will be the amounts that may be decided by the Board of NSDL from time to time.

17.2. NATURE OF CLAIMS

17.2.1. The IPR shall be utilised to compensate the following:

i) for any loss suffered by a Client arising from the negligence of the Participants and or the Depository while carrying out the instructions of the Client.

ii) for any losses the investor might incur, as a result of non performance by the Participant.

17.3. CLAIMS NOT TO BE ADMITTED

17.3.1. Claims of investors who have not availed the services of the Depository by opening an account with any of its Participants, shall not be admitted.

17.3.2. Claims which are above Rs.1.50 lakh in value.

17.4. PROCEDURE FOR MAKING CLAIMS

17.4.1. Any Client who has suffered any loss arising from negligence and/or as a result of non performance by the Participant(s) while carrying out the instructions of the Client shall first approach the concerned Participant to make good the loss.

17.4.2. The claim(s) of the Clients shall be admitted under IPR only as a last recourse, when a Participant is no longer able to fulfill his financial obligation.

17.4.3. A claim for compensation shall be in writing, giving full details of all relevant facts of the case duly supported by copies of documents relevant thereto.

17.4.4. Any person wishing to make a claim shall also give an undertaking in writing in the prescribed format, to be bound by the decision of the IPR Committee, whose decision shall be final and binding.

17.4.5. In the event of multiple claims received from a Client(s) under Rule 17.4.2 above, the sequence of admission of claims shall be in chronological order in which they were received and subject to the extent specified under Rule 17.5.1.

17.4.6. Any Client whose claim has been admitted under Rule 17.4.2 above, the IPR Committee may require the person to produce and deliver any documents and statements of evidence as may be necessary to establish or support his claim. In the event of default on the part of such Client in this regard, the IPR Committee may at its discretion disallow or reject the claim either wholly or in part as they may deem fit.

17.4.7. The IPR Committee while disallowing (whether wholly or partly) a claim for compensation shall serve notice of such disallowance on the claimant.

	17.4.8. The IPR Committee, if satisfied that the claim was based on the default actually committed, may allow the claim and act accordingly. 17.4.9. The IPR Committee shall have an absolute discretion as regards the mode and method of assessing the nature of the claim including its genuineness and shall likewise at its discretion accept, reject or partially grant or allow claims and make payment thereof subject to the limits herein mentioned, as it may deem fit and proper. 17.4.10. While the IPR Committee may settle the claims of the Clients out of the IPR, the Executive Committee may initiate necessary legal proceedings to recover the amount from the Participant and replenish the IPR. **17.5. QUANTUM OF COMPENSATION** 17.5.1. The IPR may be utilised by the IPR Committee to compensate any loss suffered by any Client arising from negligence of the Participants and/ or the Depository up to a limit of Rs. 1,50,000/- (Rupees One lakh fifty thousand only) and/or such other limit as may be determined by the IPR Committee from time to time. 17.5.2. The IPR Committee may from time to time either generally or in respect of a particular claim determine the limit. However, where the limit is raised in respect of a particular claim, the IPR Committee shall record in writing, its reasons thereof. 17.5.3. The amount of compensation payable in respect of any claim shall be reduced by the amount or value of any compensation or benefits received by the Client from any other source in respect of such claim. 17.5.4. In case the Client receives compensation from any other source and the IPR Committee also pays the compensation without the knowledge of the payment by any other source in respect of the same claim, the IPR Committee shall recover from such Client an amount equivalent to the compensation received by him from such other source provided that the amount so recovered shall not exceed the amount of compensation received by such Client from the IPR. 17.5.5. In the event that any Client has received compensation from the IPR in respect of a claim based on the negligence on the part of a Participant, the IPR Committee shall take all steps necessary to recover from such Participant the amount of compensation so paid together with interest thereon from the date of payment of compensation to the Client at such rate as the IPR Committee may decide from time to time. 17.5.6. Every decision by the IPR Committee in regard to any claim made by a Client shall be conclusive and binding.

	17.6. CLAIM NOT TO AFFECT LEGAL PROCEEDINGS 17.6.1. The rejection or partial acceptance of any claim by the IPR Committee or grant of any compensation to a claimant shall not preclude or debar such claimant to pursue his claim for dues against the Participant in any court of law or otherwise howsoever or other legal action on other grounds or causes of action of whatsoever nature. Provided however that, the net claim of any such claimant against the Participant shall stand reduced to the extent of the compensation received by him from the IPR. The IPR Committee shall have the right to be subrogated to the extent of compensation so paid by the Participant. In the event of the claimant receiving his full dues from any source other than the IPR, the claimant shall refund the amount of claim received by him from the IPR and in the event of the claimant not so refunding the money, the IPR Committee shall have the right to recover the same from the claimant. **17.7. ALTERATION OF PROCEDURE** 17.7.1. The IPR Committee may, in their discretion alter, modify or repeal the procedure as they may consider necessary.
Circular No.: NSDL/ POLICY/2018/0041 Date: August 3, 2018	***Subject: Facility for upload / download of Investor Grievance related correspondence through e-PASS.*** Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD6/ CIR/P/2017/20 dated March 10, 2017 regarding redressal of investor complaints within 15 days. In this context, Participants are hereby informed that in order to reduce the time which is involved in sending physical letters to Participants regarding investor complaints, NSDL has developed a facility for upload and download of Investor Grievance related correspondence through online portal provided by NSDL i.e. e-PASS (https://www.epass.nsdl.com/epass/). This facility will be made available to Participants with effect from **August 6, 2018** and subsequently the current practice of sending Investor Grievance related correspondence from NSDL and filling of its response/ reply by Participants through letters/ emails will be discontinued. In this regard, Participants are requested to take note of the following: 1. Participants would be able to access investor grievance module through e-PASS platform with their existing log-in ids created for submission of Monthly Investor Grievance (IG) report. 2. For uploading reply of investor grievance received from NSDL through e-PASS, Participants would be required to follow the Maker-Checker mechanism, whereby Maker User/s of Participant would be able to capture/ upload the replies for grievances on e-PASS which have to be authorized and submitted to NSDL by Compliance Officer or Alternative Compliance Officer of Participants (as a Checker User) on e-PASS. 3. The procedure for upload/ download of Investor Grievance related correspondence through e-PASS is enclosed at **Annexure 1**. 4. The scan copies of replies/ responses for Investor Grievances need to be uploaded by Participants on e-PASS in **.PDF format only**. The hard copies of said replies are not required to be sent to NSDL and the same has to be kept by Participants in their records.

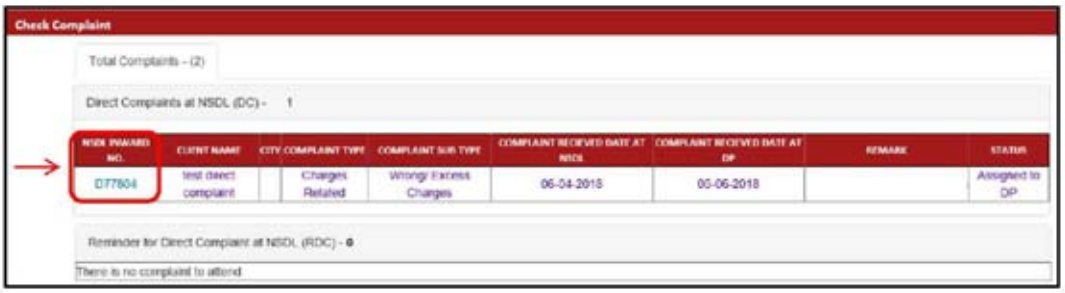
Annexure 1

Procedure for upload/ download of Investor Grievance related correspondence through e-PASS.

1. **View new complaints/ reminders and upload replies through Maker login:**

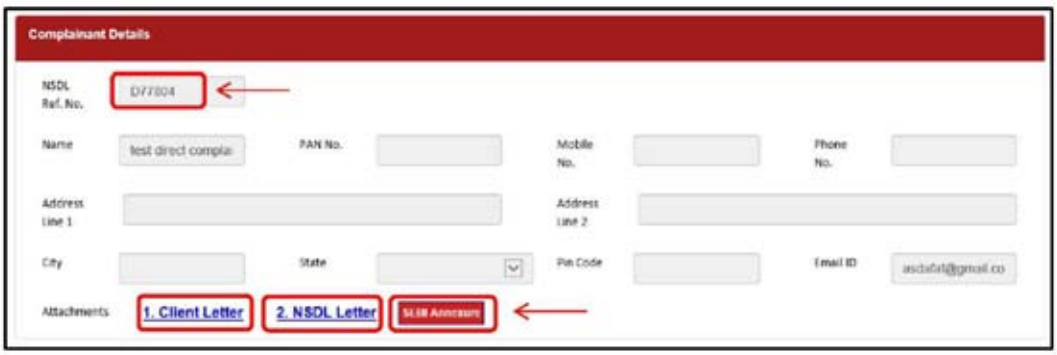
After login to e-PASS, for viewing new complaints/ reminders and to upload replies, click on *"Investor Grievance" — "Check Complaints"* tab as exhibited below:

On *"Check Complaint'* screen, all the complaints/ reminders/ queries *(received by NSDL from investors or forwarded by SEBI through SEBI SCORES)* assigned by NSDL to Participants for clarification will appear separately. To view the complaint details or upload the reply of complaint, maker user will have to click on "NSDL Inward No." as exhibited below:



Upon clicking on "NSDL Inward No." the details of the complaint will appear on screen which will have the following two sections-:

1.1 **Complaint Details:** This section will enable maker user to view the details of complaint along with letter/email from investor, letter of NSDL and enclosure of SEBI SCORES (if any) as exhibited below:



1.2 **Details to be field by Participant:**

1.2.1 This section will enable maker user to fill the details of action taken by DP against the said complaint. The facility to upload the scan copy of Participant's reply is also provided.

1.2.2 After filling the requisite details, click on *'Browse'* button for selecting the file which need to be uploaded. Due care should be taken in selecting the file to be uploaded.

1.2.3 The naming convention of upload file should always be kept as 'NSDL reference no.' (e.g. D77804 as shown in above exhibit) of the concerned complaint. Only PDF document will be allowed for upload. The size of PDF allowed to be uploaded is up to 3 MB. Upon selecting file to be uploaded, click on *'Upload'* button and thereafter click on *'Send to checker'*, button as exhibited below:

1.2.4 Upon clicking on *"Send to Checker'* button, reply will go to *"Pending for release"* status and same is required to be verified and released by user having Checker rights (i.e. Compliance Officer/ Alternative Compliance Officer).

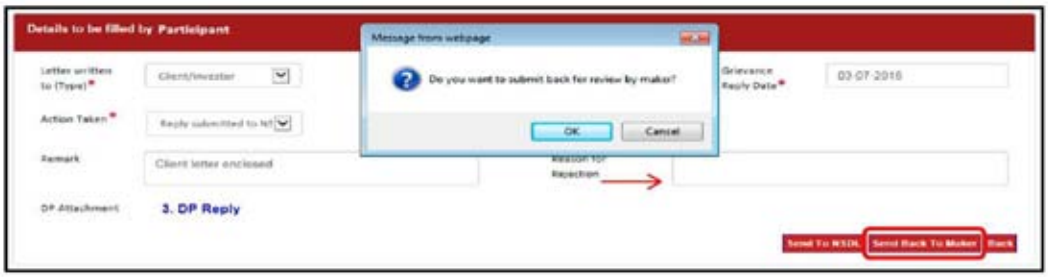
2. Verify and release replies through Checker login:

2.1 To verify and release the replies which are under "pending for release" status, login to e-PASS with Checker login and click on *"Investor Grievance"* — *"Check Complaints"*. On clicking *"Check Complaints"*, by default the replies which are under *"pending for release'* status will display on screen. To verify and release the replies, Checker user will have to click on link provided on "NSDL Reference No." as exhibited below:

2.2. Upon clicking on link provided on "NSDL Reference No.", the reply captured by Maker user will get displayed on screen. Checker user is provided rights to edit the reply (captured by Maker user).

2.3. Upon making necessary changes, Checker user will have to click on *"Send to NSDL"* button as exhibited below. Upon clicking the *"Send to NSDL"* button, an acknowledgement message will display on screen as "Reply submitted to NSDL".

2.4 In case Checker user wants to reject and resend the captured reply (to Maker User), Checker user will have to click on *"Send back to Maker'* button. In such case, rejection reason is required to be provided mandatorily in text box as exhibited below:



2.5 In respect of reply which is rejected by Checker User and sent back to Maker User, a fresh reply *(after making necessary changes)* is to be captured by Maker user by following the steps/ process as mentioned in point no.1 above.

3. **Email alert:** A system generated email alert will be sent on email ids of Maker User and Checker User (Compliance Officer or Alternative Compliance Officer) at the end of the day for all investor grievances/ reminders (consolidated) uploaded by NSDL on e-PASS during a day.

4. **Search option :** To view the status of captured/ submitted replies by Maker & Checker User, click on *"Investor Grievance"* — *"Search"* option as exhibited below:

Under "Search" screen, Maker/ Checker users would be able to search the replies based on combination of *"Complaint Type"* and *"Criteria"* as exhibited below:

Under "Search" screen, Maker/ Checker users would be able to search the replies based on combination of *"Complaint Type"* and *"Criteria"* as exhibited below:

5. Creation/ Deletion of User IDs:

For creation/ deletion of Maker User IDs on e-PASS for facility to download/ upload IG related correspondence, Participants have to send an email on dp igreport@nsdl.co.in in following format:

SEBI Reg. No.	DP Name	First Name of User	Last Name of User	Mobile no.	Email ID

In case there is any change in details of Checker User i.e. Compliance Officer's/ Alternative Compliance Officer's name, email ID and mobile number, Participants are requested to inform the same to NSDL as per procedure communicated vide Circular no. NSDL/PI/2005/2550 dated December 29, 2005.

Circular No.: NSDL/ POLICY/2018/0021

Date: April 3, 2018

Subject: SEBI Circular on Investor grievance redress mechanism - new policy measures.

Attention of Participants is invited to SEBI Circular no. SEBI/HO/OIAE/IGRD/ CIR/P/2018/58 dated March 26, 2018 regarding Investor grievance redress mechanism - new policy measures. Copy of the same is enclosed.

CIRCULAR

SEBI/HO/OIAE/IGRD/CIR/P/2018/58

March 26, 2018

To

All Investor Associations recognized by SEBI

All Companies whose securities are listed on SEBI recognized Stock Exchanges (Through the Stock Exchanges) All recognized Stock Exchanges All Depositories

All Registered Registrars to an Issue and Share Transfer Agents All Registered Merchant Bankers Association of Mutual Funds in India (AMFI)

All Intermediaries registered with SEBI (Through the Stock Exchanges for Stock Brokers and Sub Brokers, Depositories for Depository Participants, AMFI for Mutual Funds and Asset Management Companies)

Dear Sir/Madam,

Subject: Investor grievance redress mechanism - new policy measures

1. This circular is being issued in continuation to SEBI circular no. CIR/OIAE/1/2014 dated 18th December, 2014 regarding redressal of investor grievances through SEBI Complaints Redress System (SCORES) platform.

2. SCORES is a web based centralized system to capture investor complaints against listed companies and registered intermediaries and is available 24x7. It was introduced on June 8, 2011 and has been facilitating redressal of investor grievances in a speedy manner.

3. SEBI encourages investors to lodge complaints through electronic mode in SCORES. However, complaints received from investors in physical form are also digitized by SEBI and uploaded in SCORES. Thereafter, follow-up actions of the complaint are done in electronic form only i.e. through SCORES. Investors can easily access, retrieve and preserve the complaints lodged by them in electronic mode. Further, it enhances the turnaround time and speed of redressal of a complaint.

4. Investors may contact the Investor Associations (IAs) recognized by SEBI for any assistance in filing complaints on SCORES. The lists of Investor Associations are available on SEBI website (www.sebi.gov.in). Investors may also seek assistance in filing complaints on SCORES from SEBIs toll free helpline number 1800 266 7575 or 1800 22 7575.

5. SEBI has received inputs from listed companies and intermediaries that investor grievances can be resolved faster if the grievance been taken up directly with the entity at the first instance. Accordingly, it appears to be prudent and time saving if the investors approach the concerned listed company or registered intermediary first with all the requisite details to redress the complaints. In case, the listed company or registered intermediary fails to redress the complaint to the investor's satisfaction, the investor may file a complaint in SCORES.

6. At present following types of complaints are not dealt through SCORES:

   i. Complaints against the companies which are unlisted/delisted, in dissemination board of Stock Exchanges,

   ii. Complaints those are sub-judice i.e. relating to cases which are under consideration by court of law, quasi-judicial proceedings etc.

   iii. Complaints falling under the purview of other regulatory bodies viz. RBI, IRDAI, PFRDA, CCI, etc., or under the purview of other ministries viz., MCA, etc.

   iv. Complaints against a sick company or a company where a moratorium order is passed in winding up / insolvency proceedings.

   v. Complaints against the companies where the name of company is struck off from RoC or a vanishing company as per list published by MCA.

   vi. Suspended companies, companies under liquidation / BIFR / etc.

7. To enhance investor satisfaction on complaint redressal, SEBI has already put in place a 'Complaint Review facility' under SCORES wherein an investor if unsatisfied with the redressal may within 15 days from the date of closure of his complaint in SCORES opt for review of the complaint and the complaint shall be escalated

8. Effective from August 01, 2018, following procedure shall be followed for filing and redressal of investor grievances using SCORES:

   a. Investors who wish to lodge a complaint on SCORES are requested to register themselves on www.scores.gov.in by clicking on "Register here". While filing the registration form, details like Name of the investor, PAN, Contact details, Email id, Aadhaar card number(optional), CKYC ID(optional) etc. (Annexure A) may be provided for effective communication and speedy redressal of the grievances. Upon successful registration, a unique user id and a password shall be communicated to the investor through an acknowledgement email / SMS.

   b. An investor shall use login credentials for lodging complaint on SCORES ("Login for registered user" section). Details on how to lodge a complaint on SCORES is at Annexure B.

   c. The complainant may use SCORES to submit the grievance directly to companies / intermediaries and the complaint shall be forwarded to the entity for resolution. The entity is required to redress the grievance within 30 days, failing which the complaint shall be registered in SCORES

d. Presently, the limitation period for filing an arbitration reference with stock exchanges is three year. In line with the same and in order to enhance ease, speed & accuracy in redressal of investor grievance, the investor may lodge a complaint on SCORES within three years from the date of cause of complaint, where;

Investor has approached the listed company or registered intermediary for redressal of the complaint and,

The concerned listed company or registered intermediary rejected the complaint or,

The complainant does not receive any communication from the listed company or intermediary concerned or,

The complainant is not satisfied with the reply given to him or redressal action taken by the listed company or an intermediary.

9. Stock Exchanges, Depositories and the Association of Mutual Funds of India (AMFI) are accordingly advised to bring the provisions of this Circular to the notice of all Listed Companies, registered Stock-Brokers, Depository Participants and Asset Management Companies respectively and also to disseminate the same on their websites. Further, Stock Exchanges, Depositories and AMFI should also arrange for adequate publicity of this Circular on an urgent basis.

10. This Circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

11. This Circular is available on SEBI website at www.sebi.gov.in under the category "Legal /Circulars".

Yours faithfully,
Medha Sonparote
Deputy General Manager
Office of Investor Assistance and Education

Annexure A

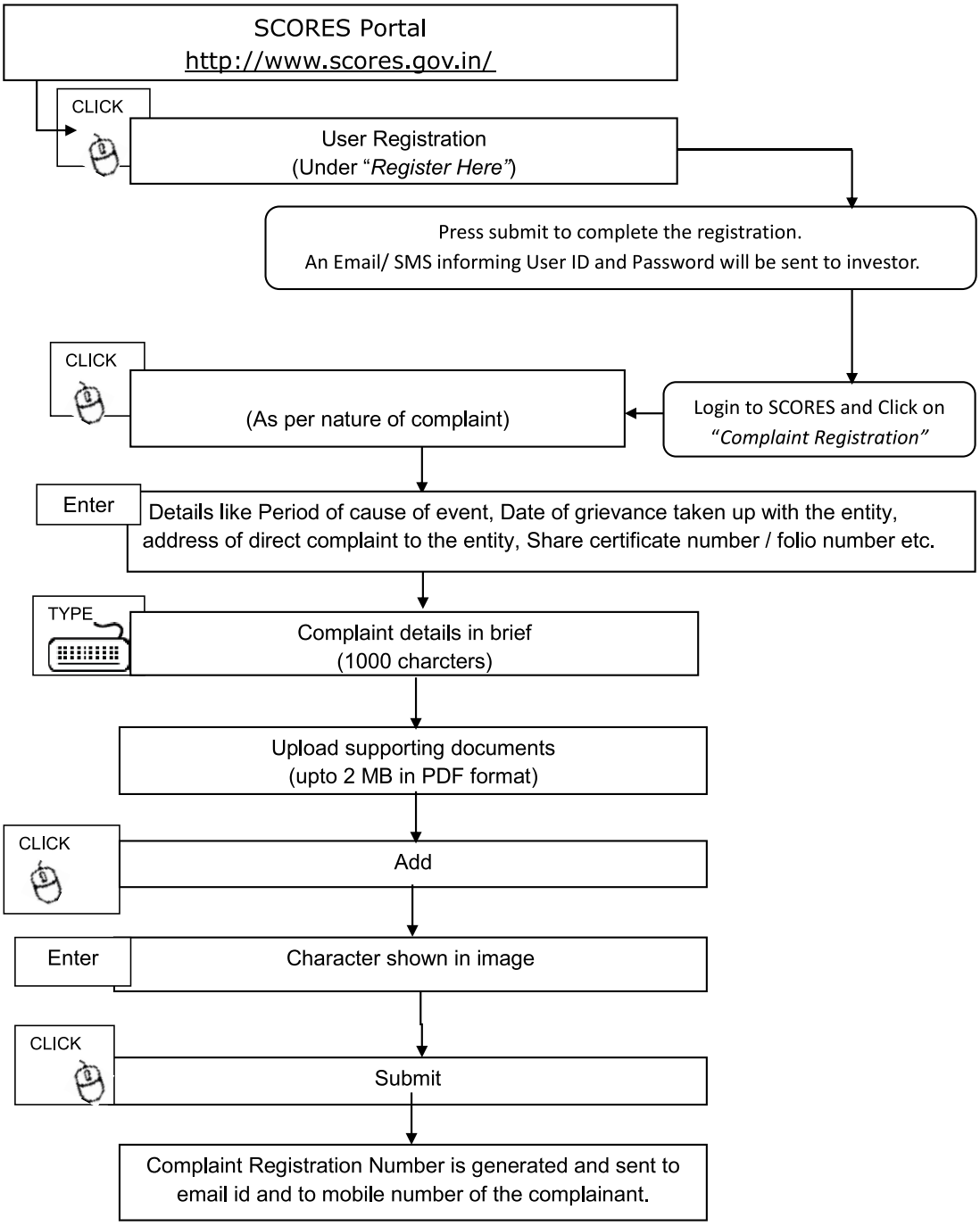
Details to be provided while registering on SCORES with effect from August 01, 2018:

i. Name of the complainant*
ii. Pan Number*
iii. Aadhaar Number (Optional)
iv. CKYC ID (Optional)
v. DP id & Client Id
vi. Postal address for communication*
vii. Contact number - Mobile* : Landline
viii. Email id* - For receipt of acknowledgement letter / updates of complaints on SCORES.
ix. Bank account details - To facilitate direct credit of benefits to investor.
x. Client id as given by Broker / Stock Exchange.

Note: * are mandatory fields.

Annexure B

How to lodge a complaint on SCORES with effect from August 01, 2018.



Circular No.: NSDL/POLICY/ 2017/0045 Date: July 24, 2017	***Subject: Amendment to Business Rules – Arbitration Rules*** All Participants are hereby informed that pursuant to SEBI Circular dated February 23, 2017 (Ref. SEBI/HO/DMS/CIR/P/2017/15) regarding Arbitration Mechanism, following amendments are made in Business Rules of NSDL: a) Amendment of Rules 19.6 and 19.12.1 of Business Rules of NSDL and Clause 3 of Appendix III of Rule 19 of Business Rules of NSDL b) Insertion of new Rules 19.24.4, 19.26.7 and 19.26.8 and Clause 11 in Appendix II of Rule 19 of Business Rules of NSDL c) Deletion of clause 6 of Appendix III of Rule 19 of Business Rules of NSDL Amended Business Rules are enclosed as Annexure A in track change mode. Participants are requested to take note of the above and ensure compliance.

Annexure A

Amended Business Rule 19.6 in track change mode:

THE ARBITRAL TRIBUNAL

19.6. **General Provisions**

19.6.1. The empanelment of arbitrators and appellate arbitrators shall be with the prior approval of the Securities and Exchange Board of India. Only members of the panel of arbitrators and appellate arbitrators of NSDL can be appointed as arbitrators or appellate arbitrators on any Arbitral Tribunal or Appellate Arbitration Tribunal either by the parties to the dispute or by the Committee. In case of any difference or dispute regarding appointment of any person(s) as the arbitrator(s), the procedure laid down under section 11 of Arbitration and Conciliation Act, 1996 shall be complied with.

19.6.2 The panels for arbitration and appellate arbitration shall be separate. Further, for appellate arbitration, at least one member should be a retired Judge.

19.6.3. Such panel shall comprise persons of ability, integrity and standing, and having adequate knowledge and experience of or having shown capacity in dealing with problems relating to capital market, securities transactions, securities law, accountancy, commerce or administration, and willing to serve as arbitrators. The Committee shall provide adequate information as to the qualifications and experience of such persons. NSDL shall disseminate information of profiles of arbitrators, their qualifications, areas of experience/ expertise, number of arbitration matters handled, pre-arbitration experience etc. of the arbitrators on its website.

19.6.4. Every arbitrator must be and remain independent of the parties involved in the arbitration.

19.6.5. Before appointment or confirmation, a prospective arbitrator shall sign a statement of independence and disclose in writing to the Secretariat any facts or circumstances which might be of such a nature as to call into question the arbitrator's independence in the eyes of the parties. The Secretariat shall provide such information to the parties in writing and fix a time limit for any comments from them.

19.6.6. An arbitrator shall immediately disclose in writing to the Secretariat and to the parties any facts or circumstances of a similar nature which may arise during the arbitration.

19.6.7. The decisions of the Committee as to the appointment, confirmation, challenge or replacement of an arbitrator shall be final and the reasons for such decisions shall not be communicated.

19.6.8. By accepting to serve, every arbitrator undertakes to carry out his responsibilities in accordance with these Rules.

19.6.9. Insofar as the parties have not provided otherwise, the Arbitral Tribunal shall be constituted in accordance with the provisions of Rules 19.7, 19.8 and 19.9.

Amended Business Rule 19.12 in track change mode:

19.12. **Transmission of the File to the Arbitral Tribunal**

19.12.1. The Secretariat shall transmit the File to the Arbitral Tribunal along with its electronic format/ soft copies to the Arbitral Tribunal as soon as it has been constituted, provided the advance on costs requested by the Secretariat at this stage has been paid.

Amendment of Clause 3 in Appendix III

APPENDIX - III

ARBITRATION FEES, EXPENSES AND COSTS

(3) The fees, costs and expenses incidental to the reference and the award shall include the following:

(a) Application Fee

A non-refundable application fee of Rs. 1000/- shall be payable by Claimant along with the application for reference.

(b) Administrative Fee and Arbitrator's Fee

The Administrative Fee of NSDL and Arbitrator's fee (for each arbitrato r) will be fixed separately with regard to, the amount in dispute in each case, as under:

Amount of Claim / Counter Claim, whichever is higher (Rs.)	If claim is filed within six months from the date of dispute	If claim is filed after six months from the date of dispute	If the claim is filed beyond the timeline prescribed in column 3, (only for Participant)
≤ 10,00,000	1.3% subject to a minimum of Rs.10,000	3.9% subject to a minimum of Rs.30,000	Additional fee of Rs. 3,000/- per month over and above fee prescribed in column 3
> 10,00,000 - 25,00,000 ≤	Rs. 13,000 plus 0.3% amount above Rs. 10 lakh	Rs. 39,000 plus 0.9% amount above Rs. 10 lakh	Additional fee of Rs. 6,000/- per month over and above fee prescribed in column 3
> 25,00,000	Rs. 17,500 plus 0.2 % amount above Rs. 25 lakh subject to maximum of Rs. 30,000	Rs. 52,500 plus 0.6 % amount above Rs. 25 lakh subject to maximum of Rs.90,000	Additional fee of Rs. 12,000/- per month over and above fee prescribed in column 3

The Arbitrator Fee shall be upwardly revised to Rs.18,000 (Rupees Eighteen Thousand) per case. The additional expenses attributable to the client over and above the fee structure specified above shall be borne by the client (wherever applicable) and Depository equally. The total expense attributable to the Participant has to be borne by the concerned Participant.

(c) In addition to the above:

(i) Each arbitrator will be entitled to receive a Special Fee for study of the pleadings, case material, writing of the award etc. with regard to the amount in dispute in each case as under:

Upto Rs. 5 Lakhs (Rs.500,000)	Rs.1,000/- LUMPSUM
From Rs. 5 lakh one to Rs. 5 crore (Rs.5,00,001 to Rs.50,000,000)	Rs.2,000/- LUMPSUM
Rs. 5 crore one and above (Rs.50,000,001 and above)	Rs.5,000/- LUMPSUM

(ii) NSDL may at its discretion charge an additional Special Fee of Rs.1000/- per hearing from each of the Parties to arbitration, for providing facilities in terms of hardware viz., computer, scanner printer, etc. and required software at the arbitration hearing. Provided that such discretion shall be based on the number of hearings conducted, extent of use of facilities and such other criteria.

Addition of Business Rule 19.24.4, 19.26.7 and 19.26.8 in track change mode:

19.24.4. In order to safe guard the interest of the parties involved in arbitration and to ensure speedy implementation of the Award, the rate of interest on the Award passed by the Arbitral Tribunal shall be in compliance with the Arbitration and Conciliation Act,1996.

19.26.7. A party aggrieved by the Arbitral Award may file an appeal before the Appellate Arbitrator by paying such fees as may be prescribed by the Arbitration Committee from time to time in addition to the statutory dues (stamp duty, service tax etc.) along with the appeal.

19.26.8 The above articles 19.6 to 19.25 shall be applicable to Appellate Arbitration.

Addition of Clause 11 in Appendix – II - INTERNAL RULES OF THE ARBITRATION COMMITTEE

(11) The Committee shall review the performance of the arbitrators annually and submit the review report to the Board of depository.

Deletion of Clause 6 in Appendix – III - INTERNAL RULES OF THE ARBITRATION COMMITTEE

(6) The arbitrator may be paid an amount of Rs. 1000 towards local conveyance for attending each arbitration hearing. In respect of joint trial, the hearing will be treated as one irrespective of the number of cases.

Circular No.: NSDL/POLICY/ 2017/0012 Date: March 15, 2017	***Subject: SEBI Circular on Redressal of complaints against Stock Brokers and Depository Participants through SEBI Complaints Redress System (SCORES).*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MIRSD/MIRSD6/CIR/P/2017/20 dated March 10, 2017 regarding redressal of complaints against Stock Brokers and Depository Participants through SEBI Complaints Redress System (SCORES). The copy of the same is enclosed. Participants are requested to take note of the above and ensure compliance.

CIRCULAR

SEBI/HO/MIRSD/MIRSD6/CIR/P/2017/20 **March 10, 2017**

To

All recognised Stock Exchanges All Depositories

All Stock Brokers, Sub Brokers and Depository Participants registered with SEBI(Through the Stock Exchanges for Stock Brokers and Sub Brokers, the Depositories for Depository Participants)

Madam/Sir,

Sub: Redressal of complaints against Stock Brokers and Depository Participants through SEBI Complaints Redress System (SCORES)

SEBI has commenced processing of complaints through SCORES since June, 2011.

With a view to make the complaint redressal mechanism through SCORES more efficient, all stock brokers and depository participants are directed to address/redress the complaint within a period of 15 days from the receipt of the complaint. In case additional information is required from the complainant, the same shall be sought within 7 days from the receipt of the complaint. In such cases, the period of 15 days shall run from the receipt of additional information.

Stock Exchanges and Depositories are advised to develop a system for execution of the above.

The circular is issued in partial modification of earlier circulars dated August 25, 2011 and September 12, 2011 to the extent as stated above and in exercise of powers conferred upon SEBI under Section 11(1) of the Securities and Exchange Board of India Act, 1992.

The circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Circulars”.

B K Gupta

Deputy General Manager

022-26449218

bhartendrakg@sebi.gov.in

Circular No.: NSDL/POLICY/ 2017/0011 Date: March 6, 2017	***Subject: SEBI Circular on amendment pursuant to comprehensive review of Investor Grievance Redressal Mechanism.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017 regarding amendment pursuant to comprehensive review of Investor Grievance Redressal Mechanism. Participants are requested to take note of the above.

CIRCULAR

SEBI/HO/DMS/CIR/P/2017/15 **February 23, 2017**

All Recognized Stock Exchanges (excluding Commodity Derivatives Exchanges)/ Depositories

Sir/ Madam,

Sub: Amendment pursuant to comprehensive review of Investor Grievance Redressal Mechanism

In order to enhance the effectiveness of grievance redressal mechanism at Market Infrastructure Institutions (MIIs), SEBI has comprehensively reviewed the existing framework in consultation with the Stock Exchanges and Depositories (inter alia, issues relating to strengthening of arbitration mechanism and investor protection mechanism).

Based on the aforesaid review, it has been decided to revamp the grievance redressal mechanism at Stock Exchanges and Depositories (wherever applicable), as follows:-

1. **Investor Grievance Resolution Panel (IGRP)/ Arbitration Mechanism**
   The existing IGRP/ arbitration mechanism to be modified as follows:

   A. Public dissemination of profiles of arbitrators

   In order to enhance transparency and also to provide choice to parties, Stock Exchanges/ Depositories shall disseminate information w.r.t. brief profile, qualification, areas of experience/ expertise, number of arbitration matters handled, pre-arbitration experience, etc. of the arbitrators on their website.

   B. Submission of documents in soft copies

   In order to assist the arbitrators in pronouncing comprehensive and speedy awards, Stock Exchanges/ Depositories shall make necessary arrangements in terms of hardware viz., computer, scanner, printer, etc. and required software's at exchange offices/ Investor Service Centers (ISCs) to facilitate the clients to type/ convert their documents into electronic format/ soft copy. Such electronic format/ soft copies shall be provided to the arbitrators along with original submissions in physical copies.

   C. Review and Training of arbitrators

   Investor Service Committee of the Stock Exchanges/ Depositories shall review the performance of the arbitrators annually and submit the review report to the Board of the Stock Exchange/ Depository. Training need of the arbitrators will be catered by National Institute of Securities Markets (NISM). Cost of training of arbitrators may be incurred from ISF.

D. Mechanism for implementation of award

Stock Exchanges/ Depositories shall create a common database of defaulting clients accessible to members/ depository participants across the Stock Exchanges/ Depositories.

For this purpose, a client may be identified as defaulter if the client does not pay the award amount to the member/depository participant as directed in the IGRP/ arbitration/ appellate arbitration order and also does not appeal at the next level of redressal mechanism within the timelines prescribed by SEBI or file an application to court to set aside such order in accordance with Section 34 of the Arbitration and Conciliation Act, 1996 (in case of aggrieved by arbitration/ appellate award).

E. Empanelment of arbitrators and segregation of arbitration and appellate arbitration panel

There shall be separate panels for arbitration and appellate arbitration. Further, for appellate arbitration, at least one member of the panel should be a Retired Judge.

Stock Exchanges/ Depositories shall obtain prior approval of SEBI before empanelment of arbitrators/ appellate arbitrators.

F. Empanelment of IGRP members

Stock Exchanges shall empanel IGRP members and no arbitrator/ appellate arbitrator shall be empaneled as IGRP member.

G. Revision in professional fee of arbitrators

The arbitrator fee shall be upwardly revised to Rs.18,000/- (Rs. Eighteen thousand) per case. Consequent to this upward revision, the additional expenses attributable to a client over and above the fee structure specified in point J, shall be borne by the client (wherever applicable) and Stock Exchange/ Depository equally. The total expense attributable to the member/ depository participant has to be borne by the concerned member/ depository participant.

H. Place of arbitration/ appellate arbitration

In case award amount is more than Rs. 50 lakh (Rs. Fifty lakh), the next level of proceedings (arbitration or appellate arbitration) may take place at the nearest metro city, if desired by any of the party involved. The additional cost for arbitration, if any, to be borne by the appealing party.

I. Arbitration/ appellate arbitration award

In order to safeguard the interest of the parties involved in arbitration and to ensure speedy implementation of the arbitration award, the rate of interest on the award passed by arbitrators shall be in compliance with Arbitration and Conciliation (Amendment) Act, 2015.

J. Speeding up grievance redressal mechanism

(i) In order to have faster implementation of award and to discourage delayed filling of arbitrations by members, the fee structure (exclusive of statutory dues - stamp duty, service tax, etc.) for filling arbitration reference shall be as follows:-

Amount of Claim / Counter Claim, whichever is higher (Rs.)	If claim is filed within six months from the date of dispute	If claim is filed after six months from the date of dispute or after one month from the date of IGRP order, whichever is later	If the claim is filed beyond the timeline prescribed in column 3, (only for member)
< 10,00,000	1.3% subject to a minimum of Rs.10,000	3.9% subject to a minimum of Rs.30,000	Additional fee of Rs. 3,000/- per month over and above fee prescribed in column 3
> 10,00,000 - 25,00,000 <	Rs. 13,000 plus 0.3% amount above Rs. 10 lakh	Rs. 39,000 plus 0.9% amount above Rs. 10 lakh	Additional fee of Rs. 6,000/- per month over and above fee prescribed in column 3
> 25,00,000	Rs. 17,500 plus 0.2 % amount above Rs. 25 lakh subject to maximum of Rs. 30,000	Rs. 52,500 plus 0.6 % amount above Rs. 25 lakh subject to maximum of Rs.90,000	Additional fee of Rs. 12,000/- per month over and above fee prescribed in column 3

(ii) The filing fee will be utilized to meet the fee payable to the arbitrators.

(ii) A client, who has a claim / counter claim upto Rs. 10 lakh (Rs. Ten lakh) and files arbitration reference, will be exempted from filing the deposit.

(iii) Excess of filing fee over fee payable to the arbitrator, if any, to be deposited in the IPF of the respective Stock Exchange.

(iv) In all cases, on issue of the arbitral award the stock exchange shall refund the deposit to the party in whose favour the award has been passed.

2. **Investor Protection fund (IPF), Investor Service fund (ISF), Interest on IPF and Interest on ISF**

A. IPF and ISF management structure

(i) In order to ensure effective utilization of interest income on IPF, supervision of utilization of interest on IPF will rest with the IPF Trust.

(ii) In order to have better management and control on the contributions and utilization of ISF fund, supervision of the same will rest with the Investor Service Committee.

B. Investor Protection fund corpus

In order to ensure the adequacy of corpus of the IPF, Stock Exchanges and Depositories shall periodically review the sources of the fund and the eligible compensation amount so as to recalibrate the fund to make suitable recommendation for enhancement.

C. Utilization of IPF, ISF, interest on IPF and interest on ISF

Modified guidelines for utilization of IPF, Interest on IPF, ISF and Interest on ISF would be as follows:

Sr. No.	Particulars	Utilization
1	IPF	***Stock Exchanges:*** To meet the legitimate investment claims of the clients of the defaulting members.
		Depository: a) Promotion of investor education and investor awareness programmes through seminars, lectures, workshops, publications (print and electronic media), training programmes etc. aimed at enhancing securities market literacy and promoting retail participation in securities market;
		b) To utilize the fund for supporting initiatives of Depository Participants for promotion of investor education and investor awareness programmes; c) To utilize the fund in any other manner as may be prescribed/ permitted by SEBI in the interest of investors; d) To meet the legitimate claims of the beneficial owners, upto the maximum cap as to be determined by the depository, in case the same is not settled by the beneficial owner indemnity insurance;
2	Interest on IPF	***Stock Exchanges:*** a) To further strengthen the corpus, 75% of interest on IPF earned every year shall be treated as corpus of IPF; b) The balance 25% may be utilized by the exchange for promotion of investor education and investor awareness programmes through seminars, lectures, workshops, publications (print and electronic media), training programmes etc. aimed at enhancing securities market literacy, promoting retail participation in securities market and undertaking research activities related to securities market. Capital expenditure would be permissible only w.r.t. setting up of Investor Service Centre. However, no expenditure to be incurred on product promotion in any manner. c) In any other manner as may be prescribed/ permitted by SEBI in the interest of investors; ***Depositories:*** To further strengthen the corpus , 100% of Interest on IPF shall be treated as corpus of IPF

3	ISF	***Exchanges:*** a) ISF may be utilized only for promotion of investor education and investor awareness programmes through seminars, lectures, workshops, publications (print and electronic media), training programmes etc. aimed at enhancing securities market literacy and promoting retail participation in securities market; b) At least 50% should be spent at Tier II & Tier III cities; c) Cost of training of arbitrators; d) In any other manner as may be prescribed/ permitted by SEBI in the interest of investors;
4	Interest on ISF	***Exchanges:*** Interest on ISF shall be ploughed back to ISF

D. Admissibility of claim for making payment out of IPF in Stock Exchanges

In the event of default by the member, all transactions executed on exchange platform shall be eligible for settlement from IPF (subject to maximum limit), subject to the appropriate norms laid down by the Defaulters' Committee.

E. Determination of legitimate claims from IPF for clients of the defaulter member

The Stock Exchanges shall ensure that once a member has been declared defaulter, the claim (s) shall be placed before the Defaulters' Committee for sanction and ratification. The Defaulters' Committee's advice w.r.t. legitimate claims shall be sent to the IPF Trust for disbursement of the amount immediately.

In case the claim amount is more than the coverage limit under IPF or the amount sanctioned and ratified by the Defaulters' Committee is less than the claim amount then the investor will be at liberty to prefer for arbitration mechanism for claim of the balance amount.

F. Threshold limit for interim relief paid out of IPF in Stock Exchanges

In partial modification to Circular No. CIR/MRD/ICC/30/2013 dated September 26, 2013 on "Investor Grievance Redressal Mechanism" the following changes are prescribed:

(i) Stock Exchanges, in consultation with the IPF Trust and SEBI, shall review and progressively increase the amount of interim relief available against a single claim for an investor, atleast every three years.

(ii) The Stock Exchanges shall disseminate the interim relief limit fixed by them and any change thereof, to the public through a Press Release and also through its website.

(iii) In case, award is in favour of client and the member opts for arbitration wherein the claim value admissible to the client is not more than Rs. 20 lakhs (Rs. Twenty lakhs), the following steps shall be undertaken by the Stock Exchange:

a) In case the IGRP award is in favour of the client then 50% of the admissible claim value or Rs. 2.00 lakhs (Rs. Two lakhs), whichever is less, shall be released to the client from IPF of the Stock Exchange.

b) In case the arbitration award is in favour of the client and the member opts for appellate arbitration then 50% of the amount mentioned in the arbitration award or Rs. 3.00 lakhs (Rs. Three lakhs), whichever is less, shall be released to the client from IPF of the Stock Exchanges. The amount released shall exclude the amount already released to the client at clause (a) above.

c) In case the appellate arbitration award is in favour of the client and the member opts for making an application under Section 34 of the Arbitration and Conciliation Act, 1996 to set aside the appellate arbitration award, then 75% of the amount determined in the appellate arbitration award or Rs. 5.00 lakhs (Rs. Five Lakhs), whichever is less, shall be released to the client from IPF of the Stock Exchanges. The amount released shall exclude the amount already released to the client at clause (a) and (b) above.

d) Total amount released to the client through the facility of interim relief from IPF in terms of this Circular shall not exceed Rs. 10.00 lakhs (Ten lakhs) in a financial year.

3. Disciplinary Action Committee, Defaulters' Committee, Investors Service Committee, Arbitration Committee and IPF Trust

(i) In partial modification to circular no. MRD/DoP/SE/Cir-38/2004 dated October 28, 2004 and CIR/MRD/DSA/33/2012 dated December 13,2012, the functions and composition of the Disciplinary Action Committee, Defaulter's Committee, Investors Service Committee and IPF Trust will be as follows:

Sr. No.	Name of Committee	Functions handled	Composition
1	***Disciplinary Action Committee***	i. The Committee shall formulate the policy for regulatory actions including warning, monetary fine, suspension, withdrawal of trading terminal, expulsion, to be taken for various violations by the members of the exchange. ii. Based on the laid down policy, the Committee shall consider the cases of violations observed during inspection, etc and impose appropriate regulatory action on the members of the exchange. iii. While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the 'Principles of natural justice'.	(i) The Committee shall have a minimum of 3 members and a maximum of 5 members; (ii) The Public Interest Directors shall form a majority of the Committee; (iii) A maximum of two key management personnel of the exchange can be on the committee and one of which shall necessarily be the Managing Director of the stock exchange; (iv) The Committee ay also include independent external persons such as retired judge, etc.; (v) SEBI may nominate members in the Committee, if felt necessary in the interest of securities market;

Sr. No.	Name of Committee	Functions handled	Composition
2	***Defaulters' Committee***	i. To realize all the assets / deposits of the defaulter/ expelled member and appropriate the same amongst various dues and claims against the defaulter/ expelled member in accordance with the Rules, Byelaws and Regulations of the exchange. ii. In the event both the clearing member and his constituent trading member are declared defaulter, then the Defaulter's Committee of the stock exchange and the Defaulter's Committee of the clearing corporation shall work together to realise the assets of both the clearing member and the trading member. iii. Admission or rejection of claims of client/ trading members/ clearing members over the assets of the defaulter/ expelled member. iv. Advise in respect of the claims to the Trustees of the IPF on whether the claim is to be paid out of IPF or otherwise.	(i) The Committee shall have a minimum of 3 members and a maximum of 5 members; (ii) The Public Interest Directors shall form a majority of the Committee; (iii) A maximum of two key management personnel of the exchange can be on the Committee; (iv) The Committee may also include independent external persons such as retired judge, etc.; (v) SEBI may nominate members in the Committee, if felt necessary in the interest of securities market;
3	***Investor Services Committee***	(i) Supervising the functioning of Investors' Services Cell of the Exchange which includes review of complaint resolution process, review of complaints remaining unresolved over long period of time, estimate the adequacy of resources dedicated to investor services, etc.; (ii) Supervision of utilization of ISF; (iii) To have annual review of the arbitrators and arbitration/ awards (both quantum and quality of the awards).	(i) The Committee shall have a minimum of 3 members and a maximum of 5 members; (ii) The Public Interest Directors shall form a majority of the Committee; (iii) A maximum of two key management personnel of the exchange can be on the Committee; (iv) The Committee may also include independent external persons; (v) SEBI may nominate members in the Committee, if felt necessary in the interest of securities market;

4	***IPF Trust***	(i) The IPF shall be administered by way of a Trust created for this purpose; (ii) The IPF Trust shall disburse the amount of compensation from IPF to the investor and such a compensation shall not be more than the maximum amount fixed for a single claim of an investor; (iii) The IPF Trust shall disburse the compensation to the investors as and when claims have been crystallized against a defaulter member; (iv) The IPF Trust need not wait for realization of assets of the defaulter member for disbursements of the claims; (v) Upon receipt of advice of the Defaulters' Committee, for payment, the IPF Trust shall take necessary steps for disbursement of the amount at the earliest	(i) The Trust shall have maximum 5 trustees; (ii) The trustee shall comprise of : a. Three Public Interest Directors; b. One representative from investor associations recognized by SEBI; and c. The principal regulatory compliance officer of the MII; (iii) The maximum tenure of a trustee (excluding the principal regulatory compliance officer of the MII, whose trusteeship would be co-terminus with the service) shall be five years or as specified by SEBI;

(ii) The Arbitration Committee of the Stock Exchanges shall stand discontinued.

4. The Stock Exchanges (excluding Commodity Derivatives Exchanges)/ Depositories are directed to:

   a) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately;

   b) bring the provisions of this circular to the notice of the members/ DPs and also to disseminate the same through their website; and

   c) take steps to make the investors aware of the aforesaid changes/ modifications.

5. This Circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 9(2)(n) and Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect immediately. All other provisions of the relevant circulars will continue to be in force.

6. This circular is available on SEBI website at www.sebi.gov.in.

Yours faithfully,

Versha Agarwal
Deputy General Manager
Tel no.:- 022-26449728
Email: vershaa@sebi.gov.in

Circular No.: NSDL/POLICY/ 2015/0096 Date: October 29, 2015	Attention of Participants is invited to Circular Nos. NSDL/POLICY/2010/0040 dated April 19, 2010 and NSDL/POLICY/2012/0109 dated October 3, 2012 regarding submission of Investor Grievance Reports (*IG Report*) for a particular month by 10th of the following month, in a specified format. In accordance to above said circulars, presently IG Report is being submitted by Participants to NSDL either via email (*at dp_igreport@nsdl.co.in*) or in hard copy. In this context, Participants are hereby informed that NSDL has developed a facility for submission of IG Report through online platform - "e-Participant-Inspection Audit and Supervision System (e-PASS - https://www.epass.nsdl.com/epass/) which is used by Participants for submission of data for 'Risk Assessment Template' (RAT). The IG Report through e-PASS is to be submitted by Participants from **November 2015** onwards i.e. IG Report for the month of October 2015 has to be submitted to NSDL through e-PASS and the current practice of submission of IG Report by Participants through email/ hard copy will be discontinued. Participants having multiple DP IDs (*DPM setups*) would have to submit a single consolidated IG Report for all DP IDs (*DPM setups*). The Compliance Officer of Participants will be able to access e-PASS through their existing log-in id created for them for accessing e-PASS for submission of RAT. The User ID of Alternative Compliance Officer of Participants is created on e-PASS on the basis of details as available in NSDL records and the User IDs of Maker Users are created on e-PASS as per the details as received from Participants. In order to facilitate Maker Users and Alternative Compliance Officer of Participant to access e-PASS, a separate communication would be sent on their email ids (*as provided for user creation*) containing information about URL of e-PASS and login credentials. The procedure for submission of IG Report through e-PASS and its salient features are enclosed as Annexure-1**.** Further, Participant are requested to note that as the information regarding Investor Grievances received and redressed by Participant (*along with bifurcation whether such complaints are received by Participants directly from the clients or through NSDL or SEBI*) is to be provided by NSDL to SEBI periodically for risk assessment of Participant, accordingly the IG Report format has been modified and enclosed as Annexure-2 in track change mode and as Annexure-3 (*without highlighting the changes*). For further information / assistance, Participants are requested to contact Mr. Vishal Gajjar Tel: (022) 24994237, Mr. Yogesh Lad Tel: (022) 24994385 or Ms. Aparna Tetambe Tel: (022) 24994832 or send an email on dp_igreport@nsdl.co.in Participants are advised to take note of the above and ensure compliance.

Circular No.: NSDL/POLICY/ 2014/0098 Date: September 8, 2014	***Subject: Information regarding Grievance Redressal Mechanism.*** All Participants are hereby informed that SEBI has vide its Circular No. CIR/ MIRSD/3/2014 dated August 28, 2014 (*copy enclosed*) directed to all SEBI registered intermediaries to prominently display basic information about the grievance redressal mechanism available to investors, as provided in Annexure A of SEBI Circular. Information in respect of NSDL which needs to be displayed as per Annexure A, is given below: **Depository Name** | **Web Address** | **Contact No.** | **Email ID** NSDL | www.nsdl.co.in | (022) 2499 4200 | relations@nsdl.co.in Participants are requested to take note of above and ensure compliance.
Circular No.: NSDL/POLICY/ 2014/0130 Date: December 26, 2014	***Subject: Redressal of investor grievances through SEBI Complaints Redress System (SCORES) platform.*** Attention of Participants is invited to SEBI's Circular No. CIR/OIAE/1/2014 dated December 18, 2014 regarding redressal of investor grievances against Participants in SEBI Complaints Redress System. Copy of the same is enclosed for information and necessary compliance.
Circular No. NSDL/POLICY/ 2011/0072 Date September 13, 2011	***Sub: SEBI Circular on Redressal of investor grievances against Depository Participants (DPs) in SEBI Complaints Redress System (SCORES)*** Attention of Participants is invited to SEBI's Circular No. CIR/MIRSD/20/2011 dated September 12, 2011 regarding redressal of investor grievances against Participants in SEBI Complaints Redress System (SCORES). Copy of the same is enclosed for information and necessary compliance. Further, Participants are advised to encourage investors to use SCORES for lodging their grievances.

CIRCULAR

CIR/MIRSD/20/2011 September 12, 2011

To
NSDL & CDSL
Sir/Madam,

Sub: Redressal of investor grievances against Depository Participants (DPs) in SEBI Complaints Redress System (SCORES)

1. SEBI has commenced processing of investor grievances in a centralized web-based complaints redressal system, 'SCORES'. The salient features of this system are:
   - Centralized database of all complaints;
   - Online movement of complaints to the concerned entities;
   - Online upload of Action Taken Reports (ATRs) by the concerned entities; and
   - Online tracking of status of complaints by investors.
2. The investor grievances received by SEBI against DPs will be taken up electronically with the concerned Depositories through SCORES (https://scores.gov.in/Admin). The Depositories shall, in turn, take up the matter with the concerned DPs.
3. The DPs shall take adequate steps for redressal of grievances within one month from the date of receipt of the complaint and keep the investor/Depositories duly informed of the action taken thereon. Failure to comply with the said requirement will render the DP liable for penal action.

4. The Depositories shall:
   a) put in place a suitable mechanism to follow up with the DPs, wherever necessary;
   b) devise a system to levy penalty on DPs for any non-compliance with the requirements specified in para 3 above;
   c) update the status of the complaints in SCORES, at every stage, along with supporting documents; and
   d) ensure that the status of investor complaints disclosed on their websites is in conformity with the status updated in SCORES.
5. The Depositories are advised to:
   a) issue necessary instructions to bring the provisions of this circular to the notice of their constituents and also disseminate the same on their websites;
   b) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above in co-ordination with one another to achieve uniformity in approach;
   c) communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report of the following month;
   d) monitor the compliance of this circular through half-yearly internal audit and inspections of DPs; and
   e) encourage investors to use SCORES for lodging their grievances.
6. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect from the date of this circular.
7. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Circulars".

Yours faithfully,

Prasanta Mahapatra
Deputy General Manager
022-26449313
prasantams@sebi.gov.in

Circular No. NSDL/POLICY/ 2010/0064 Date: June 18, 2010	***Sub: Disclosure of regulatory orders and arbitration details on Depository website*** Attention of Participants is invited to SEBI's Circular No. CIR/MRD/DP/19/2010 dated June 10, 2010 (copy enclosed) regarding disclosure of regulatory orders and arbitration awards issued by depository on depository's website. Participants are requested to take note of the same.
Circular No. NSDL/POLICY/ 2010/0018 Date: February 23, 2010	***Sub: Disclosure of investor complaints and arbitration details on Depository website*** Attention of Participants is invited to SEBI's Circular No. SEBI/MRD/OIAE/ Dep/Cir- 4/2010 dated January 29, 2010 (copy enclosed) regarding disclosure of details of complaints lodged by investors (Beneficiary Owners) against Participants including details pertaining to arbitration and penal action against the Participants on depository's website. Participants are hereby informed that such details will henceforth be displayed on NSDL's website.

Annexure

Deputy General Manager
Market Regulation Department – Division of Policy
E-mail: harinib@sebi.gov.in

SEBI/MRD/ OIAE/ Dep/ Cir- 4/2010
January 29, 2010

1. **The Managing Director and CEO, NSDL**
2. **The Managing Director and CEO, CSDL**

Dear Sir / Madam,

Sub: Disclosure of investor complaints and arbitration details on Depository website

1. SEBI has received feedback from investors and investor associations to improve transparency in the 'grievance redressal mechanism'. Based on the feedback and inputs received from them transparency in 'grievance redressal' is identified as a key area to augment investor protection. It is envisaged that transparency will also improve the general functioning of the market by providing investors the wherewithal to make informed choice.
2. Accordingly, it has been decided that the Depositories shall henceforth disclose the details of complaints lodged by Beneficiary Owners (BO's)/ investors against Depository Participants (DPs) in their website. The aforesaid disclosure shall also include details pertaining to arbitration and penal action against the DPs.
3. The format for the reports for the aforesaid disclosure, prepared following due deliberations and inputs from the Depositories, are given as annexure to this circular (12 pages), consisting of the following reports:
   a. Report 1A: Complaints received against DPs during 2009-10
   b. Report 1B: Redressal of Complaints received against DPS during 2008-09
   c. Report 1C: Redressal of Complaints received against DPs during 2009-10
   d. Report 2A: Details of Arbitration Proceedings (where Investor is a party) during 2008-09:
   e. Report 2B: Details of Arbitration Proceedings (where Investor is a party) during 2009-10
   f. Report 3A: Penal Actions against DPs during 2008-09
   g. Report 3B: Penal Actions against DPs during 2009-10
   h. Report 4A: Redressal of Complaints lodged by investors against Listed Companies during 2008 -09
   i. Report 4B: Redressal of Complaints lodged by investors against Listed Companies during 2009 -10
   j. The Depositories are accordingly advised to:
      a. bring the provisions of this circular to the notice of the DPs, Companies and their Registrar & Transfer Agents (RTA's) and also to disseminate the same on the website;
      b. arrange to disclose details as per the aforesaid reports in their website within a period of one month from the date of this circular on a continuous basis;
      c. arrange to update the aforesaid reports on a quarterly basis, except the reports 1A, which shall be updated on a weekly basis;
      d. make amendments to the relevant bye-laws, rules and regulations for the implementation of the aforesaid disclosures, if necessary;
      e. communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report;
   k. For any clarification in this matter, the Chief General Manager, Office of Investor Assistance and Education, SEBI may be contacted at 26449400.
   l. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and Section 19 of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Harini Balaji

Report 1A: Complaints received against Depository Participants (DPs)# during 2009-10: Updated on mmm dd yyyy (to be updated weekly) (In excel sheet)

Sl. No.	Details of Complaint					Status of Complaint				
	Date of Receipt	Name of Complainant	Type of Complaint*	SEBI Ref. No. (if applicable	Name of DP	Status**	Status Date##	Date of Filing Arbitration	Name of Arbitrator(s)	Date of Arbitration Award
1										
2										
3										
N										

including against its authorized persons, employees, etc.
Status date is the date of resolution/reference to arbitration/finding it non-actionable. If under process, it is the date of updation of this sheet.
*/** As per Table 1A

Report 1B: Redressal of Complaints received against Depository Participants (DPs) during 2008-09: Updated on mmm dd yyyy (to be updated every quarter) (In excel sheet)

Sl. No.	Name of the DP	Status of DP (active/ inactive/ in process of termination /withdrawal)	No. of BOs accounts at the beginning of the year	No. of Complaints received against the DP *	Of the Complaints received during 2008-09							
					No. of Complaints							
					Resolved through the Depository	Non actionable**	Arbitration Advised	Pending for redressal with Depository	No. of Arbitration filed by BOs	Decided by the Arbitrators	Decided by Arbitrators in favour of the BOs	Pending for Redressal with Arbitrators
1												
2												
3												
N												
Total												

* including against its authorized persons, employees, etc.

** **Non actionable** means the complaint that are incomplete / outside the scope of Depository

(Arrange the DPs in descending number of complaints filed against them during the period)

Report 1C: Redressal of Complaints received against Depository Participants (DPs) during 2009-10: Updated on mmm dd yyyy (to be updated every quarter) (In excel sheet)

Sl. No.	Name of the DP	Status of DP (active/ inactive/ in process of termination /withdrawal)	No. of BOs accounts at the beginning of the year	No. of Complaints received against the DP *	Of the Complaints received during 2008-09							
					No. of Complaints							
					Resolved through the Depository	Non actionable**	Arbitration Advised	Pending for redressal with Depository	No. of Arbitration filed by BOs	Decided by the Arbitrators	Decided by Arbitrators in favour of the BOs	Pending for Redressal with Arbitrators
1												
2												
3												
N												

* including against its authorized persons, employees, etc.

** **Non actionable** means the complaint that are incomplete / outside the scope of Depository

(Arrange the DPs in descending number of complaints filed against them during the period)

Report 2A: Details of Arbitration Proceedings (where BO is a party) during 2008-09: Updated on mmm dd yyyy (to be updated every quarter) (In excel sheet)

Sl. No.	Name of Arbitrator	No. of Awards Passed	No. of Awards in favor of BOs		No. of Awards appealed	No. of Awards Implemented	No. of cases pending for redressal at the end of period		
			Filed by DP	Filed by BO			Pending	For more than 6 months	For more than 3 months, but less than 6 months
1									
2									
3									
N									
Total									

(In case of panel of arbitrators, the cases / awards would appear against every member of the panel)
(Arrange the arbitrators in descending number of awards passed by them during the period)

Report 2B: Details of Arbitration Proceedings (where BO is a party) during 2009-10: Updated on mmm dd yyyy (to be updated every quarter) (In excel sheet)

Sl. No.	Name of Arbitrator	No. of Awards Passed	No. of Awards in favor of BOs		No. of Awards appealed	No. of Awards Implemented	No. of cases pending for redressal at the end of period		
			Filed by DP	Filed by BO			Pending	For more than 6 months	For more than 3 months, but less than 6 months
1									
2									
3									
N									
Total									

(In case of panel of arbitrators, the cases / awards would appear against every member of the panel)
(Arrange the arbitrators in descending number of awards passed by them during the period)

Report 3A: Penal Actions against Depository Participants (DPs) during 2008-09: Updated on mmm dd yyyy (to be updated every quarter) (in excel sheet)

Sl. No.	Name of DP	Registration No.	No. of Complaints received	Action against DP, its authorized person and employees together				
				No. of Penal Orders issued		Monetary Penalties levied (Rs. lakh)		No. of Arbitration Awards issued against DP
				For complaints	For others	For complaints	For others	
1								
2								
3								
N								

Report 3B: Penal Actions against Depository Participants (DPs) during 2009-10: Updated on mmm dd yyyy (to be updated every quarter) (in excel sheet)

Sl. No.	Name of DP	Registration No.	No. of Complaints received	Action against DP, its authorized person and employees together				
				No. of Penal Orders issued		Monetary Penalties levied (Rs. lakh)		No. of Arbitration Awards issued against DP
				For complaints	For others	For complaints	For others	
1								
2								
3								
N								

Report 4A: Redressal of Complaints lodged by investors against Listed Companies during 2008 -09: Updated on mmm dd yyyy (to be updated every quarter) (In excel format)

Sl. No.	Name of the Company	No. of Complaints			
		Received	Redressed through Depository	Non-Actionable*	Pending for Redressal with Depository
1					
2					
3					
N					
Total					

***Non actionable** means the complaint that are incomplete / outside the scope of Depository
(Arrange the companies in descending number of complaints filed against them during the period)

Report 4B: Redressal of Complaints lodged by investors against Listed Companies during 2009 -10: Updated on mmm dd yyyy (to be updated every quarter) (In excel format)

Sl. No.	Name of the Company	No. of Complaints			
		Received	Redressed through Depository	Non-Actionable*	Pending for Redressal with Depository
1					
2					
3					
N					
Total					

***Non actionable means the complaint that are incomplete / outside the scope of Depository**
(Arrange the companies in descending number of complaints filed against them during the period)

	Table 1 A
Type	**Details**
Type I	***Account Opening Related***
I a	Denial in opening an account
I b	Account opened in another name than as requested
I c	Non receipt of Account Opening Kit
I d	Delay in activation/ opening of account
I e	Non Receipt of copy of DP Client Agreement/Schedule A of Charges
Type II	***Demat/Remat Related***
II a	Delay in Dematerialisation request processing
II b	Delay in Rematerialisation request processing
II c	Delay in/ Non-Receipt of Original certificate after demat rejection
II d	Non Acceptance of demat/remat request
Type III	***Transaction Statement Related***
III a	Delay in/ Non-Receipt of Statements from DP
III b	Discrepancy in Transaction statement
Type IV	***Improper Service Related***
IV a	Insistence on Power of Attorney in its favour
IV b	Deactivation/ Freezing/ Suspension related
IV c	Defreezing related
IV d	Transmission Related
IV e	Pledge Related
IV f	SMS Related
IV g	Non-updation of changes in account (address/ signatories/bank details/ PAN/ Nomination etc.)
Type V	***Charges Related***
V a	Wrong/ Excess Charges
V b	Charges paid but not credited
V c	Charges for Opening/closure of Account
Type VI	***Delivery Instruction Related (DIS)***
VI a	Non acceptance of DIS for transfer
VI b	Delay in/ non Execution of DIS
VI c	Delay in Issuance / Reissuance of DIS Booklet
Type VII	***Closure***
VII a	Non closure/ delay in closure of account
VII b	Closure of a/c without intimation by DP
Type VIII	***Manipulation/ Unauthorised Action***
VIII a	Unauthorised Transaction in account
VIII b	Manipulation

VIII c	Unauthorised changes in account (address/ details/PAN etc.) signatories/bank
Type IX	***Company/ RTA related***
IX a	Action – Cash
IX b	Action – Non-Cash
IX c	Initial Public Offer/ Follow-on Public Offer Related
Type X	***Others***
	**** Status**
Type	**Description**
I	**Non actionable**
I a	Complaint incomplete
I b	Outside the scope of Depository
I c	Pertains to non-responding company.
II	**Resolved**
III	**Under Process**
IV	**Referred to Arbitration**
V	**Forwarded to Company/RTA for appropriate action.**

Circular No. NSDL/POLICY/ 2006/0066
Date: December 27, 2006

Sub : SEBI Circular - Exclusive E-mail Id for redressal of Investor Complaints

Attention of Depository Participants (DPs) is invited to SEBI Circular No. MRD/ DoP/Dep/SE/Cir-22/06 dated December 18, 2006 with respect to designating an exclusive e-mail ID of the grievance redressal division / compliance officer in which the investors would be able to register their complaints and also take necessary follow-up actions as necessary. Copy of the SEBI circular is enclosed for your information and necessary action.

For the information of DPs, NSDL has already designated an exclusive email ID i.e. relations@nsdl.co.in for registration of investor complaints.

Annexure

GENERAL MANAGER
MARKET REGULATION DEPARTMENT

MRD/DoP/Dep/SE/Cir-22/06
December 18, 2006

1. All Stock Exchanges
2. NSDL
3. CDSL

Dear Sir/s,

Sub: Exclusive e-mail ID for redressel of Investor Complaints.

1. SEBI has been mandated, inter-alia, under the SEBI Act, 1992 to protect the interests of investors in the Indian securities market. To this end, several investor protection measures and regulatory reforms have been initiated by SEBI from time to time for the benefit of investors and to make the Indian securities market a more transparent and safer place for their investments.

2. In the recent past, SEBI has been receiving representations from various investors requesting for a direct and quicker forum for enabling them to register their complaints expeditiously with the intermediaries/listed companies/stock exchanges. It has also been observed in several cases that pursuant to registering a complaint, the investors do not have any mode for a follow-up or monitoring the processing of their complaints.

3. In order to address the aforesaid representations, it is felt desirable to designate an exclusive e-mail ID of the grievance redressel division / compliance officer in which the investors would be able to register their complaints and also take necessary follow-up actions as necessary. Such a process would not only expedite the redressal of the complaints of the investors but also enable several investors across the country to register their complaints through a single, centralized, exclusive e-mail ID that is designated for the purpose.

4. Accordingly, all the stock exchanges/registered brokers/registered sub-brokers/listed companies/depositories/registered depository participants are advised to designate an e-mail ID of the grievance redressel division/ compliance officer exclusively for the purpose of registering complaints by investors. The above entities are also advised to display the email ID and other relevant details prominently on their websites and in the various materials/pamphlets/advertisement campaigns initiated by them for creating investor awareness.

5. The Stock Exchanges are advised to :

   5.1 make necessary amendments to the relevant bye-laws, rules and regulations and clauses of the listing agreement for the implementation of the above decision immediately;

   5.2 bring the provisions of this circular to the notice of the member brokers/clearing members of the exchange/listed companies and also to disseminate the same on their websites; and

   5.3 communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report.

6. The depositories are advised to:-

   6.1 bring the provisions of this circular to the notice of the DPs of the depositories and also to disseminate the same on their websites;

   6.2 include the details of the e-mail ID in the advertisement campaigns released by them from time to time for better understanding of the investors;

   6.3 make necessary amendments to the relevant bye-laws and business rules for the implementation of the above decision immediately, as may be applicable/necessary; and

   6.4 communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report

7. This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Yours faithfully,

V S SUNDARESAN

Grievance redressal - reporting	
Circular No.: NSDL/POLICY/ 2018/0024 Date: April 23, 2018	***Subject: Flashing a link to SCOREs on the dashboard of Demat Accounts*** All Participants are hereby informed that SEBI vide its letter no. MIRSD2/ DB/AEA/OW/2018/7292 dated March 7, 2018 has informed that a study was conducted under aegis of Quality Council of India (QCI) to understand some of the root causes of grievances / complaints on securities market related issues lodged on Centralised Public Grievance Redressal and Monitoring System (CPGRAMS) portal and the measures suggested to address the issues included providing a link to SCORES portal within Demat/ Trading Account Dashboard of the Clients/ investors to make it easier to lodge grievances. Accordingly, as advised by SEBI all Participants are hereby requested to provide the link to SCORES portal on the website of the Participant, from where the client can view details of the demat account w.e.f. July 1, 2018.
Circular No. NSDL/POLICY/ 2012/0109 Date: October 3, 2012	***Sub: Submission of Investor Grievance Reports*** Attention of Participants is invited to Regulation 20 (2) (e) of SEBI (Depositories and Participants) Regulations, 1996 which states that "*the participant shall redress the grievances of beneficial owners within thirty days of the date of the receipt of the complaint and keep the depository informed about the number and the nature of redressals*". Further, Bye Law 6.3.6 (iii) states that "*The Participant shall submit the following returns to the Depository; number of complaints received from Client, their nature, status and manner of redressal once every month*". In this context, Participants are advised to take note that the Participants are required to provide information about all complaints received by them from Clients irrespective of whether such complaints are received by them directly from the Client or through NSDL or SEBI. For the format of submission of such monthly report, refer Circular No. NSDL/POLICY/2010/0040 dated April 19, 2010.
Circular No. NSDL/POLICY/ 2010/0040 Date: April 19, 2010	***Sub: Revision of Investor Grievance Report Format*** This is further to Circular Nos. NSDL/PI/98/500 dated October 6, 1998, NSDL/ PI/2001/0191 dated January 31, 2001, NSDL/PI/2003/1871 dated November 25, 2003, NSDL/PI/2004/0183 dated January 29, 2004 and NSDL/PI/2004/1688 dated September 16, 2004 relating to submission of Investor Grievance Reports (IGRs) by Participants for a particular month by 10th of the following month, in a specified format. All Participants are hereby informed that :- 1. IGR format has been revised and enclosed as Annexure. The IGR in revised format is to be submitted by the Participants from April 2010 onwards i.e. IGR in new format for the month of April 2010 has to be submitted to NSDL by May 10, 2010. 2. IG Report may be forwarded electronically i.e. via email at **dp_igreport@ nsdl.co.in** from the email ID of the Compliance Officer. Alternatively, the report can be submitted in hard copy. 3. Where the Participants have not received any grievance / complaint in a given month, a nil report should be submitted to NSDL.

Annexure

INVESTOR GRIEVANCE REPORT FORMAT FOR PARTICIPANT

DP Name: **DP Id:**

IG Report for the month of

Nature of Complaint	No of cases pending at the beginning of the month	No of cases received during the month	No of cases resolved during the month	Manner of Redressal (Letter / E-mail etc.)	No of cases pending at the end of the month	No of cases pending for more than 30 days	Reason for pendency as shown in column(6)
	(1)	(2)	(3)	(4)	(5) = (1+2-3)	(6)	(7)
Account Opening Related							
Denial in opening an account Account opened in another name than as requested Non receipt of Demat Account Opening Kit							
Delay in activation/ opening of account							
Non Receipt of copy of DP Client Agreement/Schedule A of Charges							
Demat/remat Related							
Delay in Dematerialisation request processing							
Delay in Rematerialisation request processing							
Non Acceptance of demat/remat request							
Transaction Statement Related							
Delay in/ Non-Receipt of Statements							
Discrepancy in transaction statement							

Nature of Complaint	No of cases pending at the beginning of the month	No of cases received during the month	No of cases resolved during the month	Manner of Redressal (Letter / E-mail etc.)	No of cases pending at the end of the month	No of cases pending for more than 30 days	Reason for pendency as shown in column(6)
	(1)	(2)	(3)	(4)	(5) = (1+2-3)	(6)	(7)
Improper Services Related							
Insistence of Power of Attorney in its favour.							
Deactivation/ Freezing/ Suspension related Defreezing related							
Transmission related Pledge related SMS related							
Non-updation of changes in account (address/ signatories/ bank details/ PAN/ Nomination etc.)							
Charges Related							
Charges levied for Opening/ closure of Account							
Charges paid but not credited							
Wrong/ Excess Charges							
Delivery Instruction Related							
Non acceptance of DIS for transfer							
Delay in/ non Execution of DIS							
Delay in Issuance / Reissuance of DIS Booklet							
Account Closure Related							
Non closure/ delay in closure of account							

Nature of Complaint	No of cases pending at the beginning of the month	No of cases received during the month	No of cases resolved during the month	Manner of Redressal (Letter / E-mail etc.)	No of cases pending at the end of the month	No of cases pending for more than 30 days	Reason for pendency as shown in column(6)
	(1)	(2)	(3)	(4)	(5) = (1+2-3)	(6)	(7)
Closure of a/c without intimation by DP							
Manipulation/ Unauthorised action Related							
Unauthorised Transaction in account Manipulation							
Unauthorised changes in account (address/ signatories/ bank details/ PAN/ Nomination etc.) Erroneous Transfer **Company/RTA related**							
Action – Cash							
Action – Non Cash							
Initial Public Offer/ Follow-on Public Offer Related							
Others (Specify)							
Total							

Circular No. NSDL/PI/2003/1871 Date : November 25, 2003	Attention of Participants is invited to Bye Law 6.3.6 (iii) of the Bye Laws of NSDL which requires every Participant to submit to the Depository a report giving number of complaints received from Clients, nature of complaints, status and manner of redressal, every month (latest by 10th of the following month). Participants are hereby informed that with effect from January 1, 2004, the aforesaid report can be submitted to NSDL either electronically (via e-mail) or in hard copy form. Such details can be e-mailed to NSDL at dp_igreport@nsdl.co.in. For submitting the reports electronically, we advise the Participants to provide the e-mail Id of the compliance officer to NSDL and ensure that the report is submitted only from the e-mail Id of that person. All Participants are therefore advised to provide e-mail Id's of compliance officers latest by December 1, 2003.

Circular No. NSDL/PI/2001/0191 Date : January 31, 2001	With reference to our Circular No. NSDL/PI/98/500 dated October 6, 1998, attention of all Participants is once again invited to Regulation 20(2)(e) of SEBI (Depositories and Participants) Regulations, 1996 which states that the Participant shall redress the grievances of beneficial owners within thirty days of the date of the receipt of the complaint and keep the Depository informed about the number and the nature of redressals. Attention is also invited to Bye Law 6.3.6 (iii) of NSDL Bye Laws which states that the Participant shall submit to the Depository the number of complaints received from Clients, their nature, status and manner of redressal once every month. Participants are advised to submit this report every month to Mr. Harpinder Saini, Officer-In-Charge, Investor Grievance Cell, NSDL latest by 10th of the following month. In case there are no grievances, a nil report should be submitted
Circular No. NSDL/PI/98/500 Date : October 6,1998	Attention of all Participants is invited to Regulation 20(2)(e) of SEBI (Depositories and Participants) Regulations, 1996 which states that the participant shall redress the grievances of beneficial owners within thirty days of the date of the receipt of the complaint and keep the depository informed about the number and the nature of redressals. Attention is also invited to Bye Law 6.3.6 (iii) of NSDL Bye Laws which states that the Participant shall submit to the Depository the number of complaints received from Clients, their nature, status andmanner of redressal once every month. Participants are advised to submit this report every month to Mr. Harpinder Saini, Officer-In-Charge, Investor Grievance Cell, NSDL on or before 10th of the following month. In case there are no grievances, a nil report should be submitted.

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NOTES

8. DP Service Centres

Regulation 52	No participant shall assign or delegate its functions as participant to any other person, without the prior approval of the depository.	
Bye Law 6.3.23	No Participant shall assign its business as a Participant to any other person except with the prior approval of the Executive Committee which may notify from time to time the terms and conditions subject to which it may assign its business as a Participant to any other person.	
Sr. No.	**Nature of Non-Compliance**	**Penalty**
Rule 18.1.1 (29)	Depository services are offered through service centres without approval of Depository.	₹ 2,500 per occasion.
Rule 18.1.1 (19)	Termination / Closure of franchisee / branch services contrary to Depository instructions.	₹ 500 per occasion.
Rule 18.1.1 (30)	(a) In-person verification carried out by any person other than as permitted by SEBI/ Depository. (b) Carrying out functions of verification of delivery instruction slips through franchisees. (c) Dispatch of periodic transaction statements by Participants through its service centre (branch as well as franchisees) other than one which is directly connected to the Depository or through its centralised processing unit under the supervision of its head office.	Matter to be referred to Disciplinary Action Committee.
Circular No. NSDL/POLICY/ 2013/0106 Date: September 10, 2013	**Sub: Service Centre Codes** All Participants are hereby informed that codes will be assigned to every service centre at the time of approval of the service centre (Ref: Circular No. NSDL/ POLICY/2007/0055 dated September 25, 2007 regarding approval for opening new branches and franchisees). Further, codes are also assigned to the existing service centres of Participants. The information about the service centres and their assigned codes is made available on the website of NSDL (www.nsdl.co.in). Participants are requested to quote the code in all future communication related to the services centres such as closure, modification, etc.	

Circular No. NSDL/POLICY/ 2012/0089 Date: September 5, 2012	**Sub: Display of services at the service centres from where all types of depository services are provided** Attention of Participants is invited to Circular No. NSDL/PI/2000/1531 dated August 24, 2000 in terms of which Participants are required to display the types of services provided by them at each Service Centre. It is clarified that in case Participants are providing all the depository services from the Service Centre, there is no need to display the type of depository services provided to Clients.
Circular No. NSDL/POLICY/ 2007/0038 Date: July 9, 2007	**Sub : SEBI Circular - adequate internal controls for the branches of Depository Participants** A copy of SEBI's Circular No. MIRSD/DPS-III/Cir-9/07 dated July 3, 2007 regarding ensuring compliance with Regulation 46 of the SEBI (Depositories and Participants) Regulations, 1996 by the branches of Depository Participants (DPs) is enclosed for the information of all DPs. DPs are requested to take note of the above.

Annexure

CHIEF GENERAL MANAGER

MARKET INTERMEDIARIES REGULATION AND SUPERVISION DEPARTMENT

MIRSD/DPS-III/ Cir - 9 /07

July 3, 2007

The Chairman & Managing Director
National Securities Depository Ltd.
Trade World,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013

The Managing Director & CEO
Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 023

Dear Sir/s,

Sub: Supervision of branches of depository participants

1. It has come to SEBI's notice that the Depository Participants (DPs) are operating through branch offices which are having Depository Participant Modules (DPMs) directly linked to the Depository server and branch offices which are connected through back offices software of the DP. Certain DPs are connected with the Depository through one or more DPMs. Some of the DPs have offline branches which function either as full fledged braches offering all DP services or only as collection centre.

2. In terms of Regulation 46 of the SEBI (Depositories and Participants) Regulations, 1996, every DP shall have adequate mechanism for the purpose of reviewing, monitoring and evaluating its internal accounting controls and systems. Further, clause 19 of the Code of Conduct for Participants contained in the Third Schedule to the Regulations inter alia states that the DP shall ensure that it has satisfactory internal control procedure in place. It is clarified that these provisions apply to DPs in respect of all their branches also. DPs are therefore required in terms of these provisions to put in place appropriate mechanisms to ensure that their branches are carrying on the operations in compliance with the applicable regulations, bye-laws, etc. Further, DPs are also required to put in place suitable internal control systems to ensure that all branches are exercising due diligence in opening accounts, complying with KYC requirements, in ensuring systems safety in complying with client instructions, manner of uploading client instructions, in verifying signatures and in maintaining client records, etc. DPs shall also ensure that the branches are suitably integrated. The DPs whose systems do not measure up to the above are hereby advised to ensure such compliance immediately.

3. Depositories shall examine the adequacy of the above mechanisms during their inspections of DPs. The Depositories shall also carry out surprise inspections/ checks of the DP branches apart from the regular inspection of the DPs.

4. Depositories shall also put in place appropriate mechanisms for monitoring opening of branches by DPs.

5. The Depositories are advised to:-

   a. Bring the provisions of this circular to the notice of the DPs of the Depositories and also to disseminate the same on the website;

   b. Include the aforesaid clarifications, as applicable, in the advertisement campaigns released by them from time to time for better understanding of the investors;

   c. Make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary;

   d. Communicate to SEBI the status of the implementation of the provisions of this circular in the Monthly Development Report.

6. This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Yours faithfully,

P K Kuriachen

Branch direct connectivity - More than 5000 accounts	
Circular No. NSDL/PI/99/689 Date: August 27,1999	All Participants are hereby informed that SEBI has in the meeting relating to dematerialisation of securities held on August 16, 1999, inter-alia, decided that the branch offices of Participants that are handling more than 5000 accounts should have either direct electronic connectivity with the Depository or with the office of the Participant which is directly connected to the Depository. All Participants are therefore requested to inform us the number of branches which are handling more than 5000 accounts, how many of these are directly connected with NSDL and how many of these are connected with the office of the Participant which is directly connected to the Depository. SEBI has also decided that in view of the increase in volume of transactions, number of accounts, dematerialisation requests and forthcoming rolling settlement, the Participants should open more branches, particularly in the cities where such services are still not available.
Circular No. NSDL/POLICY/ 2006/0056 Date: November 21, 2006	***Sub : SEBI directive on creating awareness among demat account holders for PAN card.*** Attention of all Depository Participants (DPs) is invited to our circular no. NSDL/ POLICY/2006/0007 and NSDL/POLICY/2006/0043 dated March 3 and September 27, 2006 respectively regarding SEBI directive on Permanent Account Number (PAN). SEBI in its meeting discussed the issue of creating awareness among the demat account holders about PAN card being mandatory for demat account. DPs are advised to display posters and pamplets provided by NSDL in this regard prominently, at each of their offices from where the depository services are being provided by them. DPs may also make their clients aware about this requirement by disseminating similar information alongwith their mailers or through their website etc., with a view to ensure compliance in this regard by account holders as per the deadline prescribed by SEBI for the same on or before December 31, 2006.
Qualified personnel - Mandatory	
Circular No.: NSDL/POLICY/2014/0118 Date: November 3, 2014	***Subject: Requirement of appointing qualified person at each Service Centre.*** As all Participants are aware, there is a requirement to appoint atleast one qualified person (NISM-DOCE, NCDO or NFCM) at every service centre of the Participant (Ref.: *Circular No. NSDL/PI/99/637 dated August 13, 1999)*. In May 2011, SEBI directed that the associated persons engaged/employed by the Participant in certain activities related to depository services must obtain NISM-DOCE certification. It was clarified recently that for associated persons doing basic / elementary level / clerical level work and whose work is supervised by NISM - DOCE certified personnel, passing NISM-DOCE may be optional (*Ref. : Circular No.: NSDL/POLICY/2014/0090 dated August 21, 2014 - copy enclosed*). In view of the above, the requirement of appointing one qualified person at every service centre is withdrawn. Thus, where the associated persons are engaged/employed at service centres for carrying out only basic / elementary level / clerical level work (*as defined in Circular No. NSDL/POLICY/2014/0090 dated August 21, 2014*), passing NISM – DOCE certification will be optional if such work is supervised by a NISM - DOCE certified person.

Circular No. NSDL/PI/2000/1044 Date : June 30,2000	In continuation to our Circular Nos. NSDL/PI/99/637 dated August 13, 1999 nd NSDL/PI/2000/223 dated February 24, 2000, Participants are hereby informed that NSDL has extended the deadline for mandatory appointment of persons qualified in the Certification Programme. The revised schedule is as under 50% of the existing branches - October 1, 2000 all branches -January 1, 2001.
Circular No. NSDL/PI/2000/864 Date : June 6, 2000	In order to enhance the standards of client servicing and operational efficiency it is necessary to create a pool of qualified manpower. Keeping the need for service standards in mind, NSDL launched a certification program on depository operations in May 1999. This examination titled "NSDL-Depository Operations Module" is based on the infrastructure of NCFM (NSE's certification in financial markets). This examination can be taken at Mumbai, Delhi, Calcutta, Chennai, Hyderabad, Ahmedabad and Pune at NSE offices. Candidates should score a minimum of 60% of marks to get a certificate in the NSDL-Depository Operations Module. To increase the scope of coverage and overcome the difficulty expressed by many candidates in completing the examination in the allotted time, the following changes have been incorporated in the NSDL-Depository Operations Module with effect from June 7, 2000: 1. The test duration will be 75 minutes instead of 30 minutes. 2. The total marks for the examination will be 100 instead of 50. It is mandatory that 50% of all branches of every Participant must have atleast one employee who has successfully cleared the certification program.
Circular No. NSDL/PI/99/637 Date: August 13,1999	Combined efforts of NSDL and its business partners alongwith timely regulatory support at critical junctures has facilitated the adoption of the depository culture by most of the players in the Indian Capital Market. Depository services are available in all major cities and towns across the country. Almost all the actively traded scrips are available for dematerialisation and trading in the demat form. Trading in depository securities is now available in ten major stock exchanges across the country. NSDL recognises that quantitative progress would be ineffective if it is not backed by quality depository services. Thus, it was imperative to ensure that the staff of our business partners are sensitised to service standards and efficient depository operations. Towards this objective, NSDL conducted a series of Branch Empowerment Programmes (BEP) for the staff of the Participants across the country. These programmes focused on the importance of service standards and adhering to these standards offered by the Participants to their clients. NSDL has also

	embarked upon a series of Procedural Training Programmes (PTP) which are more detailed and cover all the operational aspects of depository services. As you are aware, with quality depository services in mind, NSDL launched a Certification Programme on depository. Candidates successfully clearing such a programme add to the human resources pool qualified in depository operations. Participants are hereby informed that it will be mandatory for all branches, including franchisees, of Participants to have atleast one person qualified in the Certification Programme in a phased manner, as per the schedule given below : 1. For New Branches - Oct 1, 1999 2. For 50% of the existing branches - Jan 1, 2000 3. For all branches - April 1, 2001 Additional information regarding the Certification Programme is available on the website of NSDL at www.nsdl.co.in. The same can also be obtained by sending an email to ncfm@nsdl.co.in or writing to Mr. V. R. Narasimhan, Senior Vice President, National Securities Depository Limited.
List of holidays	
Circular No. NSDL/POLICY/ 2006/0017 Date : June 5, 2006	***Sub : Intimation of list of holidays for the calendar year to clients by Participants.*** All Participants are hereby informed that NSDL has been receiving complaints from the demat account holders (Clients) that the Participants do not give adequate notice to the Clients about non-availability of depository services due to holidays. In order to avoid hardship to the Clients, Participants are advised to send a communication to all the Clients about the list of holidays for the calendar year. Further, the list of holidays should be displayed in a prominent place, at each of the office from where the depository services are being provided.
Discontinuance of submitting details of service centres every year	
Circular No. NSDL/POLICY/ 2010/0006 Date: January 13, 2010	***Sub: Discontinuance of submitting details of service centres every year*** As all Participants are aware, Participants are required to submit the details of all the places from where they are offering depository services in the prescribed format as on March 31, by June 30, every year (Ref.: Circular No. NSDL/POLICY/2007/0055 dated September 25, 2007). The service centre details information is made available on website of NSDL. Any addition/deletion/ modification as informed by the Participants are updated on the website. Participants are requested to verify the same on NSDL website at www.nsdl.co.in and inform about discrepancies, if any. In view of the aforesaid, the Participants will no longer be required to submit the full list of service centres every year, as mentioned above. However, Participants must ensure to obtain prior approval of NSDL for opening new service centres.

Accordingly, the 'Compliance Schedule' informed to Participants vide Circular No. NSDL/POLICY/2009/0066 dated July 28, 2009 is revised and enclosed as Annexure 'A' highlighting the changes and as Annexure 'B' without highlighting any changes.

For any clarification with respect to service centres, Participants are requested to contact Mr. Dilip Singhal / Mr. Kaushal Shah on 022-24994363 / 4214.

Annexure A

Sr. No.	Particulars	Reference	Deadline	Manner of sending
1.	Investor Grievance Report (Monthly)	(i) Circular No. NSDL/PI/98/500 dated October 6, 1998. (ii) Circular No. NSDL/PI/2004/1688 dated September 16, 2004.	By 10th of the following month.	By email at dp_igreport@nsdl.co.in. Alternatively, by hard copy to the Investor Relationship Cell.
2.	Compliance Certificate (July - December)	Circular No. NSDL/POLICY/2006/0023 dated July 6, 2006.	January 31st every year.	By hard copy to Business Partner Inspection Department.
3.	Charge Structure.	(i) Circular No. NSDL/POLICY/2006/0064 dated December 26, 2006. (ii) Circular No. NSDL/POLICY/2007/0003 dated January 8, 2007.	April 30th every year.	By email at dpfees@nsdl.co.in
4.	Internal/ Concurrent Audit Report (October - March)	Circular No. NSDL/POLICY/2008/0077 dated November 3, 2008.	May 15th every year	By hard copy to Business Partner Inspection Department.
5.	Compliance Certificate (January - June)	Circular No. NSDL/POLICY/2006/0023 dated July 6, 2006.	July 31st every year	By hard copy to Business Partner Inspection Department.
6.	Networth Certificate and Audited Financial Statements.	Circular No. NSDL/PI/98/414 dated September 1, 1998.	September 30th every year.	By hard copy to Participant Interface Department.
7.	Internal/ Concurrent Audit Report (April - September)	Circular No. NSDL/POLICY/2008/0077 dated November 3, 2008.	November 15th every year	By hard copy to Business Partner Inspection Department.

Annexure A				
Sr. No.	Particulars	Reference	Deadline	Manner of sending
1.	Investor Grievance Report (Monthly)	(i) Circular No. NSDL/PI/98/500 dated October 6, 1998. (ii) Circular No. NSDL/PI/2004/1688 dated September 16, 2004.	By 10th of the following month.	By email at dp_igreport@nsdl.co.in. Alternatively, by hard copy to the Investor Relationship Cell.
2.	Compliance Certificate (July - December)	Circular No. NSDL/POLICY/2006/0023 dated July 6, 2006.	January 31st every year.	By hard copy to Business Partner Inspection Department.
3.	Charge Structure.	(i) Circular No. NSDL/POLICY/2006/0064 dated December 26, 2006. (ii) Circular No. NSDL/POLICY/2007/0003 dated January 8, 2007.	April 30th every year.	By email at dpfees@nsdl.co.in
4.	Internal/ Concurrent Audit Report (October - March)	Circular No. NSDL/POLICY/2008/0077 dated November 3, 2008.	May 15th every year	By hard copy to Business Partner Inspection Department.
5.	Compliance Certificate (January - June)	Circular No. NSDL/POLICY/2006/0023 dated July 6, 2006.	July 31st every year	By hard copy to Business Partner Inspection Department.
6.	Networth Certificate and Audited Financial Statements.	Circular No. NSDL/PI/98/414 dated September 1, 1998.	September 30th every year.	By hard copy to Participant Interface Department.
7.	Internal/ Concurrent Audit Report (April - September)	Circular No. NSDL/POLICY/2008/0077 dated November 3, 2008.	November 15th every year	By hard copy to Business Partner Inspection Department.

Circular No. NSDL/POLICY/2007/0055 Date: September 25, 2007	***Sub: Submission of details of all places from where depository services are offered and approval of new branches and franchisees in the prescribed format*** Attention of Depository Participants (DPs) is invited to NSDL Circular No. NSDL/POLICY/2007/0038 dated July 9, 2007 wherein a copy of the SEBI Circular No. MIRSD/DPS-III/Cir-9/07 dated July 3, 2007 regarding ensuring compliance with Regulation 46 of the SEBI (Depositories and Participants) Regulations, 1996 by the branches of DPs was enclosed for the information of all DPs. In light of

the SEBI guidelines, the requirement of obtaining approval for branch/franchisee and submission of such information to NSDL have undergone changes, which are undermentioned:

1) **Submission of details of all places from where the depository services are offered :**

As all DPs are aware, NSDL vide its Circular No. NSDL/POLICY/2006/0036 dated September 7, 2006 informed DPs to provide the details of all the places from where they are offering any of the depository services to their Clients. In light of the SEBI circular, the prescribed format has undergone certain changes. Hence, DPs are advised to provide the details of all such places from where the depository services are offered as of September 30, 2007, in the format (MS Excel Sheet) mentioned as per Annexure 1 and e-mailed to NSDL at **servicecentreinfo@nsdl.co.in** latest by **October 31, 2007**.

2) **Approval for opening of new branches and franchisees :**

As all DPs are aware, DPs are required to obtain permission of NSDL prior to appointment of a franchisee (whether offering the services as a service centre, collection centre, drop box centre or called by any other name) (Refer NSDL Circular No. NSDL/PI/2003/0282 dated February 18, 2003). The format for submission of franchisee details has undergone certain changes, in light of the SEBI circular. If DPs wish to appoint a franchisee on or after October 1, 2007, DPs would be required to obtain the permission of NSDL and submit the franchisee details in the format (MS Excel sheet) mentioned as per Annexure 2.

Further, on the similar lines, DPs would also be required to obtain the permission of NSDL for opening of a new branch (whether offering the services as a service centre, collection centre, drop box centre or called by any other name). The details of such branch should be provided in the format (MS Excel sheet) mentioned as per Annexure 3.

3) As regards mode of submission, Annexure 2 and 3 should be submitted to NSDL strictly in the prescribed format (MS Excel sheet) in hard copy signed by the compliance officer as well as in soft copy at servicecentreinfo@nsdl.co.in

4) As all DPs are aware, NSDL vide its Circular No. NSDL/PI/99/689 dated August 27, 1999, had informed DPs that in case the branch offices of DPs are handling more than 5000 accounts, they should have either direct electronic connectivity with the DP or with the office of the DP, which is directly connected to the Depository. In view of this, if any of the branch/franchisee does not comply with this requirement, DPs would be required to mention the same in the compliance certificate submitted from January 31, 2008 onwards (i.e. for the half year ending December 31, 2007).

5) DPs would be required to submit the details of all the branches/franchisees offering depository related services as of March 31, by June 30, every year. The details should be strictly submitted in the prescribed format (Annexure 1) and e-mailed to NSDL at servicecentreinfo@nsdl.co.in

6) DPs are also advised to note that any subsequent updates (addition/ deletion/modification) in the above information should be intimated to NSDL at the above e-mail id within seven days of such change.

Annexure 1 - List of Branches / Franchisees

Sr. No.	DP Name	Category - Place from where the DP wishes to open the Franchisee	Sub-Category- Offering services as Branch / Franchisee / Service centre, Collection centre, drop box centre or called by any other name	Contact Person	Add1	Add2	Add3	City	Pin	State	STD code	Phone	Fax	Email	In case of Franchisee			NCFM Qualified Person		
															Name	Date of NSDL approval	Franchisor-Franchisee agreement executed. If yes, is the copy maintained in the records. If no, please specify the reason for not executing the agreement.	Name	Registration number	Expiry Date

Type of connectivity with the back office of the main / additional DPM set-up?	Types of service provided and process involved - manual/electronic*																	Number of demat accounts serviced	Rema-rks
Online / Offline	Account opening		Demat / Remat		Issuance of Delivery Instruction Slips		Processing / Execution of Delivery Instructions		Pledge		Securities Lending and Borrowing		Client Modification like change of address etc		Dispatch of Transaction statement	Any other service provided - please specify in the box [ ]			
	Manual Process-ing	Electro-nic process-ing	Manual Process-ing	Electro-nic process-ing	Manual Process-ing	Electro-nic process-ing	Manual Process-ing	Electro-nic process-ing	Manual Process-ing	Electro-nic process-ing	Manual Process-ing	Electro-nic process-ing	Manual Process-ing	Electro-nic process-ing		Manual Process-ing	Electro-nic process-ing		
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N		

* DPs are advised to mention whether the activities are processed manually or through electronically. In case if it is manually processed, please mention the details of target branch/franchisee/DPM set-up i.e. place from where the electronic processing happens, in the remark column.

Manual processing means collection of documents and submitting it to the required destination. Electronic processing means entering the data into the computer system or back office for onward transmission to relevant main office electonically.

"Online" means the source entity has established a direct electronic connectivity with the back office of the main / additional DPM set-up. "Offline" means no direct connectivity is established with the main / additional DPM set-up.

Annexure 2 - Appointment of Franchisee

Sr. No.	DP Name	Category - Place from where the DP wishes to open the Franchisee	Sub-Category - - Offering services as Franchisee / Service centre, Collection centre, drop box centre or called by any other name	Please mention the number of years of experience in the capital market	Contact Person	Add1	Add2	Add3	City	Pin	State	STD code	Phone	Fax	Email	Franchisee Details			NCFM Qualified Person		
																Name	Date of NSDL approval	Franchisor-Franchisee agreement executed. If yes, is the copy maintained in the records. If no, please specify the reason for not executing the agreement.	Name	Registration number	Expiry Date

Type of connectivity with the back office of the main / additional DPM set-up?	Types of service proposed to be provided and process involved - manual/electronic*																	Number of demat accounts serviced	Rema-rks
Online / Offline	Account opening		Demat / Remat		Issuance of Delivery Instruction Slips		Processing / Execution of Delivery Instructions		Pledge		Securities Lending and Borrowing		Client Modification like change of address etc		Dispatch of Transaction statement	Any other service provided - please specify in the box [ ]			
	Manual Process-ing	Electro-nic process-ing	Manual Process-ing	Electro-nic process-ing	Manual Process-ing	Electro-nic process-ing	Manual Process-ing	Electro-nic process-ing	Manual Process-ing	Electro-nic process-ing	Manual Process-ing	Electro-nic process-ing	Manual Process-ing	Electro-nic process-ing		Manual Process-ing	Electro-nic process-ing		
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N		

* DPs are advised to mention whether the activities are processed manually or through electronically. In case if it is manually processed, please mention the details of target branch/franchisee/DPM set-up i.e. place from where the electronic processing happens, in the remark column.

Manual processing means collection of documents and submitting it to the required destination. Electronic processing means entering the data into the computer system or back office for onward transmission to relevant main office electonically.

"Online" means the source entity has established a direct electronic connectivity with the back office of the main / additional DPM set-up. "Offline" means no direct connectivity is established with the main / additional DPM set-up.

Annexure 3 - Appointment of Branch

Sr. No.	DP Name	Category - Place From where the DP wishes to open the branch	Sub-Category - Offering services as Branch / Service centre, Collection centre, drop box centre or called by any other name	Contact Person	Add1	Add2	Add3	City	Pin	State	STD code	Phone	Fax	Email	NCFM Qualified Person		
															Name	Registration number	Expiry Date

Type of connectivity with the back office of the main / additional DPM set-up?	Types of service proposed to be provided and process involved - manual/electronic*																	Number of demat accounts serviced	Remarks
Online / Offline	Account opening		Demat / Remat		Issuance of Delivery Instruction Slips		Processing / Execution of Delivery Instructions		Pledge		Securities Lending and Borrowing		Client Modification like change of address etc		Dispatch of Transaction statement	Any other service provided - please specify in the box [ ]			
	Manual Processing	Electronic processing	Manual Processing	Electronic processing	Manual Processing	Electronic processing	Manual Processing	Electronic processing	Manual Processing	Electronic processing	Manual Processing	Electronic processing	Manual Processing	Electronic processing		Manual Processing	Electronic processing		
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N		

* DPs are advised to mention whether the activities are processed manually or through electronically. In case if it is manually processed, please mention the details of target branch/franchisee/DPM set-up i.e. place from where the electronic processing happens, in the remark column.

Manual processing means collection of documents and submitting it to the required destination. Electronic processing means entering the data into the computer system or back office for onward transmission to relevant main office electonically.

"Online" means the source entity has established a direct electronic connectivity with the back office of the main / additional DPM set-up. "Offline" means no direct connectivity is established with the main / additional DPM set-up.

Branch services - Display of type of services	
Circular No. NSDL/PI/2000/1531 Date : August 24,2000	NSDL has noticed that Participants provide depository services to their clients through their Service Centres located at different places and all centres do not provide similar services. These services are of various types, such as : • Account Opening; • Dematerialisation / Rematerialisation; • Accepting debit / credit instruction forms; • Providing transaction statements; or • Any other depository services. In the interest of transparency, Participants are hereby advised that they should display the types of services provided by them at each Service Centre. For example, if the Calcutta service center of a Participant is providing only account opening and dematerialisation services, then it must be mentioned on the display board in the Calcutta office that only these two services are provided by the Participant at that office. The display board / chart should be prominently visible to the clients.
Amendment to Business Rules / Requirement of NCFM / NSDL certificed personnel at service centres	
Circular No.: NSDL/ POLICY/2014/0114 Date: October 29, 2014	***Subject: Amendment to Business Rules of NSDL.*** All Participants are hereby notified that Sr. No. I (29) of Business Rule 18.1.1 has been deleted and remaining items of Rule are renumbered accordingly. The amended Rule 18.1.1 is enclosed at Annexure in track change mode. **Deleted Sr. No. I (29) of Rule 18.1.1 is given below:**

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
I.	**Operational deviations**	
29	Qualified personnel (NCFM/NSDL/ NISM certified for depository operations) not appointed in at least 90% of the total service centres (other than drop boxes) of the Participants.	₹ 1,000 per month per service centre (*other than drop box*). Further, ₹ 5,000 per month per service centre upon recurrence of the deviation in the same service centre wherein non-compliance was observed earlier. In case of new service centre or in case of resignation or transfer of qualified personnel from the existing service centre, time period of three months will be allowed within which qualified personnel should be appointed.

Annexure

18.1.1 The Depository may impose a penalty on the Participant to the extent indicated for non-compliance as described below:

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
I	Operational deviations	
1.	Account opened without obtaining adequate proof of identity or any other document - as prescribed under guidelines of NSDL/SEBI/PMLA/Account opened without obtaining adequate proof of address as prescribed under guidelines of NSDL/SEBI/PMLA or adequate proof of address not collected for change of address as prescribed under guidelines of NSDL/SEBI/PMLA. Record of in-person verification not maintained as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee if total penalty imposed in one inspection under this head exceeds ₹ 50000.
2.	Supplementary agreement executed or undertaking/letter obtained or any modification made in any document which has clauses contradictory to SEBI/Depository prescribed guidelines or Power of attorney executed in favour of Participant in contradiction to SEBI/Depository prescribed guidelines.	₹ 1000 per occasion.
3.	Accounts opened in the name of Partnership firms / HUF/ proprietory concern / such other entities not entitled to hold securities in its name as prescribed under guidelines of NSDL/SEBI/PMLA.	₹1000 per account.
4.	Nomination not done as per prescribed procedure.	₹ 250 per account.
5.	Any type of transaction not executed as per the procedure prescribed by Depository such as change in bank details, change in signature, transmission, account closure, freeze/ unfreeze, pledge, remat etc as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 500 per account.
6.	Data entry errors / omission which may cause inconvenience and/or loss to the client/ system / Depository.	₹ 50 per account.
7.	Correct PAN details are not obtained from the clients and the account is not frozen for debit as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 500 per account.
8.	Incorrect entry of PAN details in DPM system as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 50 per account.
9.	Invalid/ factually incorrect/ meaningless data entered in demographic details.	₹ 500 per account.
10.	Delay in dispatch of demat requests beyond seven working days after receipt of Demat Request Form and certificates from the client.	₹ 250 per occasion
11.	Sending securities for dematerialisation to Registrar & Transfer Agents / Issuers without defacing and mutilating certificates.	₹ 100 per occasion

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
12.	No/inadequate control over issuance and/or acceptance of instruction slips.	₹ 2500 per occasion. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee.
13.	Client account debited without receiving proper authorization as prescribed under guidelines of NSDL/SEBI.	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee, if total penalty imposed in one inspection under this head exceeds ₹ 50000. The penalty levied above will be in addition to restoration of securities in case of clients' dispute.
14.	Instruction of the client not executed or erroneously entered by Participants.	₹ 250 per account.
15.	Fax indemnity not executed with the clients for the instructions accepted on fax and/or original instruction not collected within stipulated time from the date of receipt of the fax instruction.	₹ 500 per account.
16.	Transaction statement not being sent to clients as per requirements or discrepancy observed in the transaction statement sent to clients.	₹ 2000 per occasion.
17.	Change in office address and / or investor relations officers/ compliance officers not intimated to Depository.	₹ 250 per occasion.
18.	Forms used are not in conformity with the prescribed format.	₹ 100 per occasion.
19.	Termination / Closure of franchisee / branch services contrary to Depository instructions.	₹ 500 per occasion.
20.	Speed-e facility made available/operated contradictory to Depository prescribed guidelines.	₹ 500 per account.
21.	Internal Audit Report / Concurrent Audit Report not submitted in the prescribed format within the stipulated time period.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight.
22.	Internal audit report/ Concurrent audit report submitted without inclusion of management comments for deviations noted by auditors or not providing compliance duly certified by auditors on the observations made by the Depository.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight till the submission of revised report.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
23.	Non-submission of net worth certificate based on the audited annual accounts by the Participants (as specified in the Bye- Laws) in the prescribed format for 31st March within prescribed time limit.	₹ 2500 per occasion plus additional ₹1000 for any delay per fortnight.
24.	Non-submission of annual financial statement within the prescribed time limit.	₹1000 per occasion plus additional ₹ 500 for any delay per fortnight.
25.	Non filing of information sought by Depository either periodically or specifically through circulars / letters etc.	₹ 250 per occasion.
26.	Half yearly Compliance certificate not submitted within the stipulated time.	30 days have elapsed after stipulated time and the certificate is not submitted, Participant will be advised to stop opening fresh demat accounts. If the delay is beyond 60 days from the stipulated time, matter to be referred to Disciplinary Action Committee.
27.	Client Grievances (except disputes /court cases) not redressed within 30 days.	₹ 250 per grievance plus additional ₹ 100 for any further delay per month. Delay beyond six months will be reported to the Disciplinary Action Committee.
28.	Non-submission of monthly report of Client Complaints as required under Bye Law 6.3.6 (iii) to be submitted every month (latest by 10th of the following month).	₹ 500 per month.
29.	Depository services are offered through service centres without approval of Depository.	₹ 2,500 per occasion.
30.	(a) In-person verification carried out by any person other than as permitted by SEBI/ Depository. (b) Carrying out functions of verification of delivery instruction slips through franchisees. (c) Dispatch of periodic transaction statements by Participants through its service centre (branch as well as franchisees) other than one which is directly connected to the Depository or through its centralised processing unit under the supervision of its head office.	Matter to be referred to Disciplinary Action Committee.
31.	Anti Money Laundering (AML) policy not framed as required under PMLA and not intimated to FIU-IND.	₹ 2500 per occasion.
32.	Non appointment of Principal officer/Non intimation of change of Principal Officer details to FIU – IND.	₹ 2500 per occasion.
33.	Suspicious Transaction Register not being maintained as prescribed by NSDL.	₹ 2500 per occasion.

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
34.	System of maintaining documents pertaining to depository operations not satisfactory.	₹ 1000 per occasion.
II.	**System related deviations**	
35.	Using the DPM system for any other purpose or loading any other software or alteration of parameters / configuration/ software other than DPM application software/prescribed system software found loaded in the system.	₹ 5000 per occasion.
36.	Not upgrading the software and/or hardware within the prescribed time limit / not complying with pre-requisite or post-requisite of upgradation.	₹ 5000 per occassion plus actual cost of travel of Depository official/s and/or other person/s on behalf of Depository, if any, for this purpose.
37.	DPM configuration not as per Depository requirements.	₹ 5000 per occasion.
38.	DPM is connected to WAN without permission of relevant authorities.	₹ 5000 per occasion.
39.	Anti Virus Software not loaded/enabled/upgraded on server and/or client machine(s).	₹ 500 per occasion.
40.	'Variable access rights' scheme suggested by Depository not implemented / not implemented properly.	₹ 250 per occasion.
41.	Physical access to client machine and server is easily available to unauthorised persons.	₹ 100 per occasion
Miscellaneous		
42.	Compliance not reported by Participant within 60 days from the date of communication by depository with respect to deviations observed during the inspections.	Matter to be referred to Disciplinary Action Committee.

Circular No. NSDL/PI/2003/1047 Date : June 25,2003	Attention of Participants is invited to our Circular No. NSDL/PI/2003/0282 dated February 18, 2003 advising Participants to obtain NSDL's prior approval for appointing franchisee/service centre, etc. In this regard, Participants have sought clarification about the meaning of franchisee/service centre, etc. and whether an NCFM qualified person is required to be appointed at all such places. It is hereby clarified that any depository related services offered to the investors whereby they can interact with a person (who could be an employee of the Participant or of an outside agency appointed by the Participant) for submitting various documents and receiving acknowledgment thereof, will be treated as a Branch / franchisee/service centre. In such circumstances, a Participant can offer services to its clients only if one employee of the Participant or any other person providing the service has qualified in the NCFM (depository module) examination. In case the services are offered to clients where there is no personal contact or interaction (no acknowledgment is given for documents submitted) e.g. drop box kept in a place in which clients can drop their documents, the requirement of NCFM qualified person is not necessary.

Branch Services - SEBI directive on Branch connectivity	
Circular No. NSDL/PI/2003/0392 Date : March 6,2003	All Participants are hereby informed that Securities and Exchange Board of India (SEBI) vide its letter no. CS/4753/2003 dated March 4, 2003 has intimated to NSDL as under: "With the introduction of T+2 settlement from April 1, 2003 it is imperative that the transfer of securities takes place in an efficient and efficacious manner without any settlement failure. This requires that Depository Participants (DPs) throughout the country should have technological compatibility with the existing infrastructure. Since they have their offices in various cities/towns, it is necessary that all the branches of a DP should be linked electronically to its head office. This would ensure that all the clearing and settlement instructions are communicated without fail. This would also mitigate risk of settlement failure." Participants are advised to ensure compliance of the above.
Procedure for Termination of Franchisee	
Circular No. NSDL/PI/2002/0346 Date : February 26, 2002	All Participants may be aware that as per the Bye Laws of NSDL, Participants are required to take prior approval of NSDL before assigning its business to any person/franchisee for offering depository services. In this regard, it has been observed that whenever a Participant decides to terminate the services of a franchisee, the investors who avail of the depository services through such franchisees are not informed. As a result, the investors are put to avoidable hardships. Participants are hereby advised as follows: 1. The Participant shall terminate the franchisee only after giving notice of atleast 30 days to all its Clients, who are availing of depository services through the franchisee. 2. The Participant shall inform its Clients who are being provided depository services through the franchisee, about the alternate arrangements made to service the Clients. 3. The Participant shall inform NSDL about termination of such franchisee services atleast 30 days in advance.

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9. Charges

Regulation 20 (1) (f)	The participant shall pay annual fees specified in Part A of the Second Schedule in the manner specified in Part B thereof. PART A (relevant extract) Annual fees payable by participant Rs. 1000 PART B (relevant extract) Fees to be paid to the depository in which the payer is a participant. The Depository shall forward the fees collected from participants to the Board, with a demand draft or bankers cheque payable to the "Securities and Exchange Board of India" at Mumbai.
Clause 6 of NSDL - DP Agreement	The Participant shall pay such fees and charges that may be payable to NSDL in accordance with the schedule specified under the Business Rules and any deposits or other amounts payable in accordance with the Bye Laws and Business Rules. a) In case of any default on the part of the Participant to pay any of the amounts specified above within a period of 30 days from the date of demand, without prejudice to the rights of the Depository to take disciplinary action under Chapter 11 of the Bye Laws, the Participant will be liable to pay interest at such rate at the rate of not more than 24 % or such other rate as may be specified by the Executive Committee from time to time on the amount from the due date of payment of such amount. b) However, the Executive Committee may permit the payment of such amount even without interest after such due date, provided it is satisfied that there exist sufficient grounds for such delayed payment.
Clause 1 of DP-Client Agreement	The Client shall pay such charges to the Depository Participant for the purpose of opening and maintaining his account, for carrying out the instructions of the Client and for rendering such other services as may be agreed to from time to time between the Depository Participant and the Client as set out in Schedule A. The Depository Participant shall reserve the right to revise the charges by giving not less than thirty days notice in writing to the Client.
Clause 8 of DP-Client Agreement	On the failure of the Client to pay the charges as laid out in clause (1) of this agreement within a period of thirty days from the date of demand Depository Participant shall terminate this agreement and close the account of the Client by requiring it to specify whether the balances in its account be transferred to the account of the Client held with another Participant or be rematerialised in the manner specified in the Bye laws and Business rules.
Clause 9 of DP-Client Agreement	The Client further agrees that in the event of the Client committing a default in the payment of any of the amounts provided in clause (1) within a period of thirty days from the date of demand, without prejudice to the right of the Depository Participant to close the account of the Client, the Depository Participant may charge interest @ not more than 24% p.a. or such other rate as may be specified by the Executive Committee from time to time for the period of such default. In case the Client has failed to make the payment of any of the amounts as provided in clause (1) of this agreement, the Depository Participant shall have the right to discontinue the Depository services till such time he makes the payment along with interest, if any, after giving two days notice to the Client.

Rule 4.1.4	The permission to use the DPM shall be subject to the payment by the User of such charges as may be specified by the Depository.
Renumbered Rule 5.3 Circular No. NSDL/POLICY/ 2014/0044 Date: April 4, 2014	**FEES AND CHARGES** The Participant shall have the discretion to charge any fees to its Clients. Further, the Participant may charge different types of fees to its various Clients. In the event of the Client committing a default in the payment of any of the charges within a period of thirty days from the date of demand, without prejudice to the right of the Participant to close the account of the Client, the Participant may charge interest @ not more than 24% p.a. or such other rate as may be specified by the Executive Committee from time to time for the period of such default. Provided further that the Participant shall file the charge structure every year, latest by 30th April, with the Depository and also inform the depository the changes in their charge structure as and when they are effected.
Amendments to Bye Laws and Business Rules	
Circular No.: NSDL/ POLICY/2020/0114 August 21, 2020	***Subject: Amendments to Business Rules of NSDL.*** Participants are hereby informed that amendments have been made in Business Rules of NSDL with respect to fees for Margin Pledge transactions. In this regard, insertion of new Business Rules 21.2.2.4 and 21.2.9 are enclosed as Annexure. Further, Participants are requested to take note that the pledge executed in favour of margin funding account will be charged as per Rule 21.2.2.2 i.e. regular pledge charges. Participants are requested to note that the aforesaid fees will be applicable from August 1, 2020. **21.2.2.4 Fees for Margin Pledge** (i) A fee at the rate of ₹ 5.00 for each margin pledge initiation and each margin pledge release between the account of the client and the account of the Trading Member or Clearing Member shall be charged to the Participant of the Client and Participant of Trading Member or Clearing Member respectively. (ii) A fee at the rate of ₹ 1.00 for each re-pledge and each margin pledge release between the account of the Trading Member and the account of the Clearing Member shall be charged to the Participant of the Trading Member and Clearing Member respectively. (iii) A fee at the rate of ₹ 1.00 for each re-pledge from the account of the Clearing Member to the account of the Clearing Corporation shall be charged to the Participant of the Clearing Member. (iv) A fee at the rate of ₹ 5.00 for each margin pledge invocation by Trading Member and Clearing Member shall be charged to the Participant of the Trading Member and Clearing Member respectively. **21.2.9 ANNUAL MAINTENANCE FEE FOR CLIENT SECURITIES MARGIN PLEDGE ACCOUNT** A fee at the rate of ₹ 500 per Client Securities Margin Pledge Account shall be charged to the Participant in a financial year. Provided that if a fee under Rule 21.2.7 is charged as a corporate account, no separate fee under this Rule shall be charged.

Circular No.: NSDL/ POLICY/2019/0023 April 10, 2019	***Subject: Amendments to Business Rules of NSDL.*** Participants are hereby informed that the settlement fee in respect of a debit instruction to the Participant is revised from ₹ 4.50 to ₹ 5.00 per debit instruction with effect from June 1, 2019. Accordingly, Participants are hereby notified that Rule 21.2.2.1 (i), (iii) and (iv) of the Business Rule of NSDL has been amended which will come into effect from June 1, 2019: Amended Rule 21.2.2.1 (i), (iii) and (iv) of the Business Rule of NSDL is stated as below : 21.2.2.1. Settlement fee: (i) A settlement fee at the rate of ₹ 5.00 per debit instruction in a Client's account shall be charged to the Participant of the Client. A settlement fee at the rate of ₹ 5.00 per debit instruction for transfer of securities by way of inter-settlement transfers in the CM Account(s) shall be charged to the Participant. A settlement fee at the rate of ₹ 5.00 per debit instruction for transfer of securities from the CM account of a Clearing Member to the CM account of another Clearing Member shall be charged to the Participant of the delivering Clearing Member. Provide d that no settlement fee shall be charged in case of: transfers necessitated by transmission on death of the Client; and transfer of the accounts of Clients from one Participant to another as a consequence of expulsion or suspension of such Participant.
Circular No.: NSDL/ POLICY/2018/0059 Date: October 15, 2018	***Subject: Amendment to Business Rules.*** All Participants are hereby notified that Rule 21.1.5.1 in respect of Joining Fee by Issuers and 21.1.3 (i) in respect of Annual Custody Fee have been amended. The amended Rules 21.1.5.1 and 21.1.3 (i) are enclosed as Annexure - A with track change mode and as Annexure - B without track change mode. Participants are requested to take note of the above. For and on behalf of **Annexure A** **21.1.5. Joining Fee by Issuers** **21.1.5.1** With effect from April Issuer of unlisted securities shall pay a joining fee of Rs.15,000 -plus taxes and Issuer of listed securities shall pay a joining fee of Rs. 20,000 plus taxes at the applicable rate at the time of joining NSDL, for the purpose of making its shares available for dematerialisation. 21.1.3 ANNUAL CUSTODY FEE (i) An Issuer shall pay an annual custody fee at the rate of Rs. 11 per folio (ISIN position) in NSDL, subject to a minimum amount as mentioned below, plus taxes as applicable:

Nominal Value of securities admitted (Rs.)	Amount (Rs.)
Upto Rs. 2.5 crore (applicable only for issuer of unlisted shares)	5,000
Upto 5 crore	9,000
Above 5 crore and upto 10 crore	22,500
Above 10 crore and upto 20 crore	45,000
Above 20 crore	75,000

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Annexure B

21.1.5. Joining Fee by Issuers 21.1.5.1

Issuer of unlisted securities shall pay a joining fee of Rs. 15,000 plus taxes and Issuer of listed securities shall pay a joining fee of Rs. 20,000 plus taxes at the applicable rate at the time of joining NSDL, for the purpose of making its shares available for dematerialisation.

21.1.3 ANNUAL CUSTODY FEE

(i) An Issuer shall pay an annual custody fee at the rate of Rs. 11 per folio (ISIN position) in NSDL, subject to a minimum amount as mentioned below, plus taxes as applicable:

<table>
<tr><th>Nominal Value of securities admitted (Rs.)</th><th>Amount (Rs.)</th></tr>
<tr><td>Upto Rs. 2.5 crore (applicable only for issuer of unlisted shares)</td><td>5,000</td></tr>
<tr><td>Upto 5 crore</td><td>9,000</td></tr>
<tr><td>Above 5 crore and upto 10 crore</td><td>22,500</td></tr>
<tr><td>Above 10 crore and upto 20 crore</td><td>45,000</td></tr>
<tr><td>Above 20 crore</td><td>75,000</td></tr>
</table>

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<tr><td>Circular No.: NSDL/ POLICY/2018/0058
Date: October 12, 2018</td><td>

Subject: Amendment to Business Rules.

All Participants are hereby notified that a new Rule 21.2.2.3 is inserted in Business Rules of NSDL in respect of fees for hold on securities for Non-Disposal Undertakings/Agreement (NDU). The new Rule 21.2.2.3 is given below:

“21.2.2.3 Fees for hold on securities for Non-Disposal Undertakings/Agreement (NDU)

Participant of Client on whose securities hold is created for NDU shall be charged @ 0.01% of the value of securities upon creation of hold, subject to a minimum of Rs. 25.”

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<tr><td>Circular No.: NSDL/ POLICY/2018/0006
Date: January 18, 2018</td><td>

Subject: Amendment to Business Rules.

All Participants are hereby notified that a new Rule 21.1.7 is inserted in Business Rules of NSDL in respect of document processing fee. The new Rule 21.1.7 is given below which will be effective from April 1, 2018:

21.1.7 Document Processing Fee

A fee of Rs.20,000 plus applicable taxes shall be charged to listed/to be listed companies for processing documents in respect of issue/ alteration/ cancellation of shares.

Provided that in case of issue of shares arising out of employee share benefit schemes, a fee of Rs.5,000 for document processing in respect of issue of shares, subject to a maximum of Rs.20,000 per financial year for an issuer in case of employee share benefit scheme by listed Issuer.

A fee of Rs.250 plus applicable taxes shall be charged to the Issuers processing document in respect of issue/ cancellation/ alteration/ redemption for securities.

Provided that no such fees shall be levied in respect of mutual fund units and Government Securities.

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<tr>
<td>Circular No.
NSDL/POLICY/
2016/0015
Date: February 11, 2016</td>
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Sub : Amendment to Business Rule.

All Participants are hereby informed that the minimum settlement fee in respect of a Clearing Member account is revised from ₹ 1,000 to ₹ 1,500 per quarter with effect from April 1, 2016. Accordingly, Participants are hereby notified that Rule 21.2.2.1 (ii) of the Business Rule of NSDL has been amended which will come into effect from April 1, 2016:

Amended Rule 21.2.2.1(ii) of the Business Rule of NSDL is stated as below :

A settlement fee at the rate of ₹ 1.00 per instruction in respect of securities received from the Clearing Corporation into the Pool account of each Clearing Member maintained with the Participant subject to a minimum of ₹ 1500 and a maximum of ₹ 5,000 per quarter per CM Account shall be charged to the Participant.

Participants are requested to note the same.

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<tr>
<td>Circular No.:
NSDL/POLICY/
2014/0069
Date: May 28, 2014</td>
<td>

Subject: SEBI (Payment of Fees) (Amendment) Regulations, 2014.

Attention of Participants is invited to SEBI's notification no. LAD-NRO/GN/2014-15/03/1089 dated May 23, 2014 (copy enclosed) regarding amendment of certain SEBI regulations including the amendment of the SEBI (Depositories and Participants) Regulations, 1996 [SEBI (D&P) Regulations].

All Participants are hereby requested to take note that pursuant to aforesaid amendments to the SEBI (D&P) Regulations, w.e.f. May 23, 2014 Application and Registration Fees payable by Participant to SEBI are revised as below:

<table>
<tr><th>Sr. No.</th><th>Fee particulars</th><th>Earlier Amount in Rs.</th><th>New Amount in Rs.</th></tr>
<tr><td>1</td><td>Application fees payable by Participant</td><td>5,000</td><td>15,000</td></tr>
<tr><td>2</td><td>Registration fees payable by Participant</td><td>1,00,000</td><td>2,00,000</td></tr>
</table>

</td>
</tr>
<tr>
<td>Circular No.
NSDL/POLICY/
2014/0024
Date: March 6, 2014</td>
<td>

Subject: Amendments to Business Rules.

All Participants are hereby notified that Rule 21.1.5.1 of Business Rules of NSDL has been amended. The amended Rule is reproduced below:

"21.1.5.1 Joining Fee by Issuers

With effect from April 1, 2014, an Issuer of unlisted securities shall pay a joining fee of ₹ 30,000 plus taxes at the applicable rate at the time of joining NSDL, for the purpose of making its shares available for dematerialisation.

Provided however that in case the Issuer gets its securities listed on any recognized stock exchange within one year of joining NSDL, the joining fee paid by the Issuer will get adjusted against Annual Custody Fee as per Rule 21.1.3."

The amended Business Rule 21.1.5.1 in track change mode is enclosed as Annexure A.

</td>
</tr>
</table>

Circular No.: NSDL/POLICY/ 2014/0120 Date: November 7, 2014	***Subject: Annual Maintenance Fee in respect of Corporate Accounts in "Suspended" status.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2013/0142 dated December 24, 2013, wherein Participants were informed that credit note will be issued in respect of annual maintenance fee levied to corporate accounts which are in 'suspended' status for the following reasons: (1) The corporate has not paid the charges to the Participant and the Corporate Account is suspended by Participant due to the same in accordance with Clause 20 of the Rights and Obligations of Beneficial Owner and Depository Participant Document. (2) Corporate Account is suspended due to account closure request received from client but said account is not closed due to holding of securities under locked-in status/suspended ISIN. (3) Suspension (Suspended for debit or for debit and credit) pursuant to direction/orders passed by competent Statutory/Regulatory Authorities. Participants are hereby informed that with effect from December 1, 2014, the credit note will be issued only for the reason given at point no. (1) above. In case the account is suspended for the reasons given at point nos. (2) and/or (3) above and the corporate client has not paid the charges to the Participant, the Participant may suspend the account for one more reason i.e. non-payment of dues in accordance with Clause 20 of the 'Rights and Obligations of Beneficial Owner and Depository Participant' document after giving due notice. Participants may note that the DPM system facilitates suspension of account for multiple reasons.
Circular No. NSDL/POLICY/ 2013/0142 Date: December 24, 2013	***Sub: Annual Maintenance Fee in respect of Corporate Accounts under "Suspended" Status*** Attention of Participants is invited to Circular No. NSDL/POLICY/2013/0108 dated September 18, 2013 clarifying the procedure to be adopted for levying Annual Maintenance Fee for Corporate Accounts to be charged w. e. f October 1, 2013. In this context, Participants are hereby informed that in respect of Annual Maintenance Fee levied to Corporate Accounts which are in "Suspended" status for the reasons given below, credit note *(along with service tax as applicable)* will be issued till the end of financial year on a pro rata basis: (1) The corporate has not paid the charges to the Participant and the Corporate Account is suspended by Participant due to the same in accordance with Clause 20 of the Rights and Obligations of Beneficial Owner and Depository Participant Document. (2) Corporate Account is suspended due to account closure request received from client but said account is not closed due to holding of securities under locked-in status/suspended ISIN. (3) Suspension *(Suspended for debit or for debit and credit)* pursuant to direction/orders passed by competent Statutory/Regulatory Authorities. Accordingly, Participants may send following details of Corporate Accounts falling under abovementioned categories by email at dpbilling@nsdl.co.in:

Sr. No.	DP ID	Client ID	Reason of Suspension	Date of Suspension	Suspended for Debit / Debit & Credit

	In this regard, Participants are requested to take note of the following: (a) If any corporate account is suspended during the Financial Year, a credit note *(along with service tax as applicable)* will be issued on pro-rata basis after the receipt of waiver request from concerned Participant. E.g. if an account is suspended in January 2014, then credit note for 2 months till March 31, 2014 will be issued *(Rs. 500/12 month X 2 months)* in January 2014. (b) If any corporate account is re-activated during the Financial Year, Annual Maintenance Fee will be charged & billed to the Participant on pro-rata basis in the relevant month *(along with service tax as applicable)*. E.g. if an account is re-activated in the month of January 2014, then Annual Maintenance Fee will be charged for 2 months till March 31, 2014 *(Rs. 500/12 month X 2 months)* in the bill for January 2014.
Circular No. NSDL/POLICY/ 2013/0108 Date: September 18, 2013	***Sub: Annual Maintenance Fee for Corporate Accounts*** As all Participants are aware, in terms of Rule 21.2.6 of Business Rules of NSDL, Annual Maintenance Fee at the rate of Rs. 500 per annum will be charged to the Participant in the case of corporate accounts with effect from October 1, 2013. In this regard, Participants are requested to take note of the following for the purpose of billing: 1) Annual Maintenance Fee for the period from October 1, 2013 to March 31, 2014 will be charged in the bill for the month of September 2013 on a pro-rata basis i.e. Rs. 250 per account for the number of corporate accounts with the Participant as on September 30, 2013. 2) Thereafter, with effect from April 1, 2014, Annual Maintenance Fee at Rs 500 per account will be charged every financial year from April 1st to March 31st in the bill for the preceding March based on number of corporate accounts as at end of March. 3) For new corporate accounts opened during the month, the Annual Maintenance Fee will be billed in the month in which the accounts are opened on a pro-rata basis till the end of financial year. E.g. If an account is opened in October 2013, it will be charged in the bill for October 2013 for 5 months till March 31, 2014 (Rs. 500 / 12 months X 5 months). Similarly, if an account is opened in July 2014, it will be charged in the bill for July 2014 for 8 months till March 31, 2015 (Rs 500 / 12 months x 8 months). 4) For corporate accounts closed during the month, credit note will be issued till the end of financial year on a pro-rata basis. E.g. If an account is closed in December 2013, credit note for 3 months till March 31, 2014 will be issued (Rs. 500 / 12 months X 3 months) in December 2013. Similarly, if an account is closed in September 2014, credit note for 6 months till March 31, 2015 will be issued (Rs 500 / 12 months x 6 months) in September 2014.

<table>
<tr><td></td><td>5) Annual Maintenance Fee for all types of accounts of corporate clients will be billed. The type/sub-type of accounts in the DPM System that will be considered for billing are as given below:
<table>
<tr><th>Sr. No.</th><th>Type</th><th>Sub-Type</th></tr>
<tr><td>1.</td><td>Body Corporate</td><td>ALL</td></tr>
<tr><td>2.</td><td>FI</td><td>ALL</td></tr>
<tr><td>3.</td><td>FII</td><td>ALL</td></tr>
<tr><td>4.</td><td>Mutual Fund</td><td>ALL</td></tr>
<tr><td>5.</td><td>Trust</td><td>ALL</td></tr>
<tr><td>6.</td><td>Bank</td><td>ALL</td></tr>
<tr><td>7.</td><td>QFI</td><td>Corporate</td></tr>
</table>
6) All accounts of corporate clients other than closed accounts will be considered for billing.
7) The file format of the Detailed Bill File in respect of annual maintenance fee will remain the same. A new static code i.e. “E” is introduced for “Annual Maintenance Fee for Corporate Accounts”. Details of accounts of corporate clients billed for the month would be provided in the Detailed Bill File.</td></tr>
<tr><td>Circular No. NSDL/POLICY/ 2013/0105
Date: August 30, 2013</td><td>Sub: Amendments to Business Rules
All Participants are hereby notified that new Rule 21.2.6 has been inserted in Business Rules and existing Rule 21.2.6 has been renumbered as Rule 21.2.7.
New Rule 21.2.6 is given below:
“21.2.6. ANNUAL MAINTENANCE FEE FOR CORPORATE ACCOUNTS
With effect from October 1, 2013, a fee at the rate of Rs. 500 per corporate account shall be charged to the Participant in a financial year.”</td></tr>
<tr><td>Circular No.
NSDL/POLICY/
2012/0044
Date: April 16, 2012</td><td>Sub: Amendments to Business Rules of NSDL
All Participants are hereby notified that Rule 21.2.4 of Business Rules of NSDL has been amended.
Amended Business Rule is given below:
“21.2.4 Fee for Dematerialisation & Rematerialisation
No fee shall be charged by the depository for dematerialisation of securities. Participant shall be charged the following fee for rematerialisation of securities:
a) a fee of Rs.10 for every hundred securities or part thereof subject to maximum fee of Rs. 5,00,000; or
b) a flat fee of Rs.10 per certificate, whichever is higher.
Provided that, no rematerialisation fee shall be charged for Government Securities.”
The amended Business Rule 21.2.4 in track change mode is enclosed.
Further, attention of Participants is invited to Circular No. NSDL/ POLICY/2009/0053 dated July 3, 2009 advising Participants to inform charges payable for rematerialisation to their clients while accepting requests for rematerialisation of securities from clients (especially for large quantities). Participants are once again advised to take note of the same and inform the clients accordingly.</td></tr>
</table>

Payment of bills by Participants

Circular No.: NSDL/ POLICY/2019/0084
November 28, 2019

Sub: Uploading of Payment details on I-Assist.

All Depository Participants (DPs) are hereby informed that payment details against invoices raised by NSDL shall be immediately update on I-Assist post payment as the same will facilitate in providing faster credit and avoid reconciliation issues.

The following payment details are required to be provided on I-Assist.

Bill no	Bill Date	Invoice Amount	Date of Payment	NEFT/ RTGS / Cheque No	Amount Paid	TDS	Beneficiary Bank Account

In an event of paying for multiple DP ids in a single transaction, please provide above information for all the individual DP ids.

The screen shot of the payment details updation process on I-Assist is enclosed as Annexure 1.

Participants are requested to take note of the above and ensure updation of payment details.

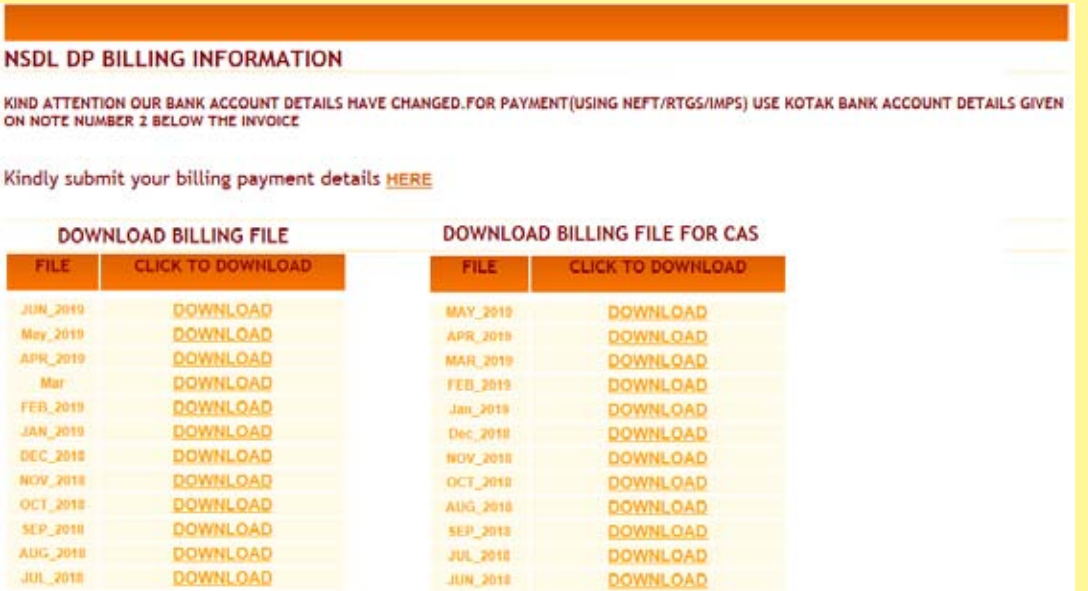
For Assistance / clarification, DPs are requested to contact Mr. Rupesh Chaudhari Tel: (022) 2499 4260 (email: RupeshC@nsdl.co.in).

Dp Billing Payment Submit Steps

Step 1: First Login i-Assist Site

Step 2: Go to Dp Billing Tab

Step 3: Click on Kindly Submit your Billing Details Here Link



NSDL DP BILLING INFORMATION

KIND ATTENTION OUR BANK ACCOUNT DETAILS HAVE CHANGED.FOR PAYMENT(USING NEFT/RTGS/IMPS) USE KOTAK BANK ACCOUNT DETAILS GIVEN ON NOTE NUMBER 2 BELOW THE INVOICE

Kindly submit your billing payment details HERE

DOWNLOAD BILLING FILE

FILE	CLICK TO DOWNLOAD
JUN_2019	DOWNLOAD
May_2019	DOWNLOAD
APR_2019	DOWNLOAD
Mar	DOWNLOAD
FEB_2019	DOWNLOAD
JAN_2019	DOWNLOAD
DEC_2018	DOWNLOAD
NOV_2018	DOWNLOAD
OCT_2018	DOWNLOAD
SEP_2018	DOWNLOAD
AUG_2018	DOWNLOAD
JUL_2018	DOWNLOAD

DOWNLOAD BILLING FILE FOR CAS

FILE	CLICK TO DOWNLOAD
MAY_2019	DOWNLOAD
APR_2019	DOWNLOAD
MAR_2019	DOWNLOAD
FEB_2019	DOWNLOAD
Jan_2019	DOWNLOAD
Dec_2018	DOWNLOAD
NOV_2018	DOWNLOAD
OCT_2018	DOWNLOAD
AUG_2018	DOWNLOAD
SEP_2018	DOWNLOAD
JUL_2018	DOWNLOAD
JUN_2018	DOWNLOAD

Step 4: Fill your Billing Payment Details and click on Submit Button.

Circular No.: NSDL/POLICY/ 2015/0055 Date: May 26, 2015	***Sub: Service Tax.*** As all Participants may be aware, service tax rate has been increased from 12% to 14% including cesses with effect from **June 1, 2015**, pursuant to the notification of Finance Bill, 2015. Accordingly, Participants are requested to note that Service Tax (including cesses) would be charged **@ 14%** on the fees / charges payable by Participants w.e.f. **June 1, 2015**.
Circular No.: NSDL/POLICY/ 2015/0031 Date: March 10, 2015	***Sub: Monthly Bill to Participants through eCommunication.*** As all Participants are aware, NSDL sends the bills to Participants on a monthly basis for various fees in respect of transactions and other charges alongwith credit notes (if any) as per the provisions made under NSDL Bye Laws and Business Rules. A detail bill file containing comprehensive descriptions of the above charges are made available on a monthly basis at intranet site of NSDL (i.e. http://i-Assist) under the option "DP Billing". Participants are hereby informed that based on the suggestions received from the Participants, NSDL will send digitally signed bill, credit note and annexure (if any) to the email ID(s) of the compliance officer(s) and/or alternate compliance officer(s) of the Participants through email. Further, the digitally signed bill, credit note, annexure (if any) and detail bill file will be made available for the current month as well as for the last twelve months under the option "DP Billing" which can be downloaded by Participants from intranet site of NSDL (i.e. http://i-Assist). The existing process of sending the physical bills will be continued for two more months (i.e. DP Bills for the months of March 2015 & April 2015), after which the same will be discontinued and only digitally signed bills will be provided to the Participants.
Circular No. NSDL/POLICY/ 2010/0099 Date: August 31, 2010	***Sub: Payment of bills by Participants*** All Participants are hereby advised that in order to ensure proper credit of payments and tax deducted at source (TDS) in respect of payments made to NSDL, they must provide the following details alongwith payments made to NSDL: (1) Name of the Participant (2) DP ID (3) TDS amount (*if any*) (4) Bill details (*Bill Number and Date*) against which payment is being made (5) Cheque / demand draft details (*number, date and amount*) The aforesaid details can be mentioned in a separate letter or can be provided in the enclosed form (*Annexure A*). Further, Participants are advised to write the name of the Participant and DP ID on the reverse of cheque / demand draft. Participants can also make payments to NSDL electronically through RTGS or NEFT system. For payments made electronically, a separate communication must be sent to NSDL at accounts@nsdl.co.in mentioning the date of payment, amount paid, bank name and account number to which it is being credited in addition to the details Mentioned at point nos.(1) to (4) above. A sample email is enclosed at Annexure B. For Participants desirous of making payments electronically to NSDL through RTGS or NEFT system, the bank details where payment is required to be made (*bank name, bank account number and IFSC code*) can be obtained by sending an email to accounts@nsdl.co.in

Annexure A

Details of bill payment by Depository Participant to NSDL

A Participant's bill details

DP ID	
Name of Participant	
Bill No.	
Bill Date	

B Payment details

Sr.No.	Particulars	Amount Rs.	Amount Rs.
1	Bill amount		xxxxx
2	Previous outstanding (if any)		xxxxx
3	Total Amount Payable (1 + 2)		xxxxx
4	Credit note issued (if any) (details below)	xxxxx	
5	TDS	xxxxx	
6	Amount paid now (details below)	xxxxx	
7	Total Credits (4 + 5 +6)		xxxxx
8	Balance outstanding (if any) (3 - 7)		xxxxx

C Credit Note Details

Sr.No.	Credit Note Number	Credit Note Date	Credit Note for (Narration)	Credit Note amount
1				
2				
3				
			Total Rs.	

D Payment Details

Sr.No.	Cheque Number	Cheque Date	Drawn on	Cheque Amount
1				
2				
3				
			Total Rs.	

Annexure B

(Sample email to Accounts Department, NSDL after payment of NSDL Participant bill)

The Accounts Department

National Securities Depository Limited

accounts@nsdl.co.in

This is to inform you that we have made payment electronically to NSDL as per the details given below:

1	Amount Paid	Rs.xxxxx
2	Date of Credit	DD/MM/YYYY
3	Bank details of NSDL where payment is made	
	Bank name	
	IFSC Code	
	Bank account number	
4	Bill details against which payment is made	
	Bill number	
	Bill date	
5	TDS amount	

Yours faithfully,

Name of the Participant

DP ID

Circular No. NSDL/POLICY/ 2010/0078 Date: July 2, 2010	***Sub: Account Maintenance Charges (AMC) collected upfront on annual/half yearly basis on Beneficial Owner (BO) accounts*** All Participants are advised to note that SEBI has vide circular no. CIR/MRD/ DP/20/2010 dated July 1, 2010 (copy enclosed) advised that in the event of closing of the demat account or shifting of the demat account from one Participant to another, the AMC collected upfront on annual/half yearly basis by the Participant, shall be refunded by the Participant to the BO for the balance of the quarter/s. Participants are advised to ensure compliance with the requirement and communicate the same to all the BOs.

Securities and Exchange Board of India

CIRCULAR

CIR/MRD/DP/ 20 /2010 July 1, 2010

To,

All Depositories,

Dear Sir(s),

Sub: Account Maintenance Charges collected upfront on annual/ half yearly basis on demat accounts

1. The Depository Participants (DPs) have a system of collecting account maintenance charge (AMC) from beneficial owners (BOs) towards maintenance of demat accounts for varied periodicity of collection (viz. monthly, quarterly, half yearly and annually). It has been noticed that in cases where AMC is collected on an annual upfront basis, on closure/shifting of demat account, the AMC for the balance period for which no service has been provided by the DP, is not refunded to the BO.

2. In view of the above, it has been decided that in the event of closing of the demat account or shifting of the demat account from one DP to another, the AMC collected upfront on annual/half yearly basis by the DP, shall be refunded by the DP to the BO for the balance of the quarter/s. For instance, in case annual AMC has been paid by the BO and if the BO closes/shifts his account in the first quarter, he shall be refunded the amount of the balance 3 quarters i.e. 3/4th of the AMC. Likewise, if a BO closes/shifts his account in the third quarter, he shall be refunded the amount for the balance one quarter i.e. 1/4th of the AMC.

3. For the purpose of the above requirement the year shall begin from the date of opening of the account in quarterly rests.

4. The above requirements shall be applicable to all existing and new accounts held with DPs which collect annual/half yearly upfront AMC. It is hereby clarified that the above requirements shall not be applicable to those DPs who collect quarterly/ monthly AMC.

5. The Depositories are advised to:-
   a) make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary ;
   b) bring the provisions of this circular to the notice of their DPs and also to disseminate the same on their website; and
   c) Communicate the same to all the BOs.

6. This circular is being issued in exercise of the powers conferred by Section 11(1) of Securities and Exchange Board of India Act, 1992 and section 19 of the Depositories Act, 1996 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Yours faithfully,

Harini Balaji
Deputy General Manager
022-26449372
harinib@sebi.gov.in

Format for filing charge structure with NSDL

Circular No. NSDL/POLICY/ 2007/0003 Date: January 8, 2007	***Sub : Format for filing charge structure with NSDL every year by April 30*** Attention of Depository Participants (DPs) is invited to NSDL Circular No. NSDL/ PI/2006/0064 dated December 26, 2006 (copy enclosed) regarding filing of charge structure with NSDL and penalty therefor in case of non-compliance. The details of charge structure should be provided as per the enclosed format (in MS Excel) and e-mailed to NSDL at dpfees@nsdl.co.in Further, any subsequent changes (addition/deletion/modification) in the charge structure of the DP should also be intimated to NSDL in the above format, at the above e-mail Id before such changes become effective.

DP Name	Statutory charges at the time of account opening	Advance/ Deposit	Account Maintenance	Demat	Remat	Transaction (Debit)	Pledge Creation	Pledge Closure confirmation	Pledge Closure	Pledge Closure-confirma-tion	Pledge Invo-cation	Failed instru-cation	Other charges, if any	Remarks

Request for waiver	
Circular No. NSDL/POLICY/ 2009/0098 Date: October 23, 2009	***Sub: Facility for submitting fee waiver requests electronically through SQLASSIST*** All Participants are hereby informed that a new facility is made available to request for fee waivers electronically through SQLASSIST intranet site (https://sqlassist). Participants are requested to take note of the following: 1. The waiver requests can be applied using interactive screens or through file upload. Participants would be required to follow maker-checker concept for setting up waiver requests on SQLASSIST Intranet site. Detailed procedure for applying for waiver requests through SQLASSIST is given at Annexure 1. 2. Participants are not required to send any documents in paper form to NSDL except in case of waiver requests for account closure upon inter-depository transfers where the number of instructions per client are more than **25**. In such cases, Participants are advised to follow the existing procedure with respect to collection and submission of documents to NSDL as mentioned in Circular no. NSDL/POLICY/2006/0001 dated January 5, 2006 and NSDL/POLICY/2006/0003 dated January 30, 2006. 3. For all other types of waiver requests i.e. (i) account closure and intra-depository transfers (*irrespective of number of instructions per client*), (ii) account closure and inter-depository transfers (*limited to upto 25 instructions per client account*) and (iii) transmission requests, Participants are not required to send any document in paper form to NSDL. However, Participants are required to maintain such documents and produce it to officials of NSDL on demand. 4. Waiver requests for transactions effected in the preceding month can be applied through SQLASSIST till the end of the current month. For example, waiver for a transaction effected in November 2009 can be applied by the Participant through SQLASSIST anytime between November 1, 2009 till December 31, 2009. Participants can also submit waiver request for transactions effected in the current month. 5. This revised procedure will be applicable for all waiver requests applied on or after November 1, 2009 (*i.e. waivers requests for the month of October 2009 onwards can be applied using this system*). 6. The existing requirement to conduct 100% internal audit in respect of amount claimed by the Participant for waiver will continue in respect of waiver requests for transfer upon account closure (*Ref. : Circular No. NSDL/POLICY/2007/0060 dated October 5, 2007)*. Such an internal audit must be carried out for all types of waiver requests made through SQLASSIST. 7. It is reiterated that in case any deviation is observed with respect to claims for waiver, a penalty of Rs. 500 per instruction for which waiver is granted may be levied on the concerned Participant. For further information / clarification, Participants are requested to contact Mr. Dilip Singhal at Tel No. (022) 2499 4363 / email ID: dilips@nsdl.co.in / Ms. Shobha Shetty at Tel No. (022) 2499 4214 / email ID: shobhas@nsdl.co.in.

Circular No. NSDL/PI/2003/2103 Date: December 29, 2003	Attention of Participants is invited to our Circular No. NSDL/PI/99/496 dated June 29, 1999 advising Participants to submit requests for waiver of fees to NSDL, alongwith all the requisite documents, within one month from the date of bill. Participants are hereby informed that w.e.f January 1, 2004, they will be required to provide only the following documents alongwith a letter in the format as per Annexure: (1) Copy of death certificate of the deceased; (2) Indemnity/Affidavit by the nominee/legal heir, as the case may, in case of single holder account. Participants should also note that w.e.f January 1, 2004, only one request per month per DPM set-up in respect of waiver of fees will be entertained by NSDL. The requirement of submitting the claim within one month from the date of bill will continue. **Annexure I** **Procedure for submitting waiver request** **(To be provided on DP's letter head)** Date: To, The Vice President Participant Interface Dept. National Securities Depository Limited Trade World, A-wing, 4th floor Kamala Mills Compound, Senapati Bapat Marg Lower Parel (W), Mumbai - 400 013. Dear Sir, **Sub.:Request for waiver of settlement fees for the month of _____, _____ (year) on account of transmission of securities.** This is to certify that all requisite details/documents as required under the Bye Laws and Business Rules of NSDL have been obtained by _____ (DP name) for effecting transmission of securities in respect of client account(s) as enclosed. We hereby declare that all the information provided herewith is true to the best of our knowledge and further confirm that _____ (DP name) will be fully responsible in case any claims made towards waiver of settlement fees are found to be invalid. Name and Designation of Compliance Officer Signature of Compliance Officer DP Id Seal of DP

Annexure II

Enclosure to letter

Details of transmission cases for the month of _____, _____ (year)

Sr. No.	Source DP Id	Source Client Id	Name of the Deceased	Joint A/c (Y/N)	DPM Instruction No.	Execu-tion Date	Target DP Id	Target Client Id	Reason, if source A/c is not closed	Amount (in Rs.) for which waiver is sought

Notes:

(1) Please provide the details in a soft copy, if total number of transactions exceed 25.

(2) Enclose copies of death certificates.

(3) Enclose copies of Indemnity/Affidavit, in case of single holdings.

(4) Enclose a print-out of client master report of target Client in case of inter-depository transfers.

Circular No. NSDL/PI/99/496 Date: June 29, 1999	All Participants are hereby advised that all requests for waiver of fees should be submitted to NSDL alongwith all the supporting documents within one month from the date of the bill. No request for waiver will be entertained thereafter.
SEBI Directive on reduction in Charges	
Circular No. NSDL/POLICY/ 2010/0043 Date: April 29, 2010	With reference to Circular no. NSDL/POLICY/2010/0029 dated March 26, 2010, all Participants are hereby informed that Securities and Exchange Board of India has vide its letter no. MRD/DP/SG-OW/2569/2010 dated April 26, 2010 (copy enclosed) advised NSDL to intimate the Participants to pass on the benefits of the reduction in Settlement fees, to the beneficial owners. Participants are advised to ensure compliance of the above.

Securities and Exchange Board of India

MARKET REGULATION DEPARTMENT - Division of *Policy*

E-mail: surabhig@sebi.gov.in Ph. no.:91+22+26449315

MRD/DP/SG-OW/ 2569 /2010
April 26, 2010

The Managing Director & CEO,
National Securities Depository Ltd.
Trade World, A wing, 4th and 5th Floor,
Kamala Mills Compound, Lower Parel,
Mumbai400 013

Dear Sir,

Sub: Reduction in settlement fees

1. Piease refer to your letter No. Secretarial/SEBI/2010/MO/044 dated March 19,2010.

2. It is observed from your aforesaid letter that with effect from April 1, 2010, you have reduced settlement fees charged to the Depository Participants (DPs) from Rs.5 to Rs. 4.50 per debit instruction. You may please advise your DPs to pass the benefit of the reduction in settlement fees, to the beneficial owners.

3. Please acknowledge receipt and confirm compliance.

Yours faithfully,

Surabhi Gupta
Assistant General Manager

Circular No. NSDL/POLICY/ 2007/0079 Date: December 27, 2007	***Sub : SEBI directive on reduction in charges*** With reference to NSDL Circular No. NSDL/POLICY/2007/0075 dated December 3, 2007, all Depository Participants (DPs) are hereby informed that Securities and Exchange Board of India has vide its letter no. MRD/DoP/PP/111495/07 dated December 20, 2007 (copy enclosed) advised NSDL to intimate the DPs to pass on the benefits of the reduction in settlement fees, to the beneficial owners. DPs are advised to ensure compliance of the above. **Annexure** **CHIEF GENERAL MANAGER** **Market Regulation Department - Division of Policy** MRD/DoP/PP/111495/07 December 20, 2007 The Chairman & Managing Director, National Securities Depository Limited 4th Floor, Trade World, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

Dear Sir,

Sub : Reduction in settlement fees

1. Please refer to your letter no. Secretarial/SEBI/2007/PS/0111 dated November 30, 2007.
2. It is observed from your aforesaid letter that with effect from January 1, 2008, you have proposed to reduce settlement fees charged to the Depository Participants (DPs) from Rs. 6 to Rs. 5 per debit instruction. You may please advise your DPs to pass the benefit of proposed reduction in settlement fees to the beneficial owners.
3. Please acknowledge receipt and confirm compliance.

Yours faithfully,

S. V. MURALI DHAR RAO

Circular No. NSDL/PI/2005/1478 Date: August 12, 2005	With reference to our circular no. NSDL/PI/2005/1440 dated August 9, 2005, all Participants are hereby informed that Securities and Exchange Board of India has vide its letter no. MRD/DOP/NSDL/VM/46618/05 dated August 10, 2005 (copy enclosed) advised NSDL to intimate the Participants to pass on the benefits of the reduction in charges for debit instructions, to the beneficial owners. Participants are advised to ensure compliance of the above.

Annexure

GENERAL MANAGER
MARKET REGULATION DEPARTMENT
Tel. 2216 4465 Fax : 2216 4394
E-mail : sundaresanvs@sebi.gov.in

MRD/DOP/NSDL/VM/46618/05
August 10, 2005

The Managing Director
National Securities Depository Limited
4th Floor, Trade World, Kamla Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai 400 013

Dear Sir,

Sub : Reduction in charges.

1. Please refer to your letter no. NSDL/JS/SEBI/2973/2005 dated August 1, 2005
2. It is observed from your aforesaid letter that you have proposed to reduce the charges to the Depository Participants (DPs) for debit instruction from Rs. 8/- to Rs. 6/- with effect from October 01, 2005. You may please intimate your DPs to pass on the proposed reduction in the charges towards debit instructions to the beneficial owners.
3. Please acknowledge receipt and confirm compliance.

Yours faithfully,

V.S. SUNDARESAN

Circular No. NSDL/PI/2003/2111 Date: December 29, 2003	With reference to our circular no. NSDL/PI/2003/1979 dated December 11, 2003, all Participants are hereby informed that Securities and Exchange Board of India has vide its letter no. MRD/VSS/SU/24221/2003 dated December 22, 2003 (copy enclosed) advised NSDL to intimate the Participants to pass on the benefits of the reduction in charges for debit instructions, to the beneficial owners. Participants are advised to ensure compliance of the above.

Annexure

(Letter from SEBI)

DEPUTY GENERAL MANAGER
MARKET RGULATION DEPARTMENT
Email : sundersanvs@sebi.gov.in

MRD/VSS/SU/24221/2003
December, 22, 2003

Shri C. B. Bhave
Managing Director
NSDL
4th Floor, Trade World, Kamla Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai-400 013.

Dear Sir,

Sub : Reduction in charges.

1. Please refer to your letter no. NSDL/PI/SEBI/2003/PP/1398 dated December 09, 2003.
2. It is observed from your aforesaid letter that you have proposed to reduce the fee charges from Rs. 10/- to Rs. 8/- per debit instruction, with effect from 1-1-2004. You may please intimate your Depository Participants to pass on the proposed reduction in the charges for debit instruction, to the beneficial owners.
3. Please acknowledge receipt and confirm compliance

Yours faithfully,

V.S. SUNDARESAN

DEPUTY GENERAL MANAGER
Market Regulation Department

MRD/DoP/SE/Dep/Cir-4/2005
Date:January 28,2005

1. The Executive Directors/Managing Directors/ Administrators of all Stock Exchanges
2. The Managing Director, NSDL
3. The Executive Director, CDSL

Dear Sir/s,

Sub: Review of Dematerialisation Charges

1. Investors have been representing to SEBI seeking a reduction in the charges paid by them for dematerialisation of securities. The rationalization of charge structure for dematerialisation was discussed at the Secondary Market Advisory Committee of SEBI (SMAC).

2. After careful consideration of the recommendations of the SMAC, as a first step, it has been decided to rationalize the existing charge structure as under:

   2.1 Effective from February 1, 2005 :-

   a) No investor shall be required to pay any charge towards opening of a Beneficiary Owner (BO) Account except for statutory charges as may be applicable;

   b) No investor shall be required to pay any charge for credit of securities into his/her BO account; and

   c) No custody charge shall be levied on any investor who would be opening a BO account on or after February 1, 2005.

   2.2 With effect from April 1, 2005 the custody charges shall not be levied on any investor. However, the Depositories may levy and collect the charges towards custody from the issuers, on a per folio (ISIN position) basis as at the end of the financial year, according to the table given below:

   Issuers to pay @ Rs.5.00 (*) per folio (ISIN position) in the respective depositories, subject to a minimum as mentioned below:

Nominal value of admitted securities (Rs.)	***Annual Custodial Fee payable by a Issuer to each Depository (Rs.) (*)***
Upto 5 crore	4,000
Above 5 crore and upto 10 crore	10,000
Above 10 crore and upto 20 crore	20,000
Above 20 crore	30,000

   *** Plus service tax as applicable**

   The issuers would be required to pay custody charges to the Depository with whom they have established connectivity based on the total number of folios (ISIN positions) as on 31st March of the previous financial year or the minimum amount, as the case may be, by 30th April of the each financial year failing which Depositories may charge penal interest subject to a maximum of 12% p.a.

3. All the Stock Exchanges are advised to:-

   a) implement the above with immediate effect by making necessary amendments to the bye-laws and Listing Agreement, as applicable;

   b) to bring the provisions of this circular to the notice of the listed companies/Issuers and also to put up the same on the website for easy access to the investors ; and

   c) communicate to SEBI the status of the implementation of the provisions of this circular and the action taken in this regard in Section II, item no. 13 of the Monthly Development Report for the month of February, 2005.

4. The Depositories are advised to:-

   a) make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary ;

   b) bring the provisions of this circular to the notice of the DPs of the Depositories and the issuers whose securities have been admitted into the depositories and also to disseminate the same on the website; and

   c) communicate to SEBI the status of the implementation of the provisions of this circular in the Monthly Development Report for the month of February, 2005.

5. This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Yours faithfully,

V S SUNDARESAN

Closure of accounts with zero balances	
Circular No. NSDL/PI/2002/0365 Date: March 4, 2002	NSDL has been receiving requests from some Participants regarding closure of Client accounts with zero balances without obtaining the necessary instructions from the Clients, in cases where the Clients have not paid their dues to the Participant. In this context, Participants are requested to refer to clause 8 of the Agreement between the Participant and its Client (Annexure B of Bye Laws of NSDL), which is reproduced hereunder: "On the failure of the Client to pay the charges as laid out in clause (1) of this agreement within a period of thirty days from the date of demand Depository Participant shall terminate this agreement and close the account of the Client by requiring it to specify whether the balances in its account be transferred to the account of the Client held with another Participant or be rematerialised in the manner specified in the Bye laws and Business rules." Participants may note that, since such accounts have zero balances, the need for asking Client to rematerialise or to specify another demat account does not arise. Participants may close such accounts after complying with the procedure laid down in clause 8 of the Agreement between the Participant and its Client.
SEBI directive on non levy of charges for transfer of securities consequent to account closure	
Circular No. NSDL/POLICY/ 2012/0140 Date: December 4, 2012	***Sub: Exclusion of settlement fee from billing in respect of instructions generated through Account Closure/ Transmission module in case of Transmission (on account of death of holder).*** Attention of Participants is invited to Circular No. NSDL/POLICY/2012/0013 dated January 27, 2012 regarding exclusion of settlement fee from billing in respect of instructions generated through Account Closure/ Transmission module in DPM system in case of account closure. The facility of Account Closure/ Transmission module in DPM system has been enhanced w.e.f. November 1, 2012 whereby settlement fee for instructions generated through aforesaid module for transfer of securities in case of transmission for the type "Account Transmission to Survivor(s)" will not be billed. Participants are requested to take note of the following: 1) Transmission of securities held jointly in the depository account is in conformity with Bye Law 9.10 of Bye Laws and Rule 12.6.1 of Business Rules of NSDL and Circular No. NSDL/PI/2001/1623 dated October 23, 2001.

	2) Accounts closed upto the end of the billing month will be considered. In case Participant is unable to close the account due to pending demat/ remat requests, ISIN in suspended status or due to open pledges, etc., the Participant should freeze the account i.e. "*suspended for debit and credit*" before the end of the billing month. 3) Participant has to ensure that the instructions executed through aforesaid module indeed are for account closure or transmission only. 4) In case Participant closes or freezes (i.e. "*suspended for debit and credit*") the account after the billing month, settlement fee will be billed. Subsequently, waiver of settlement fee can be granted in the billing month in which account is closed or frozen (i.e. "*suspended for debit and credit*") in accordance with stipulated procedure as prescribed at Circular No. NSDL/POLICY/2009/0098 dated October 23, 2009. 5) In case securities are transmitted to Nominee or Legal Heir(s) /Legal Representative(s), settlement fee will be billed. Subsequently, waiver of settlement fee can be granted in the billing month in which account is closed or frozen (i.e. "suspended for debit and credit") in accordance with the stipulated procedure as prescribed at Circular No. NSDL/ POLICY/2009/0098 dated October 23, 2009. 6) In case where account belongs to Client which is exempted from the PAN requirement and description "EXEMPTCATG" and Client accounts where description "MERGERYYYY" is captured in the PAN field, settlement fee will be billed. Subsequently, Participant may request for waiver of settlement fee in accordance with the stipulated procedure. 7) Participants are requested to take note that for instructions executed through Account Closure/ Transmission module for the type "Account Transmission to Survivor(s)" and the account is closed/ suspended, separate requests for waiver through i-Assist should not be made. However, in case of IDT transfers pursuant to account closure & transmission etc., Participants can continue the current practice of submitting fee waiver request through i-Assist. 8) Report of transactions available on i-Assist in respect of transactions which are not getting billed would also include transactions executed through the Account Closure/Transmission Module for the type "Account Transmission to Survivor(s)" on a daily basis from November 1, 2012.
Circular No. NSDL/POLICY/ 2012/0013 Date: January 27, 2012	***Sub: Exclusion of settlement fee from billing in respect of instructions generated through Account Closure/ Transmission module in case of account closure.*** All Participants are hereby informed that with effect from February 1, 2012, facility of Account Closure/ Transmission module in DPM system will be enhanced whereby settlement fee for instructions generated through aforesaid module for transfer of securities in case of account closure will not be billed. Participants are requested to take note of the following: 1) Settlement fee for instructions will not be billed provided that following conditions are fulfilled: a) Account Closure is in conformity with SEBI directive on non levy of charges for transfer of securities consequent to account closure [Ref.: SEBI Circular No.MRD/DoP/Dep/CIR-22/05 dated November 9, 2005 (Ref.: NSDL Circular No. NSDL/POLICY/2006/0001 dated January 5, 2006)].

	b) Participant closes the account before the end of the billing month. In case Participant is unable to close the account due to pending demat/ remat requests, ISIN in suspended status or due to open pledges, etc., the Participant should freeze the account i.e. "*suspended for debit and credit*" before the end of the billing month. c) Participant has to ensure that the instructions executed through aforesaid module indeed are for account closure only. 2) In case Participant closes or freezes (i.e. "*suspended for debit and credit*") the account after the billing month, settlement fee will be billed. Subsequently, waiver of settlement fee can be granted in the billing month in which account is closed or frozen (i.e. "*suspended for debit and credit*"), on receipt of request for waiver in accordance with the stipulated procedure as prescribed in Circular Nos. NSDL/ POLICY/2006/0001 dated January 5, 2006 and NSDL/POLICY/2007/0060 dated October 5, 2007. 3) In case where account belongs to Client which is exempted from the PAN requirement and description "EXEMPTCATG" and Client accounts where description "MERGERYYYY" is captured in the PAN field, settlement fee will be billed. Subsequently, Participant may request for waiver of settlement fee in accordance with the stipulated procedure. 4) Participants are requested to take note that for instructions executed through Account Closure/ Transmission module and the account is closed/ suspended, separate requests for waiver through i-Assist should not be made. However, in case of IDT transfers pursuant to account closure, Intra & IDT transfers pursuant to transmission etc. Participants can continue the current practice of submitting fee waiver request through i-Assist. 5) In addition to existing reports with respect to request submitted for waiver of settlement fees, a report of transactions which will not get billed would be made available on i-Assist on a daily basis from February 2, 2012 in respect of the transactions executed through the Account Closure/Transmission Module for the type "Account Closure" Further, format of report will be same as the current format of response file provided in __i-Assist.
Circular No. NSDL/POLICY/ 2007/0060 Date : October 5, 2007	***Sub : Exemption from submitting documents for claiming waiver of settlement fees consequent to transfer of securities with respect to SEBI directive on account closure*** As all Depository Participants (DPs) are aware, DPs are exempted from payment of settlement fee (Rs.6 per debit from beneficiary account) consequent to transfer of securities with respect to SEBI directive on account closure (Circular No. NSDL/POLICY/2006/0001 dated January 05, 2006 and NSDL/ POLICY/2006/0003 dated January 30, 2006). For the purpose of claiming/ granting these exemptions, certain documents are required to be submitted by DPs to NSDL. DPs have represented to NSDL about the costs and efforts involved in processing and despatch of requisite documents to NSDL. Upon consideration of the representations and discussions with DPs, it is decided to revise the procedure for claiming waiver of settlement fees consequent to transfer of securities with respect to SEBI directive on account closure. The revised procedure is applicable with effect from **October 1, 2007**.

(I) Exemption from submission of documents to NSDL

Where the number of instructions does not exceed 25 per Client account, DPs are advised to follow the below given procedure for Intra and Inter Depository Transfer:

(a) Collect the requisite documents from the Client as required in Bye Laws & Business Rules of NSDL and various circulars issued by NSDL in this regard, before effecting the transfer of securities (intra and inter depository transfers). However, the documents collected from the Clients will not be forwarded to NSDL. Such documents would be required to be maintained by the DP and produced to the officials of NSDL at the time of inspection or demanded otherwise.

(b) Submit an undertaking (Annexure I) that the DP has verified all the documents and transfer of securities to the target demat account are in accordance with the Bye Laws & Business Rules of NSDL and relevant circulars/guidelines issued by NSDL with respect to waiver of settlement fees claimed by the DP.

(c) 100% audit to be carried out by the internal auditor of the DP with respect to the amount claimed by the DP and the requisite documents collected and maintained in support of the same. DPs are advised to inform their internal auditors to expand the scope of the audit by adding the following areas and make suitable comments in their audit report.

"9. Audit in respect of waiver of settlement fees claimed consequent to transfer of securities with respect of SEBI directive on account closure"

Whether the DP has collected the requisite documents as per the Bye Laws & Business Rules of NSDL and various circulars issued by NSDL in respect of waiver of settlement fees claimed by the DP as per NSDL Circular No. NSDL/ POLICY/2007/0060 dated October 5, 2007 ?"

DPs are advised to ensure that the abovementioned point is covered by the internal auditor and reported in the internal audit report with effect from quarter ending December 2007 onwards to be submitted by March 31, 2008.

(II) Penalty in case of non compliance / deviation

In case, it is observed that the DP has not complied with the abovementioned requirements/procedures or any deviation is observed with respect to point no. I above, **a penalty of Rs. 500 per instruction for which waiver is granted, would be levied on the concerned DP**.

(III) Requirement of submission of documents to NSDL

Where the number of instructions exceeds 25 per Client account, DPs are advised to follow the below given procedure for Inter and Intra Depository Transfer:

(a) Inter Depository Transfers

DPs are advised to follow the existing procedure with respect to collection and submission of documents to NSDL as mentioned in NSDL Circular No. NSDL/POLICY/2006/0001 dated January 05, 2006 and NSDL/POLICY/2006/0003 dated January 30, 2006.

(b) Intra Depository transfer

DPs are advised to follow the procedure mentioned in point I on page 1.

(c) Internal Audit

DPs need not carry out 100% audit for instructions exceeding 25 per Client account with respect to inter-depository transfer, since the existing procedure is continued.

(IV) Format for submission of waiver details

DPs are advised to submit the details of the waiver claimed for such Client accounts in the format given in Annexure II.

(V) Submission deadline

DPs would be required to submit the undertaking / documents alongwith the waiver details for claiming waiver of settlement fees with respect to SEBI directive on account closure within one month from the date of the bill. In case if DPs fail to submit the requests to NSDL by the prescribed deadline i.e. within one month from the date of the bill, such waiver requests will not be granted. However, DPs would still be required to comply with the SEBI directive of not levying the charges to Clients.

(VI) Implementation:

The revised procedure would be implemented with effect from October 1, 2007, for the transfer of securities effected from September 1, 2007.

DPs are also advised to submit the pending waiver requests, if any, by November 30, 2007 for the transfers effected till August 31, 2007, by following the revised procedure mentioned above.

For further information, DPs are requested to contact Ms. Shobha Shetty on Tel No. (022) 2499 4485 (email : shobhas@nsdl.co.in) / Mr. Kaushal Shah on Tel. No. (022) 2499 4214 (email : kaushals@nsdl.co.in).

Annexure I

(To be provided on DP's letter head)

Date:

To,
The Vice President
Participant Interface Dept.
National Securities Depository Limited
Trade World, A-wing, 4th floor
Kamala Mills Compound
Senapati Bapat Marg
Lower Parel (W)
Mumbai - 400 013.

Dear Sir,

Sub.: Request for waiver of settlement fees for the month of _____, _____ (year) consequent to transfer of securities with respect to SEBI directive on account closure.

This is to certify that all requisite details/documents as required under the Bye Laws and Business Rules of NSDL and various guidelines/circulars issued by NSDL have been obtained by _____ (DP name) DP ID _____ for effecting transfer of securities on account of SEBI directive on account closure.

Details	Amount
Waiver claimed on account of SEBI directive on account closure for the month of _____, _____(year)	
Total	

The detail of securities transferred is enclosed as per annexure II.

	We hereby declare that all the information provided herewith is true to the best of our knowledge and further confirm that _____ (DP name) will be fully responsible in case any claims made towards waiver of settlement fees are found to be invalid. Name and Designation of Compliance Officer Signature of Compliance Officer DP Id Seal of DP

Annexure II

Details of transfer cases for the month of _____, _____ (year)

DP Name _____ DP ID_____

Sr. No.	Source Client Details							Instruction details	
	Source Client ID	Name of First Holder	PAN of First Holder	Name of Second Holder	PAN of Second Holder	Name of Third Holder	PAN of Third Holder	DPM Instruction No.	Execution Date

Target Client details								Reason, if source a/c is not closed	Amount for which waiver is sought (Rs.)
Target DP Id	Target Client Id	Name of First Holder	PAN of Firster Holder	Name of Second Holder	PAN of Second Holder	Name of Third Holder	PAN of Third Holder		

Notes :

In case the total number of instructions exceed 25 per Client account, please provide the waiver details in soft copy as well.

Circular No. NSDL/POLICY/ 2006/0003 Date: January 30, 2006	***Sub : Addendum to circular no. NSDL/POLICY/2006/0001 dated January 5, 2006*** Attention of Participants is invited to our circular no. NSDL/POLICY/2006/0001 dated January 5, 2006. It was mentioned that the Client Master Report (CMR) submitted by the Beneficiary Owners (BO) for inter-depository transfer should be duly certified (signed and stamped) by the other depository. NSDL has received a confirmation from the other depository that its Participants can now generate CMR in crystal report format. In view of the foregoing, BOs shall submit CMR in crystal report format duly certified (signed and stamped) by the **target Participant**. Participant are requested to take note of the above.
Circular No. NSDL/POLICY/ 2006/0001 Date: January 5, 2006	As all Participants are aware, Securities and Exchange Board of India (SEBI) has vide its circular no. MRD/DoP/Dep/CIR-22/05 dated November 9, 2005 (copy enclosed) decided that "with effect from January 09, 2006 (Monday), no charges shall be levied by a depository on DP and consequently, by a DP on a Beneficiary Owner (BO) when a BO transfers all the securities lying in his account to another branch of the same DP or to another DP of the same depository or another depository, provided the BO Account/s at transferee DP and at transferor DP are one and the same, i.e. identical in all respects. In case the BO Account at transferor DP is a joint account, the BO Account at transferee DP should also be a joint account in the same sequence of ownership". NSDL has preferred an appeal before the Securities Appellate Tribunal. The matter is sub-judice. In the meantime, Participants are advised to follow the aforesaid SEBI circular.

	Further, Participants are advised to follow the following procedure in this regard : 1. The BO submits an account closure request as specified in Annexure Q, duly filled & signed by the account holder(s) alongwith duly certified (signed and stamped) Client Master Report (CMR) obtained from the target Participant with whom the BO has opened a new account or maintains an account. In case of inter-depository transfers, apart from what has been stated above, the BO should submit the CMR in a crystal format duly certified (signed and stamped) by the target Participant or if CMR in crystal report format is not available, the target details should be certified (signed and stamped) by the other depository. Further, the BO surrenders all unused delivery instruction slips (DIS) to the Participant. 2. Participant should verify the documents submitted by the BO and if found in order, the Participant shall effect the transfer of securities. 3. After transferring the securities, the serial number(s) pertaining to unused DIS should be permanently blocked in the back office system of the Participant and the account of the BO should be closed. In case the Participant is unable to close the account due to pending demat / remat requests, ISIN in suspended status, fractional position or due to open pledges etc., the Participant should freeze the account i.e 'suspended for debit and credit'. 4. Participants should make a request to NSDL seeking credit for the transaction fees pertaining to account closure cases, with supporting documents as detailed above.
Closure of accounts - SEBI Directive on abolishing account closure charges	
Circular No. NSDL/PI/2002/1895 Date: November 1, 2002	All Participants are hereby informed that Securities and Exchange Board of India (SEBI) vide its circular no. D&CC/FITTC/CIR-12/2002 dated October 30, 2002 has intimated to NSDL as under: " In view of the representations received on not to charge Account closure charges, the matter was discussed in the meeting of Working Group on Dematerialisation held on 18th October, 2002. It has been decided that no Account closure charges be imposed on the closure of any Beneficial Owner accounts. However, the transaction charges as applicable may continue to be charged. These instructions will come into force with effect from 1st November, 2002." Participants are advised to ensure compliance of the above instructions.
Closure of accounts - Request received on plain paper	
Circular No. NSDL/PI/2002/2175 Date: December 18, 2002	Participants have been seeking clarification from NSDL whether an account held by a beneficiary can be closed on the basis of a request received from the Client on a plain paper instead of receiving the application for Closing an Account in Annexure Q as per the Business Rules of NSDL. In this regard, Participants are advised that requests received on a plain paper for closing a beneficiary account can be treated as a valid application provided Participants ensure the following: (1) The request letter must contain all details that are specified in the Application for Closing an Account (Annexure Q). (2) The Client must submit duly signed delivery instruction form(s) (Annexure L) for transferring the securities, if any. (3) All the account holder(s) must sign the request.

Monthly Bills	
Circular No. NSDL/PI/2004/0413 Date : March 5, 2004	NSDL has been providing details of monthly bills to Participants in a floppy disc/DAT/through e-mail. Participants are hereby informed that henceforth (i.e. from February 2004 onwards), details of bills will be made available at intranet http://sqlassist. Bill details for a given month will be available to Participants latest by 7th of the following month. Participants will continue to receive hard copies of the bill. For obtaining bill details, Participants can log-on to intranet (http://sqlassist) with the User Id (DP Id) and Password that will be provided to the compliance officers of Participants in a sealed envelope alongwith the bill of February 2004. Compliance officers are requested to forward the same to the concerned official. The bill details at the intranet (http://sqlassist) will be available in zip format and the details can be viewed or downloaded as per the requirement of the Participant. Participants should note that bill details for a particular month will be available till the details of the following month are uploaded to the intranet. It may be mentioned that Participants using leased line connectivity with NSDL can view/download bill details throughout the day. However, those Participants who are connected to NSDL using VSAT will not be able to view/down load bill details during 10.00 a.m. to 4.00 p.m. on week days. Also, in case the file size is more than 500 KB, then the Participants connected to NSDL using VSAT will not be able to avail of this facility and the details to those Participants will be provided separately in floppy disc/DAT.
Fees for Rematerialisation of Securities	
Circular No. NSDL/POLICY/ 2009/0053 Date: July 3, 2009	***Sub: Fees for Rematerialisation of Securities*** As all Participants are aware, NSDL had revised the charges for rematerialisation of securities with effect from November 1, 2006. In this context, Participants are advised that at the time of accepting requests for rematerialisation of securities from clients (especially for large quantities), Participants must inform their charges for rematerialisation to their clients.

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NOTES

Circular No.: NSDL/ POLICY/2021/0021 March 02, 2021	***Subject: Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List.*** All Participants are hereby informed that SEBI vide its notification dated February 25, 2021 (copy enclosed) has informed about the updates to the list of Individuals/Entities designated/added/amended by United Nations Security Council under UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida sanctions list. SEBI has advised necessary compliance as required under provisions of SEBI Master Circular Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under dated October 15, 2019 which inter-alia states that: a) Registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs) and b) Registered intermediaries should continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list. In this regard, United Nations Security Council (UNSC) Committee established pursuant to Resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida, and associated individuals, groups, undertakings and entities regarding changes in the List of individuals and entities subject to the assets freeze, travel ban and arms embargo set out in paragraph 1 of UNSC resolution 2368 (2017), and adopted under Chapter VII of the Charter of the United Nations. Note SC/14440 dated 19 February 2021 regarding deletion of two individuals [QDi.138 Name: 1: SAID 2: BEN ABDELHAKIM 3: BEN OMAR 4: AL-CHERIF and QDi.362 Name: 1: EMRAH 2: ERDOGAN 3: na 4: na] in UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List. The UNSC press releases concerning amendments to the list are available at URL: https://www.un.org/securitycouncil/sanctions/1267/press-releases The latest versions of the Sanctions lists are accessible on the UN Security Council's website at the following URL: a) List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and Al-Qaida www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list b) List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban https://www.un.org/securitycouncil/sanctions/1988/materials

Participants are advised as under:

1. Follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.
2. Participants should scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019
3. Forward any request for de-listing received, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

Further, as per the instructions from Ministry of Home Affairs (MHA), individuals, groups, undertakings or entities seeking to be removed from the Security Council's ISIL (Da'esh) and Al-Qaida Sanctions List that they can submit their request for delisting to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General.

More details are available at the following URL: https://www.un.org/securitycouncil/ombudsperson/application

February 25, 2021

Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List

1. Clause 2.8 of the SEBI Master Circular Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under dated Oct 15, 2019 inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list.
2. In this regard, United Nations Security Council (UNSC) Committee established pursuant to Resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida, and associated individuals, groups, undertakings and entities regarding changes in the List of individuals and entities subject to the assets freeze, travel ban and arms embargo set out in paragraph 1 of UNSC resolution 2368 (2017), and adopted under Chapter VII of the Charter of the United Nations.

Note SC/14440 dated 19 February 2021 regarding deletion of two individuals [QDi.138 Name: 1: SAID 2: BEN ABDELHAKIM 3: BEN OMAR 4: AL-CHERIF and QDi.362 Name: 1: EMRAH 2: ERDOGAN 3: na 4: na] in UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List.

The UNSC press releases concerning amendments to the list are available at URL:

https://www.un.org/securitycouncil/sanctions/1267/press-releases

3. The latest versions of the Sanctions lists are accessible on the UN Security Council's website at the following URL:

   a) List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and Al-Qaida

      www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

   b) List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban

      https://www.un.org/securitycouncil/sanctions/1988/materials

4. Stock Brokers/Depositories/AMFI/Registered intermediaries are advised to

   a) circulate this press release to respective members/ participants/AMC's for necessary compliance as required.

   b) follow the procedure as well as advise their respective members/ participants/AMC's to follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.

   c) Scan all existing accounts to ensure that no accountant is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019, and

   d) Forward any request for de-listing received by them, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

5. As per the instructions from Ministry of Home Affairs (MHA), individuals, groups, undertakings or entities seeking to be removed from the Security Council's ISIL (Da'esh) and Al-Qaida Sanctions List can submit their request for delisting to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General

More details are available at the following URL:

https://www.un.org/securitycouncil/ombudsperson/application

Circular No.: NSDL/ POLICY/2021/0019 February 26, 2021	***Subject: Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List - Amendment of 92 Entries*** All Participants are hereby informed that SEBI vide its notification dated February 24, 2021 (copy enclosed) has informed about the updates to the list of Individuals/Entities designated/added/amended by United Nations Security Council under UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida sanctions list. SEBI has advised necessary compliance as required under provisions of SEBI Master Circular Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under dated October 15, 2019 which inter-alia states that: a) Registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs) and b) Registered intermediaries should continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list. In this regard, United Nations Security Council (UNSC) Committee established pursuant to Resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida, and associated individuals, groups, undertakings and entities regarding changes in the List of individuals and entities subject to the assets freeze, travel ban and arms embargo set out in paragraph 1 of UNSC resolution 2368 (2017), and adopted under Chapter VII of the Charter of the United Nations has released the following press release: a) Note SC/14445 dated 23 February 2021 regarding amendment of ninety-two entries 1. QDi.006, 2. QDi.012, 3. QDi.015, 4. QDi.029, 5. QDi.057, 6. QDi.126, 7. QDi.135, 8. QDi.141, 9. QDi.150, 10. QDi.154, 11. QDi.155, 12. QDi.184, 13. QDi.208, 14. QDi.217, 15. QDi.219, 16. QDi.222, 17. QDi.223, 18. QDi.226, 19. QDi.244, 20. QDi.251, 21. QDi.268, 22. QDi.282, 23. QDi.292, 24. QDi.293, 25. QDi.295, 26. QDi.299, 27. QDi.296, 28. QDi.298, 29. QDi.328, 30. QDi.333, 31. QDi.338, 32. QDi.343, 33. QDi.344, 34. QDi.345, 35. QDi.348, 36. QDi.349, 37. QDi.350, 38. QDi.355, 39. QDi.356, 40. QDi.357, 41. QDi.358, 42. QDi.359, 43. QDi.360, 44. QDi.363, 45. QDi.364, 46. QDi.365, 47. QDi.367, 48. QDi.368, 49. QDi.371, 50. QDi.372, 51. QDi.336, 52. QDi.377, 53. QDe.001, 54. QDe.002, 55. QDe.003, 56. QDe.004, 57. QDe.006, 58. QDe.007, 59. QDe.008, 60. QDe.010, 61. QDe.011, 62. QDe.012, 63. QDe.014, 64. QDe.019, 65. QDe.021,

66. QDe.070, 67. QDe.088, 68. QDe.089, 69. QDe.090, 70. QDe.092, 71. QDe.098, 72. QDe.100, 73. QDe.101, 74. QDe.104, 75. QDe.106, 76. QDe.108, 77. QDe.109, 78. QDe.110, 79. QDe.111, 80. QDe.112, 81. QDe.113, 82. QDe.114, 83. QDe.115, 84. QDe.116, 85. QDe.118, 86. QDe.119, 87. QDe.130, 88. QDe.131, 89. QDe.132, 90. QDe.147, 91. QDe.148, 92. QDe.151] in UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List.

The UNSC press releases concerning amendments to the list are available at URL: https://www.un.org/securitycouncil/sanctions/1267/press-releases

b) The latest versions of the Sanctions lists are accessible on the UN Security Council's website at the following URL:

   i) List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and AlQaida:

      www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

   ii) List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban https://www.un.org/securitycouncil/sanctions/1988/materials

Participants are advised as under:

1. Follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.
2. Participants should scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019
3. Forward any request for de-listing received, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

Further, as per the instructions from Ministry of Home Affairs (MHA), individuals, groups, undertakings or entities seeking to be removed from the Security Council's ISIL (Da'esh) and Al-Qaida Sanctions List that they can submit their request for delisting to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General.

More details are available at the following URL: https://www.un.org/securitycouncil/ombudsperson/application

February 24, 2021

Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List -Amendment of 92 Entries

1. Clause 2.8 of the SEBI Master Circular Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under dated Oct 15, 2019 inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list.

2. In this regard, United Nations Security Council (UNSC) Committee established pursuant to Resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida, and associated individuals, groups, undertakings and entities regarding changes in the List of individuals and entities subject to the assets freeze, travel ban and arms embargo set out in paragraph 1 of UNSC resolution 2368 (2017), and adopted under Chapter VII of the Charter of the United Nations has released the following press release:

a) Note SC/14445 dated 23 February 2021 regarding amendment of ninety-two entries

1. QDi.006, 2. QDi.012, 3. QDi.015, 4. QDi.029, 5. QDi.057,
6. QDi.126, 7. QDi.135, 8. QDi.141, 9. QDi.150, 10. QDi.154,
11. QDi.155, 12. QDi.184, 13. QDi.208, 14. QDi.217, 15. QDi.219,
16. QDi.222, 17. QDi.223, 18. QDi.226, 19. QDi.244, 20. QDi.251,
21. QDi.268, 22. QDi.282, 23. QDi.292, 24. QDi.293, 25. QDi.295,
26. QDi.299, 27. QDi.296, 28. QDi.298, 29. QDi.328, 30. QDi.333,
31. QDi.338, 32. QDi.343, 33. QDi.344, 34. QDi.345, 35. QDi.348,
36. QDi.349, 37. QDi.350, 38. QDi.355, 39. QDi.356, 40. QDi.357,
41. QDi.358, 42. QDi.359, 43. QDi.360, 44. QDi.363, 45. QDi.364,
46. QDi.365, 47. QDi.367, 48. QDi.368, 49. QDi.371, 50. QDi.372,
51. QDi.336, 52. QDi.377, 53. QDe.001, 54. QDe.002, 55. QDe.003,
56. QDe.004, 57. QDe.006, 58. QDe.007, 59. QDe.008, 60. QDe.010,
61. QDe.011, 62. QDe.012, 63. QDe.014, 64. QDe.019, 65. QDe.021,
66. QDe.070, 67. QDe.088, 68. QDe.089, 69. QDe.090, 70. QDe.092,
71. QDe.098, 72. QDe.100, 73. QDe.101, 74. QDe.104, 75. QDe.106,
76. QDe.108, 77. QDe.109, 78. QDe.110, 79. QDe.111, 80. QDe.112,

81. QDe.113, 82. QDe.114, 83. QDe.115, 84. QDe.116, 85. QDe.118, 86. QDe.119, 87. QDe.130, 88. QDe.131, 89. QDe.132, 90. QDe.147, 91. QDe.148, 92. QDe.151]

in UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List.

The UNSC press releases concerning amendments to the list are available at URL:

https://www.un.org/securitycouncil/sanctions/1267/press-releases

b) The latest versions of the Sanctions lists are accessible on the UN Security Council's website at the following URL:

i) List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and Al-Qaida:

www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

ii) List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban

https://www.un.org/securitycouncil/sanctions/1988/materials

3. Stock Brokers/Depositories/AMFI/Registered intermediaries are advised to

a) circulate this press release to respective members/ participants/AMC's for necessary compliance as required.

b) follow the procedure as well as advise their respective members/ participants/AMC's to follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.

c) Scan all existing accounts to ensure that no accountant is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-

Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019, and

d) Forward any request for de-listing received by them, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

4. As per the instructions from Ministry of Home Affairs (MHA), individuals, groups, undertakings or entities seeking to be removed from the Security Council's ISIL (Da'esh) and Al-Qaida Sanctions List can submit their request for delisting to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General

More details are available at the following URL:

https://www.un.org/securitycouncil/ombudsperson/application

Circular No.: NSDL/ POLICY/2020/0165 December 28, 2020	***Subject: Updates to lists of UNSCR 1718 Sanctions Committee.*** All Participants are hereby informed that SEBI vide its email dated December 22, 2020 has informed about the updates on lists of UNSCR 1718 Sanctions Committee following notification forwarded by Ministry of External Affairs as under: 1) The updated and consolidated United Nations Security council (UNSC) resolution 1718 Sanctions List, as well as the UNSC Resolution 1718 Designated Vessels List, is accessible through the hyperlinks on the website of the Ministry of External Affairs (www.mea.gov.in) in the section 'Implementation of UNSC Sanctions (DPRK)' of 'India and the United Nations' page under 'Useful Links tab of MEA website. 2) On May 11, 2020, the UNSC Resolution 1718 Sanctions committee made an amendment to one entry on its List of individuals and entities subject to the measures (placed at Enclosure). Earlier, the Ministry of External Affairs has issued Non-Proliferation Orders S.O.1549 (E) dated 21 April 2017, S.O.3945(E) dated 31 October 2017 and S.O. 975 (E) dated 5 March 2018, covering the details of sanctions adopted under Chapter VII of the Charter of the United Nations. Participants are advised to take note of the above information and take measures, in line with the relevant laws and regulations of Government of India, to implement the Non-Proliferation Orders with respect to the updated lists of the UNSC Resolution 1718 Sanctions committee.
Circular No.: NSDL/ POLICY/2020/0150 November 17, 2020	***Subject: The Financial Action Task Force (FATF) public statements dated October 23, 2020 regarding Jurisdictions under Increased Monitoring, High Risk Jurisdictions subject to a Call for Action & FATF Plenary outcomes.*** Participants are hereby informed that as part of the on-going efforts to identify and work with jurisdictions with strategic AML / CFT deficiencies, FATF has released Public Statements after October 2020 Plenary. The link to these public statements on FATF's website are as follows: https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-october-2020.html https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-october-2020.html https://www.fatf-gafi.org/publications/fatfgeneral/documents/outcomes-fatf-plenary-october-2020.html Also, it is highlighted that the Iceland and Mongolia are no longer subjected to increased monitoring based on the decision made at the October 2020 Plenary. Participants are requested to take note of the above and ensure compliance. Further, Participants are requested to take note that this does not preclude regulated entities from legitimate trade and business transactions with these countries and jurisdictions.

Circular No.: NSDL/ POLICY/2020/0146 November 05, 2020	***Subject: Exemption from travel ban for three sanctioned members of the Taliban for specified period.*** All Participants are hereby informed that SEBI vide its email dated November 02, 2020 has informed about the exemption from travel ban for three sanctioned members of the Taliban for a specified period as forwarded by Ministry of External Affairs (MEA) as under: 1. Upon the request of the United States, the 1988 Sanctions Committee (Taliban Sanctions Committee) of the UNSC has approved exemptions for 90 days from travel ban and limited assets freeze for the following three individuals of the Taliban who have been sanctioned by the UN: i) Abdul Kabir Mohammad Jan (TAi.003) ii) Din Mohammad Hanif (TAi.043) iii) Noor Mohammad Saqib (TAi.110) 2. The exemptions will be in effect from 12 October 2020 to 10 January 2021. All three individuals are based in Qatar and will form part of the Taliban negotiating team for the intra-Afghan negotiations. 3. These three exemptions will be in addition to the exemptions already provided to the 11 members of the Taliban negotiating team. The 11 members are: Abdul Ghani Baradar Abdul Ahmad Turk (TAi.024), Sher Mohammad Abbas Stanekzai Padshah Khan (TAi.067), Zia ul-Rahman Madan (TAi.102), Abdul Salam Hanifi Ali Murdan Gul (TAi.027), Shahabuddin Delawar (TAi.113), Abdul Latif Mansur (TAi.007), Amir Khan Motaqi (TAi.026), Abdul Haq Wasiq (TAi.082), Khairullah Khairkhwah (TAi.093), Nurullah Nuri (TAi.089) and Fazl Mohammad Mazloom (TAi.023). Participants are requested to take note of the aforesaid.
Circular No.: NSDL/ POLICY/2020/0135 October 14, 2020	***Subject: Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List – Addition of one entry.*** All Participants are hereby informed that SEBI vide its email dated October 13, 2020 has informed about the Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List – Addition of one entry for necessary compliance as required under provisions of SEBI Master Circular Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under dated October 15, 2019 which inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). In this regard, UNSC has released the following press release and sanctions list: 1. Note SC/14321 dated 8 October 2020 adding one entry to list of individuals in UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List viz.

Individuals

QDi.428 Name: 1: JAMAL 2: HUSSEIN 3: HASSAN 4: ZEINIYE

Name (original script): جمال حسين حسن زينيه Title: na Designation: na DOB: a) 17 Aug 1972 b) 1 Jan 1972 POB: a) Benghazi, Libya b) Al Tall, Syrian Arab Republic c) Tell Mnin, Syrian Arab Republic Good quality a.k.a.: Jamal Husayn Zayniyah Low quality a.k.a: a) Abu Malek El Talleh b) Abu Hussein c) abu-Malik al-Ansari d) Abu-Malik al-Shami e) Abu-Malik al-Talli Nationality: Syrian Arab Republic Passport No: Syrian Passport No: 3987189 National identification No: a) 13080011550 b) Syrian Identification Card No. 5877002 issued 25 May 2011 Address: a) Syrian Arab Republic b) Arsal, Bekaa, Lebanon Listed on 8 Oct.2020 Other information: Leader of AL-NUSRAH FRONT FOR THE PEOPLE OF THE LEVANT (QDe.137) in West Kalamoun, Syrian Arab Republic. Mother's name is Amina Tohmeh.

INTERPOL-UN Security Council Special Notice web link:

www.interpol.int/en/How-we-work/Notices/View-UN-Notices-Individuals.

The UNSC press release concerning the amendment to the list are available at URL:

https://www.un.org/press/en/2020/sc14321.doc.htm

2. The latest versions of the Sanctions lists are accessible on the UN Security Council's website at the following URL:

   a) List of individuals and entities issued by the UNSC ISIL (Da'esh) and Al-Qaida Sanctions Committee:

https://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

   b) List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban

https://www.un.org/securitycouncil/sanctions/1988/materials

Participants are advised as under:

1. Follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.
2. Participants should scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019
3. Forward any request for de-listing received, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

Further, as per the instructions from Ministry of Home Affairs (MHA), individuals, groups, undertakings or entities seeking to be removed from the Security Council's ISIL (Da'esh) and Al-Qaida Sanctions List that they can submit their request for delisting to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General.

More details are available at the following URL: https://www.un.org/securitycouncil/ombudsperson/application

SECURITY COUNCIL
PRESS RELEASE

SC/14321
8 OCTOBER 2020

Security Council ISIL (Da'esh) and Al-Qaida Sanctions Committee Adds One Entry to Its Sanctions List

On 8 October 2020, the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida, and associated individuals, groups, undertakings and entities approved the addition of the entry specified below to its ISIL (Da'esh) and Al-Qaida Sanctions List of individuals and entities subject to the assets freeze, travel ban and arms embargo set out in paragraph 1 of Security Council resolution 2368 (2017), and adopted under Chapter VII of the Charter of the United Nations:

A. Individuals

QDi.428 Name: 1: JAMAL 2: HUSSEIN 3: HASSAN 4: ZEINIYE

Name (original script): جمال حسين حسن زينيه **Title:** na **Designation:** na **DOB: a)** 17 Aug 1972 **b)** 1 Jan 1972

POB: a) Benghazi, Libya **b)** Al Tall, Syrian Arab Republic **c)** Tell Mnin, Syrian Arab Republic **Good quality a.k.a.:** Jamal Husayn Zayniyah **Low quality a.k.a: a)** Abu Malek El Talleh **b)** Abu Hussein **c)** abu-Malik al- Ansari **d)** Abu-Malik al-Shami **e)** Abu-Malik al-Talli **Nationality:** Syrian Arab Republic **Passport No:** Syrian Passport No: 3987189 **National identification No**: **a)** 13080011550 **b)** Syrian Identification Card No. 5877002 issued 25 May 2011 **Address: a)** Syrian Arab Republic **b)** Arsal, Bekaa, Lebanon **Listed on** 8 Oct. 2020 **Other information:** Leader of AL-NUSRAH FRONT FOR THE PEOPLE OF THE LEVANT (QDe.137) in West Kalamoun, Syrian Arab Republic. Mother's name is Amina Tohmeh. INTERPOL-UN Security Council Special Notice web link: www.interpol.int/en/How-we-work/Notices/View-UN-Notices- Individuals.

In accordance with paragraph 55 of resolution 2368 (2017), the Committee has made accessible on its website the narrative summary of reasons for listing of the above name, at the following URL: www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list/summaries.

The ISIL (Da'esh) and Al-Qaida Sanctions List is updated regularly on the basis of relevant information provided by Member States and international and regional organizations. An updated List is accessible on the ISIL (Da'esh) and Al-Qaida Sanctions Committee's website at the following URL: www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list.

The United Nations Security Council Consolidated List is also updated following all changes made to the ISIL (Da'esh) and Al-Qaida Sanctions List. An updated version of the Consolidated List is accessible via the following URL: www.un.org/securitycouncil/content/un-sc-consolidated-list.

Most Immediate

No. UII/152/8/2016

Ministry of External Affairs

(UNP Division)

*****

OFFICE ORDER

No. UAPA/ Update 11 of 2020 9 October 2020

Subject: Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List - Addition of one entry

Please find attached the following notification issued by the United Nations Security Council (UNSC) Committee established pursuant to Resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida, and associated individuals, groups, undertakings and entities adding one entry the List of individuals and entities **subject to the assets freeze, travel ban and arms embargo** set out in paragraph 1 of UNSC resolution 2368 (2017), and adopted under Chapter VII of the Charter of the United Nations.

Note SC/14321 dated 8 October 2020 adding one entry to list of individuals ***in UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List*** viz.

A. Individuals

QDi.428 Name: 1: JAMAL 2: HUSSEIN 3: HASSAN 4: ZEINIYE

Name (original script): جمال حسين حسن زينية **Title:** na **Designation:** na **DOB: a)** 17 Aug 1972 **b)** 1 Jan 1972 **POB: a)** Benghazi, Libya **b)** Al Tall, Syrian Arab Republic **c)** Tell Mnin, Syrian Arab Republic **Good quality a.k.a.:** Jamal Husayn Zayniyah **Low quality a.k.a: a)** Abu Malek El Talleh **b)** Abu Hussein **c)** abu-Malik al-Ansari **d)** Abu-Malik al-Shami **e)** Abu-Malik al-Talli **Nationality:** Syrian Arab Republic **Passport No:** Syrian Passport No: 3987189 **National identification No**: **a)** 13080011550 **b)** Syrian Identification Card No. 5877002 issued 25 May 2011 **Address: a)** Syrian Arab Republic **b)** Arsal, Bekaa, Lebanon **Listed on** 8 Oct.2020 **Other information:** Leader of AL-NUSRAH FRONT FOR THE PEOPLE OF THE LEVANT (QDe.137) in West Kalamoun, Syrian Arab Republic. Mother's name is Amina Tohmeh. INTERPOL-UN Security Council Special Notice web link: www.interpol.int/en/How-we-work/Notices/View-UN-Notices-Individuals.

2. The UNSC press release concerning the amendment to the list are available at URL: https://www.un.org/press/en/2020/sc14321.doc.htm

3. The latest versions of the Sanctions lists are accessible on the UN Security Council's website at the following URL:
   a) List of individuals and entities issued by the UNSC ISIL (Da'esh) and Al-Qaida Sanctions Committee: https://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list
   b) List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban https://www.un.org/securitycouncil/sanctions/1988/materials

4. This information is being issued in pursuance of the instructions contained in the Ministry of Home Affairs, Government of India' order F. No. 17015/10/2002-IS-VI, dated 27 August 2009, regarding the Procedure for implementation of Section 51A of the Unlawful Activities(Prevention) Act, 1967 **to direct all concerned to apply without delay travel restrictions, arms embargo and to freeze the funds and other financial resources of listed individuals and entities in accordance with the relevant UNSC resolutions.** The details of the sanctions measures and exemptions are available at the following URL: https://www.un.org/securitycouncil/sanctions/1267#further_information

5. As per MHA's instructions, any request for delisting received by any bank, stock exchanges/ depositories, intermediaries regulated by SEBI and Insurance companies is to be forwarded electronically to Joint Secretary (CTCR), MHA for consideration. Individuals, groups, undertakings or entities seeking to be removed from the Security Council's ISIL (Da'esh) and Al-Qaida Sanctions List can submit their request for delisting to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General. More details are available at the following URL: https://www.un.org/securitycouncil/ombudsperson/application

Encl: As above

-sd-
D.C. Manjunath
Director (UNP)
Tel: 4901 8413
Email: dirunp@mea.gov.in

Copies by E-Mail to

1. Shri Anil Malik, JS (Foreigners), MHA
2. Shri Ashutosh Agnohotri, Joint Secretary (CTCR), MHA
3. Shri Mahaveer Singhvi, JS (CT), MEA
4. Shri K.B. Singh, JS (FFR), MHA
5. Shri A. Venkateswara Rao, General Manager, HoD (SDD) & CVO, IRDAI
6. Dr. S.K. Kar, CGM, RBI
7. Shri Saurav Sinha, CGM in charge, RBI
8. Shri Ajay Sachdev, Deputy Director, FIU-IND
9. Shri Rajesh Kumar Dangeti, General Manager, SEBI
10. Shri Debashis Bandyopadhyay, General Manager, SEBI

Circular No.: NSDL/ POLICY/2020/0127 September 24, 2020	***Subject: Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List – Amendment to 11 entries (10 Individuals and one entry in Entities and Groups).***

All Participants are hereby informed that SEBI vide its press release dated September 21, 2020 (Copy enclosed) has informed about the Updates to **UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List – Amendment to 11 entries (10 Individuals and one entry in Entities and Groups)** for necessary compliance as required under provisions of SEBI Master Circular Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under dated October 15, 2019 which inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs).

In this regard, UNSC has released the following press release and sanctions list:

a) Note SC/14299 dated 10 September 2020 amending available information relating to 11 entries (10 individuals and one entity/group) in UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List viz.

A. Individuals

1) QDi.096 Name: 1: MOUSSA 2: BEN OMAR 3: BEN ALI 4: ESSAADI

2) QDi.099 Name: 1: KHALIL 2: BEN AHMED 3: BEN MOHAMED 4: JARRAYA

3) QDi.138 Name: 1: SAID 2: BEN ABDELHAKIM 3: BEN OMAR 4: ALCHERIF

4) QDi.139 Name: 1: IMED 2: BEN MEKKI 3: ZARKAOUI 4: na

5) QDi.140 Name: 1: KAMAL 2: BEN MAOELDI 3: BEN HASSAN 4: ALHAMRAOUI

6) QDi.143 Name: 1: HAMADI 2: BEN ABDUL AZIZ 3: BEN ALI 4: BOUYEHIA

7) QDi.149 Name: 1: NOUREDDINE 2: BEN ALI 3: BEN BELKASSEM 4: AL-DRISSI

8) QDi.330 Name: 1: AZZAM 2: ABDULLAH 3: ZUREIK 4: AL-MAULID ALSUBHI

9) QDi.332 Name: 1: IBRAHIM 2: SULEIMAN 3: HAMAD 4: AL-HABLAIN

10) QDi.370 Name: 1: TARAD 2: MOHAMMAD 3: ALJABRA ALNORI ALFARES 4: na ALJARBA

B. Entities and other groups

QDe.015 Name: WAFA HUMANITARIAN ORGANIZATION The UNSC press release concerning the amendment to the list are available at URL: https://www.un.org/press/en/2020/sc14256.doc.htm

b) The latest versions of the Sanctions lists are accessible on the UN Security Council's website at the following URL:

List of individuals and entities issued by the UNSC ISIL (Da'esh) and Al-Qaida Sanctions Committee: https://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban https://www.un.org/securitycouncil/sanctions/1988/materials

Participants are advised as under:

1. Follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.
2. Participants should scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019
3. Forward any request for de-listing received, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

Further, as per the instructions from Ministry of Home Affairs (MHA), individuals, groups, undertakings or entities seeking to be removed from the Security Council's ISIL (Da'esh) and Al-Qaida Sanctions List can submit their request for delisting to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General.

More details are available at the following URL: https://www.un.org/securitycouncil/ombudsperson/application.

PR No.49/2020

Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List - Amendment to 11 entries (10 Individuals and one entry in Entities and Groups)

1. Clause 2.8 of the SEBI Master Circular **Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under** dated Oct 15, 2019 inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list.

2. In this regard, UNSC has released the following press release:

   a) Note SC/14299 dated 10 September 2020 amending available information relating to 11 entries (10 individuals and one entity/group) in UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List viz.

A. Individuals

1) QDi.096 Name: 1: MOUSSA 2: BEN OMAR 3: BEN ALI 4: ESSAADI
2) QDi.099 Name: 1: KHALIL 2: BEN AHMED 3: BEN MOHAMED 4: JARRAYA
3) QDi.138 Name: 1: SAID 2: BEN ABDELHAKIM 3: BEN OMAR 4: AL-CHERIF
4) QDi.139 Name: 1: IMED 2: BEN MEKKI 3: ZARKAOUI 4: na
5) QDi.140 Name: 1: KAMAL 2: BEN MAOELDI 3: BEN HASSAN 4: AL-HAMRAOUI
6) QDi.143 Name: 1: HAMADI 2: BEN ABDUL AZIZ 3: BEN ALI 4: BOUYEHIA
7) QDi.149 Name: 1: NOUREDDINE 2: BEN ALI 3: BEN BELKASSEM 4: AL-DRISSI
8) QDi.330 Name: 1: AZZAM 2: ABDULLAH 3: ZUREIK 4: AL-MAULID AL-SUBHI
9) QDi.332 Name: 1: IBRAHIM 2: SULEIMAN 3: HAMAD 4: AL-HABLAIN
10) QDi.370 Name: 1: TARAD 2: MOHAMMAD 3: ALJABRA ALNORI ALFARES 4: na ALJARBA

B. Entities and other groups

QDe.015 Name: WAFA HUMANITARIAN ORGANIZATION

The UNSC press release concerning the amendment to the list are available at URL:

https://www.un.org/press/en/2020/sc14256.doc.htm

b) The latest versions of the Sanctions lists are accessible on the UN Security Council's website at the following URL:

List of individuals and entities issued by the UNSC ISIL (Da'esh) and Al-Qaida Sanctions Committee:

https://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban

https://www.un.org/securitycouncil/sanctions/1988/materials

3. Stock Brokers/Depositories/AMFI/Registered intermediaries are advised to

   a) circulate these press releases to respective members/ participants/AMC's for necessary compliance as required.

   b) follow the procedure as well as advise their respective members/participants/AMC's to follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.

   c) Scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019, and

   d) Forward any request for de-listing received by them, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

4. As per the instructions from Ministry of Home Affairs (MHA), individuals, groups, undertakings or entities seeking to be removed from the Security Council's ISIL (Da'esh) and Al-Qaida Sanctions List can submit their request for delisting to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General.

   More details are available at the following URL:

   https://www.un.org/securitycouncil/ombudsperson/application

Mumbai
September 21, 2020

Circular No.: NSDL/ POLICY/2020/0119 August 28, 2020	***Subject: Implementation of Section 51A of UAPA, 1967: Updates to UNSC's Democratic Republic of Congo List.*** All Participants are hereby informed that SEBI vide its press release dated August 25, 2020 (Copy enclosed) has informed about the updates on Updates to UNSC's Democratic Republic of Congo List for necessary compliance as required under provisions of SEBI Master Circular Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under dated October 15, 2019 which inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). In this regard, UNSC has released the following press release and sanctions list: a) Note SC/14280 regarding amendments to entries in UNSC's 1533 DRC Sanctions List. The UNSC press release concerning the amendment to the list are available at URL: https://www.un.org/press/en/2020/sc14280.doc.htm

b) The latest versions of the Sanctions lists are accessible on the UN Security Council's website at the following URL:

i) Updates to the names of individuals and entities on the 1533 Committee's website pursuant to a decision by the Committee may be found in the "Press Releases" section on the Committee's website. https://www.un.org/securitycouncil/sanctions/1533/press-releases

ii) An updated List is accessible on the Committee's website at the following URL: https://www.un.org/securitycouncil/sanctions/1533/materials

iii) An updated and consolidated list of all the Sanction Committees are available at the following URL: https://www.un.org/securitycouncil/content/un-sc-consolidated-list

Participants are advised as under:

1. Follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.
2. Participants should scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019
3. Forward any request for de-listing received, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

Further, as per the instructions from Ministry of Home Affairs (MHA), individuals, groups, undertakings or entities seeking to be removed from the Security Council's Democratic Republic of Congo Sanctions List can submit their request for de-listing to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General.

More details are available at the following URL: https://www.un.org/securitycouncil/ombudsperson/application

PR No.43/2020

Implementation of Section 51A of UAPA, 1967: **Updates to UNSC's Democratic Republic** of Congo List

1. Clause 2.8 of the SEBI Master Circular **Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under** the Prevention of Money Laundering Act, 2002 and Rules framed there under dated Oct 15, 2019 inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list.

2. In this regard, UNSC has released the following press release:

   a) Note SC/14280 regarding amendments to entries in UNSC's 1533 DRC Sanctions List.

      The UNSC press release concerning the amendment to the list are available at URL:

      https://www.un.org/press/en/2020/sc14280.doc.htm

   a) The latest versions of the Sanctions lists are accessible on the UN Security Council's website at the following URL:

      i) Updates to the names of individuals and entities on the 1533 Committee's website pursuant to a decision by the Committee may be found in the "Press Releases" section on the Committee's website. https://www.un.org/ securitycouncil/sanctions/1533/press-releases

      ii) An updated List is accessible on the Committee's website at the following URL:

      https://www.un.org/securitycouncil/sanctions/1533/materials

      iii) An updated and consolidated list of all the Sanction Committees are available at the following URL:

      https://www.un.org/securitycouncil/content/un-sc-consolidated-list

3. Stock Brokers/Depositories/AMFI/Registered intermediaries are advised to

   a) circulate this press release to respective members/ participants/AMC's for necessary compliance as required.

   b) follow the procedure as well as advise their respective members/participants/AMC's to follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.

   c) Scan all existing accounts to ensure that no accountant is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019, and

   d) Forward any request for de-listing received by them, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

4. As per the instructions from Ministry of Home Affairs (MHA), individuals, groups, undertakings or entities seeking to be removed from the Security Council's Democratic Republic of Congo Sanctions List can submit their request for delisting to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General.

More details are available at the following URL:

https://www.un.org/securitycouncil/ombudsperson/application

Mumbai
August 25, 2020

Circular No.: NSDL/ POLICY/2020/0097 July 24, 2020	***Subject: Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List - Addition of one individual.*** All Participants are hereby informed that SEBI vide its press release dated July 22, 2020 (Copy enclosed) has informed about the updates to UNSC 1267/1989 ISIL (Da'esh) & Al-Qaida Sanctions List for necessary compliance as required under provisions of SEBI Master Circular Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under dated October 15, 2019 which inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). In this regard, UNSC has released the following press release and sanctions list: a) Note SC/14256 regarding addition of a Pakistani individual [QDi.427 Name: 1: Noor 2: Wali 3: Mehsud 4: na] in UNSC's 1267/ 1989 ISIL (Da'esh) & AlQaida Sanctions List. The UNSC press release concerning the amendment to the list are available at URL: https://www.un.org/press/en/2020/sc14256.doc.htm b) The latest versions of the Sanctions lists are accessible on the UN Security Council's website at the following URL: List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and Al-Qaida www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban https://www.un.org/securitycouncil/sanctions/1988/materials Participants are advised as under: 1. Follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967. 2. Participants should scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019

	3. Forward any request for de-listing received, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in). Further, as per the instructions from Ministry of Home Affairs (MHA), individuals, groups, undertakings or entities seeking to be removed from the Security Council's ISIL (Da'esh) and Al-Qaida Sanctions List can submit their request for de-listing to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General. More details are available at the following URL: https://www.un.org/securitycouncil/ombudsperson/application

PR No.40/2020

Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List - Addition of one individual

1. Clause 2.8 of the SEBI Master Circular **Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under** dated Oct 15, 2019 inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list.
2. In this regard, UNSC has released the following press release:
   a) Note SC/14256 regarding addition of a Pakistani individual [QDi.427 Name: 1: Noor 2: Wali 3: Mehsud 4: na] in UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List.

      The UNSC press release concerning the amendment to the list are available at URL:

      https://www.un.org/press/en/2020/sc14256.doc.htm

   b) The latest versions of the Sanctions lists are accessible on the UN Security Council's website at the following URL:

      List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and Al-Qaida

      www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

      List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban

      https://www.un.org/securitycouncil/sanctions/1988/materials
3. Stock Brokers/Depositories/AMFI/Registered intermediaries are advised to
   a) circulate these press releases to respective members/ participants/AMC's for necessary compliance as required.
   b) follow the procedure as well as advise their respective members/participants/AMC's to follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.

	c) Scan all existing accounts to ensure that no accountant is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019, and d) Forward any request for de-listing received by them, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in). 4. As per the instructions from Ministry of Home Affairs (MHA), individuals, groups, undertakings or entities seeking to be removed from the Security Council's ISIL (Da'esh) and Al-Qaida Sanctions List can submit their request for delisting to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General. More details are available at the following URL: https://www.un.org/securitycouncil/ombudsperson/application **Mumbai** **July 22, 2020**
Circular No.: NSDL/ POLICY/2020/0081 June 11, 2020	***Subject: Implementation of Section 51A of UAPA, 1967 - Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List - Addition of one individual.*** All Participants are hereby informed that SEBI vide its press releases dated June 10, 2020 (Copy enclosed) has informed about the updates on UNSC 1267/1989 ISIL (Da'esh) & Al-Qaida Sanctions List for necessary compliance as required under provisions of SEBI Master Circular Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under dated October 15, 2019 which inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). In this regard, UNSC has released the following press release and sanctions list: a) Note SC/14195 regarding addition of a Iraqi individual [QDi.426 Name: 1: Amir 2: Muhammad Sa'id 3: Abdal-Rahman 4: al-Mawla] in UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List. The UNSC press release concerning the amendment to the list are available at URL: https://www.un.org/press/en/2020/sc14195.doc.htm

b) The latest versions of the Sanctions lists are accessible on the UN Security Council's website at the following URL:

i. List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and AlQaida: www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

ii. List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban https://www.un.org/securitycouncil/sanctions/1988/materials

Participants are advised as under:

1. Follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.
2. Participants should scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019
3. Forward any request for de-listing received, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

Further, as per the instructions from Ministry of Home Affairs (MHA), individuals, groups, undertakings or entities seeking to be removed from the Security Council's ISIL (Da'esh) and Al-Qaida Sanctions List can submit their request for de-listing to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General.

More details are available at the following URL: https://www.un.org/securitycouncil/ombudsperson/application

PR No.33/2020

Implementation of Section 51A of UAPA, 1967 - Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List - Addition of one individual

1. Clause 2.8 of the SEBI Master Circular **Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under** date Oct 15, 2019 inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list.

2. In this regard, UNSC has released the following press release and sanctions list:

   a) Note SC/14195 regarding addition of a Iraqi individual [QDi.426 Name: 1: Amir 2: Muhammad Sa'id 3: Abdal-Rahman 4: al-Mawla] in UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List.

      The UNSC press release concerning the amendment to the list are available at URL: https://www.un.org/press/en/2020/sc14195.doc.htm

   b) The latest versions of the Sanctions lists are accessible on the UN Security Council's website at the following URL:

      i) List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and Al-Qaida:

         www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

      ii) List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban

         https://www.un.org/securitycouncil/sanctions/1988/materials

3. Stock Brokers/Depositories/AMFI/Registered intermediaries are advised to

   a) circulate these press releases to respective members/ participants/AMC's for necessary compliance as required.

   b) follow the procedure as well as advise their respective members/participants/AMC's to follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.

   c) Scan all existing accounts to ensure that no accountant is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019, and

   d) Forward any request for de-listing received by them, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

4. As per the instructions from Ministry of Home Affairs (MHA), individuals, groups, undertakings or entities seeking to be removed from the Security Council's ISIL (Da'esh) and Al-Qaida Sanctions List can submit their request for de-listing to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General.

More details are available at the following URL: https://www.un.org/securitycouncil/ombudsperson/application

Mumbai

June 10, 2020

Circular No.: NSDL/ POLICY/2020/0065 May 8, 2020	***Subject: The Financial Action Task Force (FATF) public statement dated February 21, 2020 regarding FATF identified jurisdictions that have strategic Anti Money Laundering and Combating the Financing of Terrorism (AML / CFT) deficiencies and Improving Global AML/ CFT Compliance: On-going Process - February 21, 2020.*** Participants are hereby informed that as part of the on-going efforts to identify and work with jurisdictions with strategic AML / CFT deficiencies,

	FATF has released a Public Statement on February 21, 2020 with regard to – a) High risk Jurisdictions subject to a call for action b) Jurisdictions under increased monitoring The link to these public statements on FATF's website are as below: https://www.fatf-gafi.org/publications/fatfgeneral/documents/outcomes-fatf-plenary-february-2020.html https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-february-2020.html https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-february-2020.html **Specific attention is brought to an extract from Public Statement on Iran as follows:** "Now, given Iran's failure to enact the Palermo and Terrorist Financing Conventions in line with the FATF Standards, the FATF fully lifts the suspension of counter-measures and calls on its members and urges all jurisdictions to apply effective counter-measures, in line with Recommendation 19.[2] Iran will remain on the FATF statement on [High Risk Jurisdictions Subject to a Call for Action] until the full Action Plan has been completed. If Iran ratifies the Palermo and Terrorist Financing Conventions, in line with the FATF standards, the FATF will decide on next steps, including whether to suspend countermeasures. Until Iran implements the measures required to address the deficiencies identified with respect to countering terrorism-financing in the Action Plan, the FATF will remain concerned with the terrorist financing risk emanating from Iran and the threat this poses to the international financial system." **Similarly, in case of DPRK, an extract from the Public Statement reads that:** "The FATF reaffirms its 25 February 2011 call on its members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with the DPRK, including DPRK companies, financial institutions, and those acting on their behalf. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective counter-measures, and targeted financial sanctions in accordance with applicable United Nations Security Council Resolutions, to protect their financial sectors from money laundering, financing of terrorism and WMD proliferation financing (ML/TF/PF) risks emanating from the DPRK. Jurisdictions should take necessary measures to close existing branches, subsidiaries and representative offices of DPRK banks within their territories and terminate correspondent relationships with DPRK banks, where required by relevant UNSC resolutions" Participants are requested to take note of the above and ensure compliance. Further, Participants are requested to take note that this does not preclude regulated entities from legitimate trade and business transactions with these countries and jurisdictions.

Circular No.: NSDL/ POLICY/2020/0031 March 16, 2020	***Subject: Updates to UNSC's 1267/1989 ISIL (Da'esh) & Al-Qaida Sanctions List.*** All Participants are hereby informed that SEBI vide its press release dated March 11, 2020 (copy enclosed) has informed about the updates on UNSC's 1267/ 1989, ISIL (Da'esh) & Al-Qaida Sanctions List for necessary compliance as required under provisions of SEBI Master Circular Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under dated October 15, 2019 which inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). In this regard, UNSC has released the following press release and sanctions list 1) Press release SCA/2/20 (06) dated 4 March 2020 regarding addition of three entities, namely, QDe.164: JAMAAH ANSHARUT DAULAH, QDe.165: ISLAMIC STATE IN IRAQ AND THE LEVANT - LIBYA, and QDe. 166: ISLAMIC STATE IN IRAQ AND THE LEVANT - YEMEN to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List, issued by the United Nations Security Council (UNSC). 2) The UNSC press release(s) concerning amendments to the list are available at URL: https://www.un.org/securitycouncil/sanctions/1267/press-releases 3) The latest versions of the Sanctions list are accessible on the UN Security Council's website at the following URL: a. List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and AlQaida https://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list b. List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban https://www.un.org/securitycouncil/sanctions/1988/materials 4) The details of the sanctions measures and exemptions are available at the following URL: https://www.un.org/securitycouncil/sanctions/1267#further_information Participants are advised as under: 1. Follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.

	2. Participants should scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on October 15, 2019. 3. Forward any request for de-listing received, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

PR No.15/2020

Implementation of Section 51A of UAPA, 1967 - Addition of three entities to 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List

1. Clause 2.8 of the SEBI Master Circular **Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under** dated Oct 15, 2019 inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list.
2. In this regard, Ministry of External Affairs (MEA) has now forwarded a press release **SCA/2/20 (06) dated 4 March 2020 regarding addition of three entities, namely,**
   QDe.164: JAMAAH ANSHARUT DAULAH,
   QDe.165: ISLAMIC STATE IN IRAQ AND THE LEVANT - LIBYA, and
   QDe. 166: ISLAMIC STATE IN IRAQ AND THE LEVANT - YEMEN to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List, issued by the United Nations Security Council (UNSC).
   The UNSC press release(s) concerning amendments to the list are available at URL:
   https://www.un.org/securitycouncil/sanctions/1267/press-releases
   The latest versions of the Sanctions list are accessible on the UN Security Council's website at the following URL:
   a. List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and Al-Qaida
      https://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list
   b. List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban
   https://www.un.org/securitycouncil/sanctions/1988/materials

3. Stock Brokers/Depositories/AMFI/Registered intermediaries are advised to
   a) Circulate this press release to respective members/ participants/AMC's for necessary compliance as required.
   b) Follow the procedure as well as advise their respective members/participants/AMC's to follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.
   c) Scan all existing accounts to ensure that no accountant is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019), and
   d) Forward any request for de-listing received by them, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

Mumbai
March 11, 2020

Circular No.: NSDL/ POLICY/DDP/2020/0004 March 3, 2020	***Subject: SEBI Press Release - Inclusion of Mauritius in the FATF list of "Jurisdictions under Increased Monitoring"*** Attentions of Participants who are registered with SEBI as Designated Depository Participants (DDPs) / Custodian of Securities (Custodians) are invited to SEBI Press Release No. 10/2020 dated February 25, 2020 (copy enclosed). Designated Depository Participants (DDPs) / Custodians are requested to take note of the same.

भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

प्रेस विज्ञप्ति
PRESS RELEASE

संपर्क प्रभाग, सेबी भवन, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051
Communications Division, SEBI Bhavan, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
दूरभाष / Tel: +91-22-26449000 ईमेल / email:press@sebi.gov.in वेबसाइट /website: www.sebi.gov.in

Feb 25, 2020 **PRNo.:10/2020**

Inclusion of Mauritius in the FATF list of "jurisdictions under increased monitoring"

The Financial Action Task Force on February 21, 2020, has placed Mauritius in the list of "jurisdictions under increased monitoring", commonly referred to as the "grey list" and has stated the following:

"In February 2020, Mauritius made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in 2018, Mauritius has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including amending] the legal framework to require legal persons and legal arrangements to disclose of beneficial ownership information and improving the processes of identifying and confiscating proceeds of crimes. Mauritius will work to implement its action plan, including by: (1) demonstrating that

the supervisors of its global business sector and DNFBPs implement risk-based supervision; (2) ensuring the access to accurate basic and beneficial ownership information by competent authorities in a timely manner; (3) demonstrating that LEAs have capacity to conduct money laundering investigations, including parallel financial investigations and complex cases; (4) implementing a risk based approach for supervision of its NPO sector to prevent abuse for TF purposes, and 5) demonstrating the adequate implementation of targeted financial sanctions through outreach and supervision." There have been apprehensions among market participants that whether inclusion of Mauritius in the 'grey list' would have an effect on the registration of FPIs from Mauritius. SEBI (Foreign Portfolio Investors) Regulations, 2019 inter-alia states that an applicant is eligible to become a FPI if it is not resident in the country identified in the public statement of FATF as- i) a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies. This condition was also in SEBI (Foreign Portfolio Investors) Regulations, 2014.

It is noted from FATF website that when a jurisdiction is placed under increased monitoring, it construes that the country has committed to resolve swiftly the identified strategic deficiencies within agreed timeframes and is subject to increased monitoring. The FATF does not call for the application of enhanced due diligence to be applied to these jurisdictions, but encourages its members to take into account this information in their risk analysis. The intermediaries should take note of the same.

Additionally, FATF identifies jurisdictions that have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation. For all such countries, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and in the most serious cases, countries are called upon to apply counter-measures to protect the international financial system. This list is often referred to as the "black list". It is mentioned in FATF website that this was previously called "Public Statement".

Therefore, FPIs from Mauritius continue to be eligible for FPI Registration with increased monitoring as per FATF norms.

Circular No.: NSDL/ POICY/2020/0024 March 2, 2020	***Subject: Implementation of Section 51A of UAPA 1967 - Updates to UNSC's 1267/1989 ISIL (Da'esh) List & Al-Qaida Sanctions List and 1533 DRC Sanctions List.*** All Participants are hereby informed that SEBI vide its press releases dated February 18, 20, 25 & 26, 2020 (copies enclosed) has informed about the updates on UNSC 1267/1533, ISIL (Da'esh) & Al-Qaida Sanctions List and UNSC's 1988 Taliban Sanctions List for necessary compliance as required under provisions of SEBI Master Circular Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under dated October 15, 2019 which inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs).

In this regard, UNSC has released the following press release and sanctions list:

a) Security Council document No. SC/14097 (Note SCA/2/20 (2)) dated February 4, 2020 regarding addition of one entry [QDi.425; AMADOU KOUFA of Malian origin] to its Sanctions List.

b) Security Council document No. SC/14101 (Note SCA/1/20 (07)) dated February 6, 2020 regarding addition of one new entry [Cdi.036; SEKA BALUKU of Ugandan origin] to its Sanctions List, issued by the United Nations Security Council (UNSC).

c) Security Council document No. SC/14113 (Note SCA/2/20(03)) dated 18 February 2020 regarding removal of two entries [QDi.063; AL-MOKHTAR BEN MOHAMED BEN AL-MOKHTAR BOUCHOUCHA of Tunisian origin and QDi.176 IMAD BEN BECHIR BEN HAMDA AL-JAMMALI of Tunisian origin] from 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List, issued by the United Nations Security Council (UNSC).

d) Security Council document Note SCA/2/20 (04) dated 23 February 2020 regarding addition of two entities [QDe.162 Islamic State West Africa Province (ISWAP) and QDe.163 Islamic State in the Greater Sahara (ISGS)] to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List.

The UNSC press releases concerning amendments to the list are available at URL:

https://www.un.org/securitycouncil/sanctions/1267/press-releases

www.un.org/securitycouncil/sanctions/1533/press-releases

The latest version of the Sanctions list is accessible on the UN Security Council's website at the following URL:

www.un.org/securitycouncil/sanctions/1533/materials

List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and Al-Qaida

https://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban

https://www.un.org/securitycouncil/sanctions/1988/materials

The details of the sanctions measures and exemptions are available at the following URL:

https://www.un.org/securitycouncil/sanctions/1267#further_information

Participants are advised as under:

1. Follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.
2. Participants should scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019
3. Forward any request for de-listing received, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

PR No.08/2020

Implementation of Section 51A of UAPA, 1967 - Addition of 1 entry in 1267 List

1. Clause 2.8 of the SEBI Master Circular **Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under** date Oct 15, 2019 which inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list.

2. In this regard, UNSC has released the following press release and sanctions list:

   a) Security Council document No. SC/14097 (Note SCA/2/20 (2)) dated 4 February 2020 regarding addition of one entry [QDi.425; AMADOU KOUFA of Malian origin] to its Sanctions List.

      The UNSC press releases concerning amendments to the list are available at URL:

      https://www.un.org/securitycouncil/sanctions/1267/press-releases

   b) The latest versions of the Sanctions list are accessible on the UN Security Council's website at the following URL:

      i) List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and Al-Qaida

         https://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

      ii) List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban

         https://www.un.org/securitycouncil/sanctions/1988/materials

3. Stock Brokers/Depositories/AMFI/Registered intermediaries are advised to

   a) circulate these press releases to respective members/ participants/AMC's for necessary compliance as required.

   b) follow the procedure as well as advise their respective members/participants/AMC's to follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.

   c) Scan all existing accounts to ensure that no accountant is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019, and

   d) Forward any request for de-listing received by them, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

Mumbai
February 18, 2020

PR No.09/2020

Implementation of Section 51A of UAPA, 1967 - Addition of one new entry to 1533 DRC Sanctions List

1. Clause 2.8 of the SEBI Master Circular **Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under** date Oct 15, 2019 inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list.

2. In this regard, Ministry of External Affairs (MEA) has forwarded a press release SC/14101 (Note SCA/1/20 (07)) dated February 6, 2020 regarding addition of one new entry [Cdi.036; SEKA BALUKU of Ugandan origin] to its Sanctions List, issued by the United Nations Security Council (UNSC).

   The UNSC press release(s) concerning amendments to the list are available at URL:

   www.un.org/securitycouncil/sanctions/1533/press-releases

   The latest version of the Sanctions list is accessible on the UN Security Council's website at the following URL:

   www.un.org/securitycouncil/sanctions/1533/materials

3. Stock Brokers/Depositories/AMFI/Registered intermediaries are advised to

   a) Circulate this press release to respective members/ participants/AMC's for necessary compliance as required.

   b) follow the procedure as well as advise their respective members/participants/AMC's to follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.

   c) Scan all existing accounts to ensure that no accountant is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019), and

   d) Forward any request for de-listing received by them, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

Mumbai
February 20, 2020

PR No.11/2020

Implementation of Section 51A of UAPA, 1967 - Removal of two entries from 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List

1. Clause 2.8 of the SEBI Master Circular **Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under** date Oct 15, 2019 inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list.

2. In this regard, Ministry of External Affairs (MEA) has now forwarded a press release SC/14113 (Note SCA/2/20(03)) dated 18 February 2020 regarding removal of two entries [QDi.063; AL-MOKHTAR BEN MOHAMED BEN AL-MOKHTAR BOUCHOUCHA of Tunisian origin and QDi.176 IMAD BEN BECHIR BEN HAMDA AL-JAMMALI of Tunisian origin] from 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List, issued by the United Nations Security Council (UNSC).

   The UNSC press release(s) concerning amendments to the list are available at URL:

   https://www.un.org/securitycouncil/sanctions/1267/press-releases

   The latest version of the Sanctions list is accessible on the UN Security Council's website at the following URL:

   https://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

3. Stock Brokers/Depositories/AMFI/Registered intermediaries are advised to

   a) Circulate this press release to respective members/ participants/AMC's for necessary compliance as required.

   b) follow the procedure as well as advise their respective members/participants/AMC's to follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.

   c) Scan all existing accounts to ensure that no accountant is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019), and

   d) Forward any request for de-listing received by them, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

Mumbai

February 25, 2020

PR No.12/2020

Implementation of Section 51A of UAPA, 1967 - Addition of two entries to 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List

1. Clause 2.8 of the SEBI Master Circular **Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under** dated Oct 15, 2019 inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list.

2. In this regard, Ministry of External Affairs (MEA) has now forwarded a press release SCA/2/20 (04) dated 23 February 2020 regarding addition of two entities [QDe.162 Islamic State West Africa Province (ISWAP) and QDe.163 Islamic State in the Greater Sahara (ISGS)] to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List, issued by the United Nations Security Council (UNSC).

   The UNSC press release(s) concerning amendments to the list are available at URL:

   https://www.un.org/securitycouncil/sanctions/1267/press-releases

   The latest versions of the Sanctions list are accessible on the UN Security Council's website at the following URL:

   a. List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and Al-Qaida

      https://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

   b. List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban

      https://www.un.org/securitycouncil/sanctions/1988/materials

3. Stock Brokers/Depositories/AMFI/Registered intermediaries are advised to

   a) Circulate this press release to respective members/ participants/AMC's for necessary compliance as required.

   b) Follow the procedure as well as advise their respective members/participants/AMC's to follow the procedure as mentioned in the Central Government Order dated March 14, 2019 detailing the implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967.

   c) Scan all existing accounts to ensure that no accountant is held by or linked to any of the entities or individuals included in the list and also ascertain the same for future accounts as well (As per Clause 2.8.1 of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on Oct 15, 2019), and

   d) Forward any request for de-listing received by them, electronically to Joint Secretary (CTCR) (e-mail id: jsctcr-mha@gov.in) and a copy of the same to MHA, Joint Secretary (UNP) (e-mail id: jsunp@mea.gov.in).

Mumbai
February 26, 2020

Circular No.: NSDL/ POLICY/2020/0012 January 24, 2020	***Subject: Updates to UNSC's 1267/1989 ISIL (Da'esh) & Al-Qaida Sanctions List and UNSCs 1988 Taliban Sanctions List.*** All Participants are hereby informed that SEBI vide its press release dated January 22, 2020 (copy enclosed) has informed about the updates on UNSC 1267/ 1989, ISIL (Da'esh) & Al-Qaida Sanctions List and UNSC's 1988 Taliban Sanctions List for necessary compliance as required under provisions of SEBI Master Circular Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under dated October 15, 2019 which inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/ accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list. In this regard, UNSC has released the following press release and sanctions list: a) Press Release SC/14078 dated January 14, 2020 titled 'Security Council ISIL (Da'esh) and Al-Qaida Sanctions Committee Amends 85 Entries on Its Sanctions List' The UNSC press releases concerning amendments to the list are available at URL: https://www.un.org/securitycouncil/sanctions/1267/press-releases b) List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and Al-Qaida c) List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban The latest versions of the above Sanctions list are accessible on the UN Security Council's website at the following URL: a) https://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list b) https://www.un.org/securitycouncil/sanctions/1988/materials Participants are advised to take note of the above and ensure compliance with the aforementioned instructions pertaining to UAPA and update the list of individuals/entities as circulated by SEBI and ensure that the accounts are not opened in the name of anyone whose name appears in updated list of individuals.

PR No.04/2020

Implementation of Section 51A of UAPA, 1967 - Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List and UNSC's 1988 Taliban Sanctions List

1. Please refer to clause 2.8 of the SEBI Master Circular **Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under** date Oct 15, 2019 which inter-alia states that registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs). Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list.

2. In this regard, UNSC has released the following press release and sanctions list:

   a) Press Release SC/14078 dated 14 January 2020 titled 'Security Council ISIL (Da'esh) and Al-Qaida Sanctions Committee Amends 85 Entries on Its Sanctions List'

      The UNSC press releases concerning amendments to the list are available at URL: https://www.un.org/securitycouncil/sanctions/1267/press-releases

   b) List issued by the UNSC Committee established pursuant to resolution 1989 (2011) of individuals and entities linked to ISIL (Da'esh) and Al-Qaida

   c) List issued by the UNSC Committee established pursuant to resolution 1988 (2011) of individuals and entities linked to Taliban

      The latest versions of the above Sanctions list are accessible on the UN Security Council's website at the following URL:

      a) https://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

      b) https://www.un.org/securitycouncil/sanctions/1988/materials

3. Registered intermediaries are advised to ensure compliance with the aforementioned instruction pertaining to UAPA and update the list of individuals/entities as circulated by SEBI and ensure that the accounts are not opened in the name of anyone whose name appears in updated list of individuals.

Mumbai

January 22, 2020

Circular No.: NSDL/ POLICY/2019/0085 December 6, 2019	***Subject: United Nations Security Council Consolidated List.*** All Participants are hereby informed that SEBI vide its email dated November 29, 2019 has informed about insertions/ deletions and amendments made to the UNSC Sanctions Committee list in October and November 2019 and updated ISIL (Da'esh) and Al-Qaida Sanctions list as received from Ministry of External Affairs (list enclosed) for necessary compliance as required under provisions of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on October 15, 2019. These UNSC Sanctions Committee List can also be accessed from URL: https://www.un.org/securitycouncil/sanctions/1267/press-releases. The updated ISIL (Da'esh) and Al-Qaida Sanctions list can also be accessed from URL: https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/en/consolidated.xml&xslt=htdocs/resources/xsl/en/al-qaida.xsl. Participants are advised to take note of the above and ensure compliance.

Security Council ISIL (Da'esh) and Al-Qaida Sanctions Committee Removes One Entry from Its Sanctions List

Decision Taken Following Review of Delisting Request Submitted Through Office of the Ombudsperson

On 5 November 2019, the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities removed the name below from the ISIL (Da'esh) and Al-Qaida Sanctions List after concluding its consideration of the de-listing request for this name submitted through the Office of the Ombudsperson established pursuant to Security Council resolution 1904 (2009), and after considering the Comprehensive Report of the Ombudsperson on this delisting request.

Therefore, the assets freeze, travel ban, and arms embargo set out in paragraph 1 of Security Council resolution 2368 (2017), and adopted under Chapter VII of the Charter of the United Nations, no longer apply to the name set out below:

A. Individuals

QDi.151 Name: 1: MOURAD 2: BEN ALI 3: BEN AL-BASHEER 4: AL-TRABELSI
Name (original script): مراد بن علي بن البشير الطرابلسي

Title: na Designation: na DOB: 20 May 1969 POB: Manzil Tmim, Tunisia Good quality a.k.a.: a) Aboue Chiba Brahim born 2 Sep. 1966 in Libya b) Arouri Taoufik born 2 Sep. 1964 in Tunisia c) Ben Salah Adnan born 2 Apr. 1966 in Tunisia d) Sassi Adel born 2 Sep. 1966 in Tunisia e) Salam Kamel born 2 Feb. 1963 in Tunisia f) Salah Adnan born 4 Feb. 1965 in Algeria g) Arouri Faisel born 2 Mar. 1965 in Tunisia h) Bentaib Amour born 9 Feb. 1965 in Morocco i) Adnan Salah born 1 Apr. 1966 in Tunisia j) Hasnaoui Mellit (born in 1972 in Morocco) k) Arouri Taoufik ben Taieb born 9 Feb. 1964 in Tunisia l) Abouechiba Brahim born 2 Sep. 1966 in Lebanon m) Farid Arouri born 2 Jun. 1964 in Tunisia n) Ben Magid born 2 Jun. 1966 in Lebanon o) Maci Ssassi born 2 Jun. 1972 in Libya p) Salah ben Anan born 2 Apr. 1966 in Tunisia q) Hasnaui Mellit (born in 1972 in Morocco) Low quality a.k.a.: Abou Djarrah Nationality: Tunisia Passport no: Tunisia number G827238, issued on 1 Jun. 1996 (expired on 31 May 2001)

Security Council ISIL (Da'esh) and Al-Qaida Sanctions Committee Amends One Entry on Its Sanctions List

On 11 October 2019, the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida, and associated individuals, groups, undertakings and entities enacted **the amendments** specified with underline and strikethrough in the **entry** below on its ISIL (Da'esh) and Al-Qaida Sanctions List of individuals and entities subject to the assets freeze, travel ban and arms embargo set out in paragraph 1 of Security Council resolution 2368 (2017), and adopted under Chapter VII of the Charter of the United Nations.

A. Individuals

QDi.419 Name: 1: ANJEM 2: CHOUDARY 3: na 4: na

Title: na **Designation:** na **DOB:** 18 Jan. 1967 **POB:** Welling, London, United Kingdom of Great Britain and Northern Ireland **Good quality a.k.a.:** na **Low quality a.k.a.:** Abu Luqman **Nationality:** United Kingdom of Great Britain and Northern Ireland **Passport no:** United Kingdom of Great Britain and Northern Ireland number 516384722, issued on 6 May 2013 (issued by Passport Office Glasgow, expires 06 Jun. 2023) **National identification no:** na **Address:** ~~Frankland Prison~~, London, United Kingdom of Great Britain and Northern Ireland **Listed on:** 15 Oct. 2018 **(amended on 11 Oct. 2019) Other information:** Pledged allegiance to Islamic State in Iraq and the Levant (ISIL), listed as Al-Qaida in Iraq (QDe.115) in July 2014. Imprisoned in the United Kingdom in September 2014 ~~with a tentative release in October 2018~~ and subsequently released on licence in October 2018 which expires in July 2021. INTERPOL-UN Security Council Special Notice web link: https://www.interpol.int/en/How-we-work/Notices/View-UN-Notices-Individuals

Circular No.: NSDL/ POLICY/2019/0083 November 27, 2019	***Subject: The Financial Action Task Force (FATF) public statement dated October 18, 2019 regarding FATF identified jurisdictions that have strategic Anti Money Laundering and Combating the Financing of Terrorism (AML / CFT) deficiencies and Improving Global AML/CFT Compliance: On-going Process - October 18, 2019.*** Participants are hereby informed that as part of the on-going efforts to identify and work with jurisdictions with strategic AML / CFT deficiencies, 1. FATF has released a Public Statement on October 18, 2019 with regard to - a) Jurisdictions subject to a call for counter-measures: *Democratic People's Republic of Korea* b) Jurisdictions subject to a call for enhanced due diligence measures: *Iran* The link to this public statement on FATF's website is http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/public-statement-october-2019.html **Specific attention is brought to extract from Public Statement on Iran as follows:** "The FATF decided in June 2019 to call upon its members and urge all jurisdictions to require increased supervisory examination for branches and subsidiaries of financial institutions based in Iran. In line with the June 2019 Public Statement, the FATF decided this week to call upon its members and urge all jurisdictions to introduce enhanced relevant reporting mechanisms or systematic reporting of financial transactions; and require increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in Iran.

If before February 2020, Iran does not enact the Palermo and Terrorist Financing Conventions in line with the FATF Standards, then the FATF will fully lift the suspension of counter-measures and call on its members and urge all jurisdictions to apply effective counter-measures, in line with recommendation 19.

The FATF, therefore, calls on its members and urges all jurisdictions to continue to advise their financial institutions to apply enhanced due diligence with respect to business relationships and transactions with natural and legal persons from Iran, consistent with FATF Recommendation 19, including: (1) obtaining information on the reasons for intended transactions; and (2) conducting enhanced monitoring of business relationships, by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination."

Similarly on DPRK, the FATF Public Statement states that:

"FATF has serious concerns with the threat posed by the DPRK's illicit activities related to the proliferation of weapons of mass destruction (WMDs) and its financing.

The FATF reaffirms its 25 February 2011 call on its members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with the DPRK, including DPRK companies, financial institutions, and those acting on their behalf. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective counter-measures, and targeted financial sanctions in accordance with applicable United Nations Security Council Resolutions, to protect their financial sectors from money laundering, financing of terrorism and WMD proliferation financing (ML/FT/PF) risks emanating from the DPRK. Jurisdictions should take necessary measures to close existing branches, subsidiaries and representative offices of DPRK banks within their territories and terminate correspondent relationships with DPRK banks, where required by relevant UNSC resolutions."

2. FATF has also published a public document on 18 October 2019 titled "*Improving Global AML/CFT Compliance: On-going Process*". The link to this document on FATF's website is http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/fatf-compliance-october-2019.html

The aforesaid FATF statements are also attached herewith for ready reference. Participants are requested to take note of the above and ensure compliance. Further, Participants are requested to take note that this does not preclude regulated entities from legitimate trade and business transactions with these countries and jurisdictions.

Improving Global AML/CFT Compliance: On-going Process - 18 October 2019

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Paris, France, 18 October 2019 - As part of its ongoing review of compliance with the AML/CFT standards, the FATF identifies the following jurisdictions that have strategic AML/CFT deficiencies for which they have developed an action plan with the FATF. While the situations differ among each jurisdiction, each jurisdiction has provided a written high-level political commitment to address the identified deficiencies. The FATF welcomes these commitments.

A number of jurisdictions have not yet been reviewed by the FATF. The FATF continues to identify additional jurisdictions, on an ongoing basis, that pose a risk to the international financial system.

The FATF and the FATF-style regional bodies (FSRBs) will continue to work with the jurisdictions noted below and to report on the progress made in addressing the identified deficiencies. The FATF calls on these jurisdictions to complete the implementation of action plans expeditiously and within the proposed timeframes. The FATF will closely monitor the implementation of these action plans. The FATF does not call for the application of enhanced due diligence to be applied to these jurisdictions, but encourages its members to take into account the information presented below in its risk analysis.

Jurisdictions with strategic deficiencies	Jurisdictions no longer subject to monitoring
The Bahamas	Ethiopia
Botswana	Sri Lanka
Cambodia	Tunisia
Ghana	
Iceland	
Mongolia	
Pakistan	
Panama	
Syria	
Trinidad and Tobago	
Yemen	
Zimbabwe	

The Bahamas

Since October 2018, when The Bahamas made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, The Bahamas has taken steps towards improving its AML/CFT regime. These include instituting a protocol and case management system to further enhance international cooperation; initiating risk-based supervision of non-bank financial institutions; and further implementing the recent Beneficial Ownership Law to ensure the timely access to adequate, accurate, and current basic and beneficial ownership information. The Bahamas should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) demonstrating that authorities are investigating and prosecuting all types of money laundering, including complex ML cases, standalone

money laundering, and cases involving proceeds of foreign offences, including foreign tax crimes; and (2) increasing the identification, tracing and freezing or restraining of assets and to present cases linked with foreign offences and stand-alone ML cases.

Botswana

Since October 2018, when Botswana made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, Botswana has taken steps towards improving its AML/CFT regime, including by adopting risk-based AML/CFT supervisory manuals for financial sector supervisors and implementing an electronic STR filing system among FIs and certain types of DNFBPs. Botswana should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) assessing the risks associated with legal persons, legal arrangements, and NPOs, and developing and implementing a risk-based comprehensive national AML/CFT strategy; (2) developing and implementing risk-based AML/CFT supervisory manuals; (3) improving its analysis and dissemination of financial intelligence by the FIU, and enhancing the use of financial intelligence among the relevant law enforcement agencies; (4) developing and implementing CFT strategy, and ensuring the TF investigation capacity of the law enforcement agencies; (5) ensuring the implementation without delay of targeted financial sanctions measures related to terrorist financing and proliferation financing, and (6) applying a risk-based approach to monitoring non-profit organisations..

Cambodia

Since February 2019, when Cambodia made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, Cambodia has taken steps towards improving its AML/CFT regime, including by initiating off-site and on-site supervision of the real estate and casino sectors. Cambodia should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) providing a broad legal basis for MLA and conducting relevant training to LEAs; (2) implementing risk-based supervision for real estate and casinos; (3) implementing the risk-based supervision to banks, including through prompt, proportionate and dissuasive enforcement actions, as appropriate; (4) amending the AML/CFT Law to address the remaining technical compliance deficiencies; (5) conducting sector-specific outreach to casinos, real-estate and MVTS providers; (6) increasing its FIU resources; enhancing its analysis of STRs; and increasing disseminations to LEAs; (7) increasing domestic coordination and cooperation to enhance ML investigations; (8) demonstrating an increase in ML investigations and prosecutions; and providing targeted proceeds of crime confiscation training to all LEAs; (9) demonstrating an increase in the freezing and confiscation of criminal proceeds, instrumentalities, and property of equivalent value; (10) establishing the legal framework to implement UN sanctions related to PF TFS, demonstrating that implementation is occurring and enhancing the understanding of sanctions evasion.

Ghana

Since October 2018, when Ghana made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime, Ghana has taken steps towards improving its AML/CFT regime, including by conducting a risk assessment on legal persons, and developing a framework for adequate and effective investigation and prosecution of TF. Ghana should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) implementing a comprehensive national AML/CFT Policy based on the risks identified in the NRA, including measures to mitigate ML/TF risks associated with the legal persons; (2) improving risk-based supervision, by enhancing the capacity of the regulators and the awareness of the private sector; (3) ensuring the timely access to adequate, accurate and current basic and beneficial ownership information; (4) ensuring that the FIU is focusing its activities the risks identified in the NRA, and adequately resourced; and (5) applying a risk-based approach for monitoring non-profit organisations.

Iceland

In October 2019, Iceland made a high-level political commitment to work with the FATF to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in 2017, Iceland has made progress on a number of recommended actions to improve technical compliance and effectiveness, including carrying out a second national risk assessment, comprehensive outreach to deepen the understanding of relevant risks across sectors, enhancing risk based supervision in both the financial and DNFBP sector and significantly strengthening the capacities of investigation and law enforcement authorities. Iceland will work to implement its action plan, by:

(1) ensuring the access to accurate basic and beneficial ownership information for legal persons by competent authorities in a timely manner; (2) introducing an automated system for STR filing and enhancing the FIU's capacity in its strategic and operational analysis; (3) ensuring implementation of the TFS requirements among FIs and DNFBPs through effective supervision, and enabling effective oversight and monitoring of NPOs with adequate resources and in line with the identified TF risks. FATF noted that Iceland had already pro-actively taken steps to address these issues before the Action Plan's formal adoption by FATF. However, the FATF could not yet fully review these due to their very recent nature.

Mongolia

In October 2019, Mongolia made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in 2017, Mongolia has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including by enhancing its ML and TF risk understanding, and introducing a comprehensive institutional framework to give effect to PF TFS obligations, and enhancing its TF TFS legal framework through legislative measures and guidance. Mongolia will work to implement its action plan, including by: (1) improving sectoral ML/TF risk understanding by DNFBP supervisors, applying a risk-based approach to supervision and applying proportionate and dissuasive sanctions for breaches of AML/CFT obligations; (2) demonstrating increased investigations and prosecutions of different types of ML activity in line with identified risks; (3) demonstrating further seizure and confiscation of falsely/non-declared currency and applying effective, proportionate and dissuasive sanctions; (4) demonstrating cooperation and coordination between authorities to prevent sanctions evasion; and monitoring compliance by FIs and DNFBPs with their PF-related TFS obligations, including the application of proportionate and dissuasive sanctions.

Pakistan

Since June 2018, when Pakistan made a high-level political commitment to work with the FATF and APG to strengthen its AML/CFT regime and to address its strategic counter-terrorist financing-related deficiencies, Pakistan has made progress towards improving its AML/CFT regime, including the recent development of its ML/TF risk assessment. At the October 2019 plenary, Pakistan reiterated its political commitment to completing its action plan and implementing AML/CFT reforms. Pakistan should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) adequately demonstrating its proper understanding of the TF risks posed by the terrorist groups, and conducting supervision on a risk-sensitive basis; (2) demonstrating that remedial actions and sanctions are applied in cases of AML/CFT violations, and that these actions have an effect on AML/CFT compliance by financial institutions; (3) demonstrating that competent authorities are cooperating and taking action to identify and take enforcement action against illegal money or value transfer services (MVTS); (4) demonstrating that authorities are identifying cash couriers and enforcing controls on illicit movement of currency; (5) improving inter-agency coordination including between provincial and federal authorities on combating TF risks;

(6) demonstrating that law enforcement agencies (LEAs) are identifying and investigating the widest range of TF activity and that TF investigations and prosecutions target designated persons and entities, and those acting on behalf or at the direction of the designated persons or entities; (7) demonstrating that TF prosecutions result in effective, proportionate and dissuasive sanctions and enhancing the capacity and support for prosecutors and the judiciary; and (8) demonstrating effective implementation of targeted financial sanctions (supported by a comprehensive legal obligation) against all 1267 and 1373 designated terrorists and those acting for or on their behalf, including preventing the raising and moving of funds, identifying and freezing assets (movable and immovable), and prohibiting access to funds and financial services; (9) demonstrating enforcement against TFS violations including administrative and criminal penalties and provincial and federal authorities cooperating on enforcement cases; (10) demonstrating that facilities and services owned or controlled by designated person are deprived of their resources and the usage of the resources.

All deadlines in the action plan have now expired. While noting recent improvements, the FATF again expresses serious concerns with the overall lack of progress by Pakistan to address its TF risks, including remaining deficiencies in demonstrating a sufficient understanding of Pakistan's transnational TF risks, and more broadly, Pakistan's failure to complete its action plan in line with the agreed timelines and in light of the TF risks emanating from the jurisdiction. To date, Pakistan has only largely addressed five of 27 action items, with varying levels of progress made on the rest of the action plan. The FATF strongly urges Pakistan to swiftly complete its full action plan by February 2020. Otherwise, should significant and sustainable progress not be made across the full range of its action plan by the next Plenary, the FATF will take action, which could include the FATF calling on its members and urging all jurisdictions to advise their FIs to give special attention to business relations and transactions with Pakistan.

Panama

Since June 2019, when Panama made a high-level political commitment to work with the FATF and GAFILAT to strengthen the effectiveness of its AML/CFT regime, Panama has taken initial steps towards improving its AML/CFT regime, including by drafting sectoral risk assessments for the corporate and DNFBP sectors and free trade zones. Panama should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) strengthening its understanding of the national and sectoral ML/TF risk and informing findings to its national policies to mitigated the identified risks; (2) proactively taking action to identify unlicensed money remitters, applying a risk-based approach to supervision of the DNFBP sector and ensuring effective, proportionate, and dissuasive sanctions again AML/CFT violations; (3); ensuring adequate verification and update of beneficial ownership information by obliged entities, establishing an effective mechanisms to monitor the activities of offshore entities, assessing the existing risks of misuse of legal persons and arrangements to define and implement specific measures to prevent the misuse of nominee shareholders and directors, and ensuring timely access to adequate and accurate beneficial ownership information; and (4) ensuring effective use of FIU products for ML investigations, demonstrating its ability to investigate and prosecute ML involving foreign tax crimes and to provide constructive and timely international cooperation with such offence, and continuing to focus on ML investigations in relation to high-risk areas identified in the NRA and MER.

Syria

Since February 2010, when Syria made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Syria has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Syria had substantially addressed its action plan at a technical level, including by criminalising terrorist financing and establishing procedures for freezing terrorist assets. While the FATF determined that Syria has completed its agreed action plan, due to the security situation, the FATF has been unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will continue to monitor the situation, and will conduct an onsite visit at the earliest possible date.

Trinidad and Tobago

In November 2017, Trinidad and Tobago made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies. The FATF has made the initial determination that Trinidad and Tobago has substantially completed its action plan and warrants an on-site assessment to verify that the implementation of Trinidad and Tobago's AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future. Specifically, Trinidad and Tobago has made the following key reforms: (1) adopting and implementing the relevant measures to enhance international cooperation; (2) addressing measures for transparency and beneficial ownership; (3) completing the legislative efforts to enhance the processing of ML charges before the courts; (4) taking measures to enhance tracing and confiscation of criminal assets; (5) enforcing TF measures and adopting appropriate measures for NPOs; (6) enacting the necessary amendments related to targeted financial sanctions; and (7) developing, adopting, and implementing the necessary framework to counter proliferation financing.

Yemen

Since February 2010, when Yemen made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Yemen has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Yemen had substantially addressed its action plan at a technical level, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing procedures to identify and freeze terrorist assets; (3) improving its customer due diligence and suspicious transaction reporting requirements; (4) issuing guidance; (5) developing the monitoring and supervisory capacity of the financial sector supervisory authorities and the financial intelligence unit; and (6) establishing a fully operational and effectively functioning financial intelligence unit. While the FATF determined that Yemen has completed its agreed action plan, due to the security situation, the FATF has been unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will continue to monitor the situation, and conduct an on-site visit at the earliest possible date.

Zimbabwe

In October 2019, Zimbabwe made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in 2016, Zimbabwe has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including establishing a national coordination and cooperation structure on AML/CFT issues, amending the AML/CFT legal framework to apply a risk-based approach to supervision of FIs and DNFBPs, widening the scope of disseminating financial intelligence, and establishing an asset forfeiture unit within the National Prosecuting Authority. Zimbabwe will work to implement its action plan, including by: (1) improving understanding of the key ML/TF risks among the relevant stakeholders and implementing the national AML/CFT policy base on the identified risks; (2) implementing risk-based supervision for FIs and DNFBPs including through capacity building among the supervisory authority; (3) ensuring development of adequate risk mitigation measures among FIs and DNFBPs, including by applying proportionate and dissuasive sanctions to breaches; (4) developing a comprehensive legal framework and mechanism to collect and maintain accurate and updated beneficial ownership information for legal persons and arrangements, and ensure timey assess by the competent authorities; and (5) addressing remaining gaps in the TF- and PF-related TFS frameworks and demonstrating implementation.

Jurisdictions No Longer Subject to the FATF's On-Going Global AML/CFT Compliance Process

Ethiopia

The FATF welcomes Ethiopia's significant progress in improving its AML/CFT regime and notes that Ethiopia has strengthened the effectiveness of its AML/CFT regime and addressed related technical deficiencies to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in February 2017. Ethiopia is therefore no longer subject to the FATF's monitoring process under its ongoing global AML/CFT compliance process. Ethiopia will continue to work with ESAAMLG to improve further its AML/CFT regime.

Sri Lanka

The FATF welcomes Sri Lanka's significant progress in improving its AML/CFT regime and notes that Sri Lanka has strengthened the effectiveness of its AML/CFT regime and addressed related technical deficiencies to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in November 2017. Sri Lanka is therefore no longer subject to the FATF's monitoring process under its ongoing global AML/CFT compliance process. Sri Lanka will continue to work with APG to improve further its AML/CFT regime.

Tunisia

The FATF welcomes Tunisia's significant progress in improving its AML/CFT regime and notes that Tunisia has strengthened the effectiveness of its AML/CFT regime and addressed related technical deficiencies to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in November 2017. Tunisia is therefore no longer subject to the FATF's monitoring process under its ongoing global AML/CFT compliance process. Tunisia will continue to work with MENAFATF to improve further its AML/CFT regime.

More on:

- Public Statement, 18 October 2019
- Outcomes FATF Plenary, Paris, 18 October 2019

High-risk and other monitored jurisdictions

Public Statement - October 2019

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Paris, 18 October 2019 - The Financial Action Task Force (FATF) is the global standard-setting body for antimoney laundering and combating the financing of terrorism (AML/CFT). In order to protect the international financial system from money laundering and financing of terrorism (ML/FT) risks and to encourage greater compliance with the AML/CFT standards, the FATF identifies jurisdictions that have strategic deficiencies and works with them to address those deficiencies that pose a risk to the international financial system.

Jurisdiction subject to a FATF call on its members and other jurisdictions to apply counter-measures to protect the international financial system from the ongoing and substantial money laundering and financing of terrorism (ML/FT) risks.

Democratic People's Republic of Korea (DPRK)

The FATF remains concerned by the DPRK's failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime and the serious threats they pose to the integrity of the international financial system. The FATF urges the DPRK to immediately and meaningfully address its AML/CFT deficiencies. Further, the FATF has serious concerns with the threat posed by the DPRK's illicit activities related to the proliferation of weapons of mass destruction (WMDs) and its financing The FATF reaffirms its 25 February 2011 call on its members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with the DPRK, including DPRK companies, financial institutions, and those acting on their behalf. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective counter-measures, and targeted financial sanctions in accordance with applicable United Nations Security Council Resolutions, to protect their financial sectors from money laundering, financing of terrorism and WMD proliferation financing (ML/FT/PF) risks emanating from the DPRK. Jurisdictions should take necessary measures to close existing branches, subsidiaries and representative offices of DPRK banks within their territories and terminate correspondent relationships with DPRK banks, where required by relevant UNSC resolutions.

Jurisdiction subject to a FATF call on its members and other jurisdictions to apply, in line with Recommendation 19: 1) increased supervisory examination for branches and subsidiaries of financial institutions based in Iran; 2) enhanced relevant reporting mechanisms or systematic reporting of financial transactions; and 3) increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in Iran.

Iran

In June 2016, the FATF welcomed Iran's high-level political commitment to address its strategic AML/CFT deficiencies, and its decision to seek technical assistance in the implementation of the Action Plan. In November 2017, Iran established a cash declaration regime. In August 2018, Iran has enacted amendments to its Counter-Terrorist Financing Act and in January 2019, Iran has also enacted amendments to its Anti-Money Laundering Act. The FATF recognises the progress of these legislative efforts. The bills to ratify the Palermo and Terrorist Financing Conventions have passed Parliament, but are not yet in force. As with any country, the FATF can only consider fully enacted legislation. Once the remaining legislation comes fully into force, the FATF will review this alongside the enacted legislation to determine whether the measures contained therein address Iran's Action Plan, in line with the FATF standards. Iran's action plan expired in January 2018. In October 2019, the FATF noted that there are still items not completed and Iran should fully address: (1) adequately criminalizing terrorist financing, including by removing the exemption for designated groups "attempting to end foreign occupation, colonialism and racism"; (2) identifying and freezing terrorist assets in line with the relevant United Nations Security Council resolutions; (3) ensuring an adequate and enforceable customer due diligence regime; (4) clarifying that the submission of STRs for attempted TF-related transactions are covered under Iran's legal framework; (5) demonstrating how authorities are identifying and sanctioning unlicensed money/value transfer service providers; (6) ratifying and implementing the Palermo and TF Conventions and clarifying the capability to provide mutual legal assistance; and (7) ensuring that financial institutions verify that wire transfers contain complete originator and beneficiary information.

The FATF decided in June 2019 to call upon its members and urge all jurisdictions to require increased supervisory examination for branches and subsidiaries of financial institutions based in Iran. In line with the June 2019 Public Statement, the FATF decided this week to call upon its members and urge all jurisdictions to introduce enhanced relevant reporting mechanisms or systematic reporting of financial transactions; and require increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in Iran.

If before February 2020, Iran does not enact the Palermo and Terrorist Financing Conventions in line with the FATF Standards, then the FATF will fully lift the suspension of counter-measures and call on its members and urge all jurisdictions to apply effective counter-measures, in line with recommendation 19[1].

While acknowledging that Iran has recently adopted the AML-CFT bylaw, which the FATF has not yet reviewed, the FATF expresses its disappointment that the Action Plan remains outstanding. The FATF expects Iran to proceed swiftly in the reform path to ensure that it addresses all of the remaining items by completing and implementing the necessary AML/CFT reforms.

Iran will remain on the FATF Public Statement until the full Action Plan has been completed. Until Iran implements the measures required to address the deficiencies identified with respect to countering terrorism-financing in the Action Plan, the FATF will remain concerned with the terrorist financing risk emanating from Iran and the threat this poses to the international financial system. The FATF, therefore, calls on its members and urges all jurisdictions to continue to advise their financial institutions to apply enhanced due diligence with respect to business relationships and transactions with natural and legal persons from Iran, consistent with FATF Recommendation 19, including: (1) obtaining information on the reasons for intended transactions; and (2) conducting enhanced monitoring of business relationships, by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination.

Countries should be able to apply appropriate countermeasures when called upon to do so by the FATF. Countries should also be able to apply countermeasures independently of any call by the FATF to do so. Such countermeasures should be effective and proportionate to the risks.

The Interpretative Note to Recommendation 19 specifies examples of the countermeasures that could be undertaken by countries.

More on:

- Improving Global AML/CFT Compliance: On-going Process, 18 October 2019
- Outcomes FATF Plenary, Paris, 18 October 2019

High-risk and other monitored jurisdictions

[1]Countries should be be able to apply appropriate countermeasures when called upon to do so by the FATF. Countries should also be able to apply countermeasures independently of any call by the FATF to do so. Such countermeasures should be effective and proportionate to the risks.

Circular No.: NSDL/ POLICY/2019/0068 October 18, 2019	***Subject: SEBI Master Circular on Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the PMLA, 2002 and Rules framed there under.*** Attention of Participants is invited to SEBI Master Circular no. SEBI/ HO/ MIRSD/ DOP/ CIR/ P/ 2019/113 dated October 15, 2019 regarding guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the PMLA, 2002 and Rules framed there under. Participants are requested to take note of the above and ensure compliance.

MASTER CIRCULAR

SEBI/ HO/ MIRSD/ DOP/ CIR/ P/ 2019/113 October 15, 2019

To,

All Intermediaries registered with SEBI under Section 12 of the Securities and Exchange Board of India Act, 1992.

(Through the stock exchanges for stock brokers, depositories for depository participants, Association of Mutual Funds in India (AMFI) for Asset Management Companies)

Subject: Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under

1. The Prevention of Money Laundering Act, 2002 ("PMLA") was brought into force with effect from 1st July 2005. Necessary Notifications / Rules under the said Act were published in the Gazette of India on July 01, 2005 by the Department of Revenue, Ministry of Finance, Government of India.

2. As per the provisions of the PMLA, every banking company, financial institution (which includes chit fund company, a co-operative bank, a housing finance institution and a non-banking financial company) and intermediary (includes a stock-broker, sub-broker, share transfer agent, banker to an issue, trustee to a trust deed, registrar to an issue, asset management company, depository participant, merchant banker, underwriter, portfolio manager, investment adviser and any other intermediary associated with the securities market and registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (SEBI Act)) shall have to adhere to client account opening procedures and maintain records of such transactions as prescribed by the PMLA and rules notified there under.

3. Pursuant to amendments made to the PMLA and Rules made thereunder, updated guidelines in the context of recommendations made by Financial Action Task force (FATF) on anti-money laundering standards is enclosed. These guidelines have been divided into two parts; the first part is an overview on the background and essential principles that concern combating Money Laundering (ML) and Terrorist Financing (TF). The second part provides a detailed account of the procedures and obligations to be followed by all registered intermediaries to ensure compliance with AML/ CFT directives. These guidelines shall also apply to registered intermediaries' branches and subsidiaries located abroad, especially, in countries which do not or insufficiently apply the FATF Recommendations, to the extent local laws and regulations permit. When local applicable laws and regulations prohibit implementation of these requirements, the same shall be brought to the notice of SEBI.

4. The key circulars/ directives issued with regard to KYC, CDD, AML and CFT have been mentioned in Schedule I. These directives lay down the minimum requirements and it is emphasized that the intermediaries may, according to their requirements, specify additional disclosures to be made by clients to address concerns of money laundering and suspicious transactions undertaken by clients. Reference to applicable statutes and reporting guidelines for intermediaries is available at the website of the Financial Intelligence Unit – India (FIU-IND).

5. This Master Circular shall supersede the earlier Master Circular on AML/ CFT dated July 04, 2018.

Yours faithfully,

Rajesh Kumar Dangeti
General Manager
Phone No. 022-26449242
Email id: rajeshkd@sebi.gov.in

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Section 1: Overview

1.1. Introduction

1.1.1 The Directives as outlined below provide a general background and summary of the main provisions of the applicable anti-money laundering and anti-terrorist financing legislations in India. They also provide guidance on the practical implications of the Prevention of Money Laundering Act, 2002 (**PMLA**). The Directives also set out the steps that a registered intermediary or its representatives shall implement to discourage and to identify any money laundering or terrorist financing activities. The relevance and usefulness of these Directives will be kept under review and it may be necessary to issue amendments from time to time.

1.1.2 These Directives are intended for use primarily by intermediaries registered under Section 12 of the Securities and Exchange Board of India Act, 1992 **(SEBI Act).** While it is recognized that a "one- size-fits-all" approach may not be appropriate for the securities industry in India, each registered intermediary shall consider the specific nature of its business, organizational structure, type of clients and transactions, etc. when implementing the suggested measures and procedures to ensure that they are effectively applied. The overriding principle is that they shall be able to satisfy themselves that the measures taken by them are adequate, appropriate and abide by the spirit of such measures and the requirements as enshrined in the PMLA.

1.2. Background

1.2.1 The PMLA came into effect from 1st July 2005. Necessary Notifications / Rules under the said Act were published in the Gazette of India on 1st July, 2005 by the Department of Revenue, Ministry of Finance, Government of India. The PMLA has been further amended vide notification dated March 6, 2009 and inter alia provides that violating the prohibitions on manipulative and deceptive devices, insider trading and substantial acquisition of securities or control as prescribed in Section 12 A read with Section 24 of the Securities and Exchange Board of India Act, 1992 (SEBI Act) will now be treated as a scheduled offence under schedule B of the PMLA.

1.2.2 As per the provisions of the PMLA, every banking company, financial institution (which includes chit fund company, a co-operative bank, a housing finance institution and a non-banking financial company) and intermediary (which includes a stock-broker, sub-broker, share transfer agent, banker to an issue, trustee to a trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and any other intermediary associated with securities market and registered under Section 12 of the SEBI Act , shall have to maintain a record of all the transactions; the nature and value of which has been prescribed in the Rules under the PMLA. Such transactions include;

i. All cash transactions of the value of more than ₹ 10 lakh or its equivalent in foreign currency.

ii. All series of cash transactions integrally connected to each other which have been valued below ₹ 10 lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds an amount of ten lakh rupees or its equivalent in foreign currency

iii. All suspicious transactions whether or not made in cash and including, inter-alia, credits or debits into from any non-monetary account such as demat account, security account maintained by the registered intermediary.

1.2.3 It may, however, be clarified that for the purpose of suspicious transactions reporting, apart from 'transactions integrally connected', 'transactions remotely connected or related' shall also be considered. In case there is a variance in CDD/AML standards prescribed by SEBI and the regulators of the host country, branches/overseas subsidiaries of intermediaries are required to adopt the more stringent requirements of the two. 6

1.3. Policies and Procedures to Combat Money Laundering and Terrorist financing

1.3.1 Essential Principles:

1.3.1.1 These Directives have taken into account the requirements of the PMLA as applicable to the intermediaries registered under Section 12 of the SEBI Act. The detailed Directives in Section II have outlined relevant measures and procedures to guide the registered intermediaries in preventing ML and TF. Some of these suggested measures and procedures may not be applicable in every circumstance. Each intermediary shall consider carefully the specific nature of its business, organizational structure, type of client and transaction, etc. to satisfy itself that the measures taken by it are adequate and appropriate and follow the spirit of the suggested measures in Section II and the requirements as laid down in the PMLA.

1.3.2 Obligation to establish policies and procedures:

1.3.2.1 Global measures taken to combat drug trafficking, terrorism and other organized

and serious crimes have all emphasized the need for financial institutions, including securities market intermediaries, to establish internal procedures that effectively serve to prevent and impede money laundering and terrorist financing. The PMLA is in line with these measures and mandates that all intermediaries ensure the fulfillment of the aforementioned obligations.

1.3.2.2 To be in compliance with these obligations, the senior management of a registered intermediary shall be fully committed to establishing appropriate policies and procedures for the prevention of ML and TF and ensuring their effectiveness and compliance with all relevant legal and regulatory requirements. The Registered Intermediaries shall:

a) issue a statement of policies and procedures, on a group basis where applicable, for dealing with ML and TF reflecting the current statutory and regulatory requirements

b) ensure that the content of these Directives are understood by all staff members

c) regularly review the policies and procedures on the prevention of ML and TF to ensure their effectiveness. Further, in order to ensure the effectiveness of policies and procedures, the person doing such a review shall be different from the one who has framed such policies and procedures

d) adopt client acceptance policies and procedures which are sensitive to the risk of ML and TF

e) undertake client due diligence (**"CDD"**) measures to an extent that is sensitive to the risk of ML and TF depending on the type of client, business relationship or transaction

f) have in system a place for identifying, monitoring and reporting suspected ML or TF transactions to the law enforcement authorities; and

g) develop staff members' awareness and vigilance to guard against ML and TF

1.3.2.3 Policies and procedures to combat ML shall cover:

a) Communication of group policies relating to prevention of ML and TF to all management and relevant staff that handle account information, securities transactions, money and client records etc. whether in branches, departments or subsidiaries;

b) Client acceptance policy and client due diligence measures, including requirements for proper identification;

c) Maintenance of records;

d) Compliance with relevant statutory and regulatory requirements;

e) Co-operation with the relevant law enforcement authorities, including the timely disclosure of information; and

f) Role of internal audit or compliance function to ensure compliance with the policies, procedures, and controls relating to the prevention of

ML and TF, including the testing of the system for detecting suspected money laundering transactions, evaluating and checking the adequacy of exception reports generated on large and/or irregular transactions, the quality of reporting of suspicious transactions and the level of awareness of front line staff, of their responsibilities in this regard. The internal audit function shall be independent, adequately resourced and commensurate with the size of the business and operations, organization structure, number of clients and other such factors

Section 2: Detailed Directives

2.1. Written Anti Money Laundering Procedures

2.1.1 Each registered intermediary shall adopt written procedures to implement the anti- money laundering provisions as envisaged under the PMLA. Such procedures shall include inter alia, the following three specific parameters which are related to the overall **'Client Due Diligence Process'**:

a) Policy for acceptance of clients

b) Procedure for identifying the clients

c) Transaction monitoring and reporting especially Suspicious Transactions Reporting (STR**).**

2.2. Client Due Diligence (CDD)

2.2.1 The CDD measures comprise the following:

a) Obtaining sufficient information in order to identify persons who beneficially own or control the securities account. Whenever it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the client, that party shall be identified using client identification and verification procedures. The beneficial owner is the natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement

b) Verify the client's identity using reliable, independent source documents, data or information

c) Identify beneficial ownership and control, i.e. determine which individual(s) ultimately own(s) or control(s) the client and/or the person on whose behalf a transaction is being conducted -

i. [1]**For clients other than individuals or trusts:** Where the client is a person other than an individual or trust, viz., company, partnership or unincorporated association/body of individuals, the intermediary shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the following information:

aa) The identity of the natural person, who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest.

[1] CIR/ MIRSD/2/ 2013 dated January 24, 2013

Explanation: Controlling ownership interest means ownership of/ entitlement to:

i. more than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;

ii. more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or

iii. more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

bb) In cases where there exists doubt under clause (aa) above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the juridical person through other means.

Explanation: Control through other means can be exercised through voting rights, agreement, arrangements or in any other manner.

cc) Where no natural person is identified under clauses (aa) or (bb) above, the identity of the relevant natural person who holds the position of senior managing official.

ii. **For client which is a trust:** Where the client is a trust, the intermediary shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

iii. **Exemption in case of listed companies:** Where the client or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

iv. **Applicability for foreign investors:** Intermediaries dealing with foreign investors' may be guided by the clarifications issued vide SEBI circulars CIR/MIRSD/11/2012 dated September 5, 2012 and CIR/ MIRSD/ 07/ 2013 dated September 12, 2013, for the purpose of identification of beneficial ownership of the client.

v. The Stock Exchanges and Depositories shall monitor the compliance of the aforementioned provision on identification of beneficial ownership through half-yearly internal audits. In case of mutual funds, compliance of the same shall be monitored by the Boards of the Asset Management Companies and the Trustees and in case of other intermediaries, by their Board of Directors

d) Verify the identity of the beneficial owner of the client and/or the person

on whose behalf a transaction is being conducted, corroborating the information provided in relation to (c).

e) Understand the ownership and control structure of the client.

f) Conduct ongoing due diligence and scrutiny, i.e. Perform ongoing scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the registered intermediary's knowledge of the client, its business and risk profile, taking into account, where necessary, the client's source of funds; and

g) Registered intermediaries shall periodically update all documents, data or information of all clients and beneficial owners collected under the CDD process.

2.2.2 Policy for acceptance of clients:

2.2.2.1 All registered intermediaries shall develop client acceptance policies and procedures that aim to identify the types of clients that are likely to pose a higher than average risk of ML or TF. By establishing such policies and procedures, they will be in a better position to apply client due diligence on a risk sensitive basis depending on the type of client business relationship or transaction. In a nutshell, the following safeguards are to be followed while accepting the clients:

a) No account is opened in a fictitious / benami name or on an anonymous basis.

b) Factors of risk perception (in terms of monitoring suspicious transactions) of the client are clearly defined having regard to clients' location (registered office address, correspondence addresses and other addresses if applicable), nature of business activity, trading turnover etc. and manner of making payment for transactions undertaken. The parameters shall enable classification of clients into low, medium and high risk. Clients of special category (as given below) may, if necessary, be classified even higher. Such clients require higher degree of due diligence and regular update of Know Your Client (**KYC**) profile.

c) Documentation requirements and other information to be collected in respect of different classes of clients depending on the perceived risk and having regard to the requirements of Rule 9 of the PML Rules, Directives and Circulars issued by SEBI from time to time.

d) Ensure that an account is not opened where the intermediary is unable to apply appropriate CDD measures/ KYC policies. This shall apply in cases where it is not possible to ascertain the identity of the client, or the information provided to the intermediary is suspected to be non - genuine, or there is perceived non - co-operation of the client in providing full and complete information. The market intermediary shall not continue to do business with such a person and file a suspicious activity report. It shall also evaluate whether there is suspicious trading in determining whether to freeze or close the account. The market intermediary shall be cautious to ensure that it does not return securities of money that may

be from suspicious trades. However, the market intermediary shall consult the relevant authorities in determining what action it shall take when it suspects suspicious trading.

e) The circumstances under which the client is permitted to act on behalf of another person / entity shall be clearly laid down. It shall be specified in what manner the account shall be operated, transaction limits for the operation, additional authority required for transactions exceeding a specified quantity/value and other appropriate details. Further the rights and responsibilities of both the persons i.e. the agent- client registered with the intermediary, as well as the person on whose behalf the agent is acting shall be clearly laid down. Adequate verification of a person's authority to act on behalf of the client shall also be carried out.

f) Necessary checks and balance to be put into place before opening an account so as to ensure that the identity of the client does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide

g) The CDD process shall necessarily be revisited when there are suspicions of money laundering or financing of terrorism (ML/FT).

2.2.3 Risk-based Approach:

2.2.3.1 It is generally recognized that certain clients may be of a higher or lower risk category depending on the circumstances such as the client's background, type of business relationship or transaction etc. As such, the registered intermediaries shall apply each of the client due diligence measures on a risk sensitive basis. The basic principle enshrined in this approach is that the registered intermediaries shall adopt an enhanced client due diligence process for higher risk categories of clients. Conversely, a simplified client due diligence process may be adopted for lower risk categories of clients. In line with the risk-based approach, the type and amount of identification information and documents that registered intermediaries shall obtain necessarily depend on the risk category of a particular client.

2.2.3.2 Further, low risk provisions shall not apply when there are suspicions of ML/FT or when other factors give rise to a belief that the customer does not in fact pose a low risk

2.2.3.3 **Risk Assessment**[2]

a) Registered intermediaries shall carry out risk assessment to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk with respect to its clients, countries or geographical areas, nature and volume of transactions, payment methods used by clients, etc. The risk assessment shall also take into account any country specific information that is circulated by the Government of India and SEBI from time to time, as well as, the updated list of individuals and entities who are subjected to sanction measures as required under the various United Nations' Security Council Resolutions (these can be accessed at the URL - http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml and http://www.un.org/sc/committees/1988/list.shtml)

[2] SEBI Circular No. CIR/ MIRSD/ 1/ 2014 dated March 12, 2014

b) The risk assessment carried out shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied. The assessment shall be documented, updated regularly and made available to competent authorities and self-regulating bodies, as and when required.

2.2.4 Clients of special category (CSC): Such clients shall include the following:

a) Non - resident clients

b) High net-worth clients,

c) Trust, Charities, Non-Governmental Organizations (NGOs)and organizations receiving donations

d) Companies having close family shareholdings or beneficial ownership

e) Politically Exposed Persons (PEP) are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. The additional norms applicable to PEP as contained in the subsequent para 2.2.5 of this circular shall also be applied to the accounts of the family members or close relatives of PEPs.

f) Companies offering foreign exchange offerings

g) Clients in high risk countries. While dealing with clients from or situate in high risk countries or geographic areas or when providing delivery of services to clients through high risk countries or geographic areas i.e. places where existence or effectiveness of action against money laundering or terror financing is suspect, intermediaries apart from being guided by the Financial Action task Force (FATF) statements that inter alia identify such countries or geographic areas that do not or insufficiently apply the FATF Recommendations, published by the FATF on its website (www.fatf-gafi.org) from time to time, shall also independently access and consider other publicly available information along with any other information which they may have access to.

However, this shall not preclude intermediaries from entering into legitimate transactions with clients from or situate in such high risk countries and geographic areas or delivery of services through such high risk countries or geographic areas.

h) Non face to face clients

i) Clients with dubious reputation as per public information available etc.

The above mentioned list is only illustrative and the intermediary shall exercise independent judgment to ascertain whether any other set of clients shall be classified as CSC or not.

2.2.5 Client identification procedure:

2.2.5.1 The KYC policy shall clearly spell out the client identification procedure to be carried out at different stages i.e. while establishing the intermediary – client relationship, while carrying out transactions for the client or when the intermediary has doubts regarding the veracity or the adequacy of previously obtained client identification data.

Intermediaries shall be in compliance with the following requirements while putting in place a Client Identification Procedure **(CIP):**

a) All registered intermediaries shall proactively put in place appropriate risk management systems to determine whether their client or potential client or the beneficial owner of such client is a politically exposed person. Such procedures shall include seeking relevant information from the client, referring to publicly available information or accessing the commercial electronic databases of PEPS. Further, the enhanced CDD measures as outlined in clause 2.2.5 shall also be applicable where the beneficial owner of a client is a PEP.

b) All registered intermediaries are required to obtain senior management approval for establishing business relationships with PEPs. Where a client has been accepted and the client or beneficial owner is subsequently found to be, or subsequently becomes a PEP, registered intermediaries shall obtain senior management approval to continue the business relationship.

c) Registered intermediaries shall also take reasonable measures to verify the sources of funds as well as the wealth of clients and beneficial owners identified as PEP.

d) The client shall be identified by the intermediary by using reliable sources including documents / information. The intermediary shall obtain adequate information to satisfactorily establish the identity of each new client and the purpose of the intended nature of the relationship.

e) The information must be adequate enough to satisfy competent authorities (regulatory / enforcement authorities) in future that due diligence was observed by the intermediary in compliance with the directives. Each original document shall be seen prior to acceptance of a copy.

f) Failure by prospective client to provide satisfactory evidence of identity shall be noted and reported to the higher authority within the intermediary

2.2.5.2 SEBI has prescribed the minimum requirements relating to KYC for certain classes of registered intermediaries from time to time as detailed in Schedule II. Taking into account the basic principles enshrined in the KYC norms which have already been prescribed or which may be prescribed by SEBI from time to time, all registered intermediaries shall frame their own internal directives based on their experience in dealing with their clients and legal requirements as per the established practices.

Further, the intermediary shall conduct ongoing due diligence where it notices inconsistencies in the information provided. The underlying objective shall be to follow the requirements enshrined in the PMLA, SEBI Act and Regulations, directives and circulars issued thereunder so that the intermediary is aware of the clients on whose behalf it is dealing.

2.2.5.3 Every intermediary shall formulate and implement a CIP which shall incorporate the requirements of the PML Rules Notification No. 9/2005 dated July 01, 2005 (as amended from time to time), which notifies rules for maintenance of records of the nature and value of transactions, the procedure and manner of maintaining and time for furnishing of information and verification of records of the identity of the clients of the banking companies, financial institutions and intermediaries of securities market and such other additional requirements that it considers appropriate to enable it to determine the true identity of its clients.

2.2.5.4 It may be noted that irrespective of the amount of investment made by clients, no minimum threshold or exemption is available to registered intermediaries (brokers, depository participants, AMCs etc.) from obtaining the minimum information/documents from clients as stipulated in the PML Rules/ SEBI Circulars (as amended from time to time) regarding the verification of the records of the identity of clients. Further no exemption from carrying out CDD exists in respect of any category of clients. In other words, there shall be no minimum investment threshold/ category-wise exemption available for carrying out CDD measures by registered intermediaries. This shall be strictly implemented by all intermediaries and non-compliance shall attract appropriate sanctions.

2.2.6 Reliance on third party for carrying out Client Due Diligence (CDD)[3]

2.2.6.1 Registered intermediaries may rely on a third party for the purpose of

a) identification and verification of the identity of a client and

b) Determination of whether the client is acting on behalf of a beneficial owner, identification of the beneficial owner and verification of the identity of the beneficial owner. Such third party shall be regulated, supervised or monitored for, and have measures in place for compliance with CDD and record-keeping requirements in line with the obligations under the PML Act.

2.2.6.2 Such reliance shall be subject to the conditions that are specified in Rule 9 (2) of the PML Rules and shall be in accordance with the regulations and circulars/ guidelines issued by SEBI from time to time. Further, it is clarified that the registered intermediary shall be ultimately responsible for CDD and undertaking enhanced due diligence measures, as applicable.

2.3. Record Keeping

2.3.1 Registered intermediaries shall ensure compliance with the record keeping requirements contained in the SEBI Act, 1992, Rules and Regulations made there-under, PMLA as well as other relevant legislation, Rules, Regulations, Exchange Bye-laws and Circulars.

2.3.2 Registered Intermediaries shall maintain such records as are sufficient to permit reconstruction of individual transactions (including the amounts and types of currencies involved, if any) so as to provide, if necessary, evidence for prosecution of criminal behaviour.

2.3.3 Should there be any suspected drug related or other laundered money or terrorist property, the competent investigating authorities would need to trace through the audit trail for reconstructing a financial profile of the suspect account. To enable this reconstruction, registered intermediaries shall retain the following information for the accounts of their clients in order to maintain a satisfactory audit trail:

a) the beneficial owner of the account;

b) the volume of the funds flowing through the account; and

c) for selected transactions:

i. the origin of the funds

ii. the form in which the funds were offered or withdrawn, e.g. cheques, demand drafts etc.

[3] SEBI Circular No. CIR/ MIRSD/ 1/ 2014 dated March 12, 2014

iii. the identity of the person undertaking the transaction;

iv. the destination of the funds;

v. the form of instruction and authority.

2.3.4 Registered Intermediaries shall ensure that all client and transaction records and information are available on a timely basis to the competent investigating authorities. Where required by the investigating authority, they shall retain certain records, e.g. client identification, account files, and business correspondence, for periods which may exceed those required under the SEBI Act, Rules and Regulations framed there-under PMLA, other relevant legislations, Rules and Regulations or Exchange bye-laws or circulars.

2.3.5 More specifically, all the intermediaries shall put in place a system of maintaining proper record of transactions prescribed under Rule 3 of PML Rules as mentioned below:

a) all cash transactions of the value of more than ten lakh rupees or its equivalent in foreign currency;

b) all series of cash transactions integrally connected to each other which have been individually valued below rupees ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds an amount of ten lakh rupees or its equivalent in foreign currency;

c) all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine or where any forgery of a valuable security or a document has taken place facilitating the transactions;

d) all suspicious transactions whether or not made in cash and by way of as mentioned in the Rules.

2.4. Information to be maintained

2.4.1 Intermediaries are required to maintain and preserve the following information in respect of transactions referred to in Rule 3 of PML Rules:

a) the nature of the transactions;

b) the amount of the transaction and the currency in which it is denominated;

c) the date on which the transaction was conducted; and

d) the parties to the transaction.

2.5. Retention of Records[4]

2.5.1 Intermediaries shall take appropriate steps to evolve an internal mechanism for proper maintenance and preservation of such records and information in a manner that allows easy and quick retrieval of data as and when requested by the competent authorities. Further, the records mentioned in Rule 3 of PML Rules have to be maintained and preserved for a period of five years from the date of transactions between the client and intermediary.

2.5.2 As stated in sub-section 2.2.5, intermediaries are required to formulate and implement the CIP containing the requirements as laid down in Rule 9 of the PML Rules and such other additional requirements that it considers appropriate. Records evidencing the identity of its clients and beneficial owners as well as account files and business correspondence shall be maintained and preserved for a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later.

[4] SEBI Circular No. CIR/ MIRSD/ 1/ 2014 dated March 12, 2014

2.5.3 Thus the following document retention terms shall be observed:

a) All necessary records on transactions, both domestic and international, shall be maintained at least for the minimum period prescribed under the relevant Act and Rules (PMLA and rules framed thereunder as well SEBI Act) and other legislations, Regulations or exchange bye-laws or circulars.

b) Registered intermediaries shall maintain and preserve the records of documents evidencing the identity of its clients and beneficial owners (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents) as well as account files and business correspondence for a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later.

2.5.4 In situations where the records relate to on-going investigations or transactions which have been the subject of a suspicious transaction reporting, they shall be retained until it is confirmed that the case has been closed.

2.5.5 Records of information reported to the Director, Financial Intelligence Unit – India (FIU – IND)[5]: Registered Intermediaries shall maintain and preserve the records of information related to transactions, whether attempted or executed, which are reported to the Director, FIU – IND, as required under Rules 7 and 8 of the PML Rules, for a period of five years from the date of the transaction between the client and the intermediary.

2.6. Monitoring of transactions

2.6.1 Regular monitoring of transactions is vital for ensuring effectiveness of the AML procedures. This is possible only if the intermediary has an understanding of the normal activity of the client so that it can identify deviations in transactions / activities.

2.6.2 The intermediary shall pay special attention to all complex unusually large transactions / patterns which appear to have no economic purpose. The intermediary may specify internal threshold limits for each class of client accounts and pay special attention to transactions which exceeds these limits. The background including all documents/office records / memorandums/clarifications sought pertaining to such transactions and purpose thereof shall also be examined carefully and findings shall be recorded in writing. Further such findings, records and related documents shall be made available to auditors and also to SEBI/stock exchanges/FIUIND/ other relevant Authorities, during audit, inspection or as and when required. These records are required to be maintained and preserved for a period of five years from the date of transaction between the client and intermediary.

2.6.3 The intermediary shall ensure a record of the transactions is preserved and maintained in terms of Section 12 of the PMLA and that transactions of a suspicious nature or any other transactions notified under Section 12 of the Act are reported to the Director, FIU-IND. Suspicious transactions shall also be regularly reported to the higher authorities within the intermediary. 23

2.6.4 Further, the compliance cell of the intermediary shall randomly examine a selection of transactions undertaken by clients to comment on their nature i.e. whether they are in the nature of suspicious transactions or not.

[5] SEBI Circular No. CIR/ MIRSD/ 1/ 2014 dated March 12, 2014

2.7. Suspicious Transaction Monitoring and Reporting

2.7.1 Intermediaries shall ensure that appropriate steps are taken to enable suspicious transactions to be recognized and have appropriate procedures for reporting suspicious transactions. While determining suspicious transactions, intermediaries shall be guided by the definition of a suspicious transaction contained in PML Rules as amended from time to time.

2.7.2 A list of circumstances which may be in the nature of suspicious transactions is given below. This list is only illustrative and whether a particular transaction is suspicious or not will depend upon the background, details of the transactions and other facts and circumstances:

a) Clients whose identity verification seems difficult or clients that appear not to cooperate

b) Asset management services for clients where the source of the funds is not clear or not in keeping with clients' apparent standing /business activity;

c) Clients based in high risk jurisdictions;

d) Substantial increases in business without apparent cause;

e) Clients transferring large sums of money to or from overseas locations with instructions for payment in cash;

f) Attempted transfer of investment proceeds to apparently unrelated third parties;

g) Unusual transactions by CSCs and businesses undertaken by offshore banks/financial services, businesses reported to be in the nature of export- import of small items.

2.7.3 Any suspicious transaction shall be immediately notified to the Money Laundering Control Officer or any other designated officer within the intermediary. The notification may be done in the form of a detailed report with specific reference to the clients, transactions and the nature /reason of suspicion. However, it shall be ensured that there is continuity in dealing with the client as normal until told otherwise and the client shall not be told of the report/ suspicion. In exceptional circumstances, consent may not be given to continue to operate the account, and transactions may be suspended, in one or more jurisdictions concerned in the transaction, or other action taken. The Principal Officer/ Money Laundering Control Officer and other appropriate compliance, risk management and related staff members shall have timely access to client identification data and CDD information, transaction records and other relevant information.

2.7.4 It is likely that in some cases transactions are abandoned or aborted by clients on being asked to give some details or to provide documents. It is clarified that intermediaries shall report all such attempted transactions in STRs, even if not completed by clients, irrespective of the amount of the transaction.

2.7.5 Clause 2.2.4 (g) of this Master Circular categorizes clients of high risk countries, including countries where existence and effectiveness of money laundering controls is suspect or which do not or insufficiently apply FATF standards, as 'CSC'. Intermediaries are directed that such clients shall also be subject to appropriate counter measures. These measures may include a further enhanced scrutiny of transactions, enhanced relevant reporting mechanisms or systematic reporting of financial transactions, and applying enhanced due diligence while expanding business relationships with the identified country or persons in that country etc. 25

2.8. List of Designated Individuals/ Entities

2.8.1 An updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs) can be accessed at its website at http://www.un.org/sc/committees/1267/consolist.shtml. Registered intermediaries are directed to ensure that

accounts are not opened in the name of anyone whose name appears in said list. Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list. Full details of accounts bearing resemblance with any of the individuals/entities in the list shall immediately be intimated to SEBI and FIU-IND.

2.9. Procedure for freezing of funds, financial assets or economic resources or related services

2.9.1 Section 51A of the Unlawful Activities (Prevention) Act, 1967 (UAPA), relating to the purpose of prevention of, and for coping with terrorist activities was brought into effect through UAPA Amendment Act, 2008. In this regard, the Central Government has issued an Order dated August 27, 2009 **(Annexure 1)** detailing the procedure for the implementation of Section 51A of the UAPA.[6]

2.9.2 In view of the reorganization of Divisions in the Ministry of Home Affairs and allocation of work relating to countering of terror financing to the Counter Terrorism and Counter Radicalization (CTCR) Division, the Government has modified the earlier order dated August 27, 2009 by the order dated March 14, 2019 (**Annexure 2**) for strict compliance.[7]

2.10. Reporting to Financial Intelligence Unit-India

2.10.1 In terms of the PML Rules, intermediaries are required to report information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND) at the following address:

Director, FIU-IND,

Financial Intelligence Unit-India,

6th Floor, Hotel Samrat,

Chanakyapuri,

New Delhi-110021.

Website: http://fiuindia.gov.in

2.10.2 Intermediaries shall carefully go through all the reporting requirements and formats that are available on the website of FIU – IND under the Section Obligation of Reporting Entity – Furnishing Information – Reporting Format (https://fiuindia.gov.in/files/downloads/Filing_Information.html). These documents contain detailed directives on the compilation and manner/procedure of submission of the reports to FIU-IND. The related hardware and technical requirement for preparing reports, the related data files and data structures thereof are also detailed in these documents While detailed instructions for filing all types of reports are given in the instructions part of the related formats, intermediaries shall adhere to the following:

a) The Cash Transaction Report (CTR) (wherever applicable) for each month shall be submitted to FIU-IND by 15th of the succeeding month.

b) The Suspicious Transaction Report (STR) shall be submitted within 7 days of arriving at a conclusion that any transaction, whether cash or non-cash, or a series of transactions integrally connected are of suspicious nature. The Principal Officer shall record his reasons for treating any transaction or a series of transactions as suspicious. It shall be ensured that there is no undue delay in arriving at such a conclusion.

c) The Non Profit Organization Transaction Reports (NTRs) for each month shall be

[6] SEBI Circular No. ISD/ AML/ CIR – 2/ 2009 dated October 23, 2009
[7] SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2019/69 dated May 28, 2019

submitted to FIU-IND by 15th of the succeeding month.

d) The Principal Officer will be responsible for timely submission of CTR, STR and NTR to FIU-IND;

e) Utmost confidentiality shall be maintained in filing of CTR, STR and NTR to FIU-IND.

f) No nil reporting needs to be made to FIU-IND in case there are no cash/ suspicious/ non – profit organization transactions to be reported.

2.10.3 Intermediaries shall not put any restrictions on operations in the accounts where an STR has been made. Intermediaries and their directors, officers and employees (permanent and temporary) shall be prohibited from disclosing ("tipping off") the fact that a STR or related information is being reported or provided to the FIU-IND. This prohibition on tipping off extends not only to the filing of the STR and/ or related information but even before, during and after the submission of an STR. Thus, it shall be ensured that there is no tipping off to the client at any level

It is clarified that the registered intermediaries, irrespective of the amount of transaction and/or the threshold limit envisaged for predicate offences specified in part B of Schedule of PMLA, 2002, shall file STR if they have reasonable grounds to believe that the transactions involve proceeds of crime. 28

2.11. Designation of officers for ensuring compliance with provisions of PMLA

2.11.1 Appointment of a Principal Officer:

2.11.1.1 To ensure that the registered intermediaries properly discharge their legal obligations to report suspicious transactions to the authorities, the Principal Officer would act as a central reference point in facilitating onward reporting of suspicious transactions and for playing an active role in the identification and assessment of potentially suspicious transactions and shall have access to and be able to report to senior management at the next reporting level or the Board of Directors. Names, designation and addresses (including email addresses) of 'Principal Officer' including any changes therein shall also be intimated to the Office of the Director-FIU. As a matter of principle, it is advisable that the 'Principal Officer' is of a sufficiently senior position and is able to discharge the functions with independence and authority.

2.11.2 Appointment of a Designated Director:[8]

2.11.2.1 In addition to the existing requirement of designation of a Principal Officer, the registered intermediaries shall also designate a person as a 'Designated Director'. In terms of Rule 2 (ba) of the PML Rules, the definition of a Designated Director reads as under:

"Designated director means a person designated by the reporting entity to ensure overall compliance with the obligations imposed under chapter IV of the Act and the Rules and includes –

a) the Managing Director or a Whole-Time Director duly authorizes by the Board of Directors if the reporting entity is a company,

[8] SEBI Circular No. CIR/ MIRSD/ 1/ 2-014 dated March 12, 2014

b) the managing partner if the reporting entity is a partnership firm,

c) the proprietor if the reporting entity is a proprietorship firm,

d) the managing trustee if the reporting entity is a trust,

e) a person or individual, as the case may be, who controls and manages the affairs of the reporting entity if the reporting entity is an unincorporated association or a body of individuals, and

f) such other person or class of persons as may be notified by the Government if the reporting entity does not fall in any of the categories above."

2.11.2.2 In terms of Section 13 (2) of the PMLA, the Director, FIU – IND can take appropriate action, including levying monetary penalty, on the Designated Director for failure of the intermediary to comply with any of its AML/CFT obligations.

2.11.2.3 Registered intermediaries shall communicate the details of the Designated Director, such as, name designation and address to the Office of the Director, FIU – IND.

2.12. Employees' Hiring/Employee's Training/ Investor Education

2.12.1 Hiring of Employees

2.12.1.1 The registered intermediaries shall have adequate screening procedures in place to ensure high standards when hiring employees. They shall identify the key positions within their own organization structures having regard to the risk of money laundering and terrorist financing and the size of their business and ensure the employees taking up such key positions are suitable and competent to perform their duties.

2.12.2 Employees' Training:

2.12.2.1 Intermediaries must have an ongoing employee training programme so that the members of the staff are adequately trained in AML and CFT procedures. Training requirements shall have specific focuses for frontline staff, back office staff, compliance staff, risk management staff and staff dealing with new clients. It is crucial that all those concerned fully understand the rationale behind these directives, obligations and requirements, implement them consistently and are sensitive to the risks of their systems being misused by unscrupulous elements.

2.12.3 Investors Education

2.12.3.1 Implementation of AML/CFT measures requires intermediaries to demand certain information from investors which may be of personal nature or has hitherto never been called for. Such information can include documents evidencing source of funds/income tax returns/bank records etc. This can sometimes lead to raising of questions by the client with regard to the motive and purpose of collecting such information. There is, therefore, a need for intermediaries to sensitize their clients about these requirements as the ones emanating from AML and CFT framework. Intermediaries shall prepare specific literature/ pamphlets etc. so as to educate the client of the objectives of the AML/CFT programme. 31

SCHEDULE I

List of key circulars/ directives issued with regard to KYC, CDD, AML and CFT

S. No.	Circular Number	Date of Circular	Subject	Broad area covered
1.	SEBI/HO/MIRSD/DOP/CIR/P/2019/69	May 28, 2019	Combating Financing of Terrorism (CFT) under Unlawful Activities (Prevention) Act, 1967 -Directions to stock exchanges, depositories and all registered intermediaries	Procedure to be followed for the freezing of assets of individual or entities engaged in terrorism
2.	SEBI/ HO/ IMD/ FIIC/ CIR/ P/ 2017/ 068	June 30, 2017	Acceptance of e -PAN card for KYC purpose	E-PAN issued by CBDT for KYC compliance by FPI
3.	SEBI/ HO/ MRD/ DP/ CIR/ P/ 2016/ 134	December 15, 2016	Master Circulars for Depositories	Opening of BO Accounts
4.	CIR/ IMD/ FPIC/ 123/ 2016	November 17, 2016	Review of requirement for copy of PAN Card to open accounts of FPIs	Verification and submission of PAN Card by FPI
5.	CIR/ MIRSD/ 120 / 2016	November 10, 2016	Uploading of the existing clients' KYC details with Central KYC Records Registry (CKYCR) System by the registered intermediaries	Time lines for registered intermediaries in respect of uploading KYC data of the new and existing individual clients with CKYCR
6.	SEBI/ HO/ IMD / DF3/ CIR/ P / 2016/ 84	September 14, 2016	Master Circular for Mutual Funds	Compliance with AML/ CFT CDD directives of SEBI stipulated in Master Circular dated September 14, 2016
7.	CIR/ MIRSD/ 66/ 2016	July 21, 2016	Operationalization of Central KYC Records Registry (CKYCR)	Authorization of Central Registry of Securitization and Asset Reconstruction and Security interest of India (CERSAI) for receiving, storing, safeguarding, retrieving the KYC records and finalizing template of KYC

8.	CIR/ IMD/ FPI&C/ 59/ 2016	June 10, 2016	Know Your Client (KYC) norms for ODI subscribers, transferability of ODIs, reporting of suspicious transactions, periodic review of systems and modified ODI reporting format	Applicability of Indian KYC/AML norms for Client Due Diligence, KYC Review, Suspicious Transactions Report, Reporting of complete transfer trail of ODIs, Reconfirmation of ODI positions, Periodic Operational Evaluation
9.	CIR/ MIRSD/ 29/ 2016	January 22, 2016	Know Your Client Requirements -Clarification on voluntary adaptation of Aadhaar based e-KYC process	Client identification and authentication from UIDAI, Investment Limit and mode of payment to Mutual Funds, PAN verification, additional due diligence in case of material difference in information
10.	CIR/ IMD/ FIIC/ 11/ 2014	June 16, 2014	Know Your Client (KYC) requirements for Foreign Portfolio Investors (FPIs)	Process to be followed by DDPs to share the relevant KYC documents of FPIs with he banks and record of ransfer of documents
11.	CIR/ MIRSD/ 1/ 2014	March 12, 2014	Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Obligations of Securities Market Intermediaries under the Prevention of Money laundering Act, 2002 and Rules framed there under	Consequential modifications and additions to Master Circular CIR/ ISD/ AML/ 3/ 2010 dated December 31, 2010 in respect of Risk Assessment, Reliance on third party for carrying out Client Due Diligence (CDD), Record keeping requirements, Records of information reported to the Director, Financial Intelligence Unit - India (FIU-IND), Appointment of a Designated Director
12.	CIR/ MIRSD/ 13/ 2013	December 26, 2013	Know Your Client requirements	Shifting of certain information in Section C of Part I to Part II of the AOF, information required to be captured in the systems of KRAs

13.	CIR/ MIRSD/ 09/ 2013	October 8, 2013	Know Your Client Requirements	Acceptance of e-KYC service launched by UIDAI as a valid process for KYC verification
14.	CIR/ MIRSD/ 07 / 2013	September 12, 2013	Know Your Client Requirements for Eligible Foreign Investors	Partial modification to the provisions of circular No CIR/MIRSD/ 11 /2012 dated September 5, 2012, Classification of Eligible foreign investors investing under Portfolio Investment Scheme ('PIS') route as Category I, II and III
15.	CIR /MIRSD/ 4 '2013	March 28, 2013	Amendment to SEBI {(Know Your Client) Registration Agency} Regulations, 2011 and relevant circulars	Modification of circulars dated December 23, 2011 and April 13, 2012, to the extent of requirement for sending original KYC documents of the clients to the KRA
16.	CIR/ MIRSD/ 2/ 2013	January 24, 2013	Guidelines on Identification of Beneficial Ownership	Client Due Diligence to identify and verify the identity of persons who beneficially own or control the securities account for clients other than ndividuals or trusts and client which is a trust. Exemption in case of listed companies, Applicability for foreign investors and Implementation
17.	CIR/ MIRSD/ 01 /2013	January 04, 2013	Rationalization process for obtaining PAN by Investors	Verification the PAN of clients online at the Income Tax website
18.	CIR/ MIRSD/ 11/ 2012	September 5, 2012	Know Your Client Requirements	Clarifications for Foreign Investors viz. FIIs, Sub Accounts and QFIs w.r.t. implementation of SEBI circulars no. CIR /MIRSD/ 16/ 2011 dated August 22, 2011 and MIRSD/ SE/ Cir-21/ 2011 dated October 5, 2011 on know your client norms

19.	CIR/ MIRSD/ 09 / 2012	August 13, 2012	Aadhaar Letter as Proof of Address for Know Your Client (KYC) norms.	Admissibility of Aadhaar letter issued by UIDAI as Proof of Address in addition to its presently being recognized as Proof of Identity
20.	MIRSD/ Cir-5 / 2012	April 13, 2012	Uploading of the existing clients' KYC details in the KYC Registration Agency (KRA) system by the intermediaries	Process to avoid duplication of KYC, guidelines for uploading the KYC data of the existing clients, Schedule for implementation
21.	MIRSD/ Cir- 26 / 2011	December 23, 2011	Guidelines in pursuance of the SEBI KYC Registration Agency (KRA) Regulations, 2011 and for In-Person Verification (IPV)	Guidelines for Intermediaries, Guidelines for KRAs, Guidelines w.r.t In-Person Verification (IPV)
22.	MIRSD/ Cir-23/ 2011	December 2, 2011	The Securities and Exchange Board of India (KYC Registration Agency) Regulations, 2011.	Centralization of the KYC records to avoid duplication of KYC process
23.	CIR/ MIRSD/ 22/ 2011	October 25, 2011	In-person' verification (IPV) of clients by subsidiaries of stock exchanges, acting as stock brokers	Clarification w.r.t ultimate responsibility for 'in-person' verification
24.	MIRSD/ SE/ Cir-21/ 2011	October 5, 2011	Uniform Know Your Client (KYC) Requirements for the Securities Markets	Clarification w.r.t different KYC forms used by Market Intermediaries, Guidelines for KYC form capturing the basic details about the client and additional details specific to the area of activity of the intermediary being obtained
25.	CIR/ MIRSD/ 16/ 2011	August 22, 2011	Simplification and Rationalization of Trading Account Opening Process	Client account opening Process, Client Account Opening Form, Rights & Obligations of stock broker, sub-broker and client for trading on exchanges Uniform Risk Disclosure Documents, Guidance Note detailing Do's and Don'ts for trading

26.	CIR/ ISD/ AML/ 3/ 2010	December 31, 2010	Master Circular on AML/ CFT	Anti - Money Laundering (AML) Standards/ Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under
27.	CIR/ MRD/ DP / 37/ 2010	December 14, 2010	Acceptance of third party address as correspondence address	Capturing of address other than that of the BO as the correspondence address.
28.	CIR/ MRD/ DMS/ 13/ 2010	August 31, 2010	Guidelines on the Execution of Power of Attorney by the Client in favour of Stock Broker/ DP	Clarifications on the Execution of the POA by the client
29.	CIR/ MRD/ DMS/ 13/ 2010	April 23, 2010	Guidelines on the Execution of Power of Attorney by the Client in favour of Stock Broker/ DP	Guidelines on the Execution of Power of Attorney by the Client
30.	CIR/ ISD/ AML/ 2/ 2010	June 14, 2010	Additional Requirements for AML/ CFT	Additional Requirements on retention of documents, monitoring, tipping off, updation of records and other clarifications.
31.	CIR/ ISD/ AML/ 1/ 2010	February 12, 2010	Master Circular -AML/ CFT	Framework for AML/ CFT including procedures for CDD, client identification, record keeping & retention, monitoring and reporting of STRs
32.	SEBI/ MIRSD/ Cir No.02/ 2010	January 18, 2010	Mandatory Requirement of in-person verification of clients.	In-person verification done for opening beneficial owner's account by a DP will hold good for opening trading account for a stock broker and vice versa, if the DP and the stock broker is the same entity or if one of them is the holding or subsidiary.
33.	ISD/ AML/ CIR-2/ 2009	October 23, 2009	Directives on CFT under Unlawful Activities (Prevention) Act, 1967	Procedure to be followed for the freezing of assets of individual or entities engaged in terrorism

34.	ISD/ AML/ CIR-1/ 2009	September 01, 2009	Additional AML/ CFT obligations of Intermediaries under PMLA, 2002 and rules framed	Additional AML/ CFT requirements and clarifications thereon
35.	ISD/ AML/ CIR-1/2008	December 19, 2008	Master Circular on AML/ CFT directives	Framework for AML/ CFT including procedures for CDD, client identification, record keeping & retention, monitoring and reporting of suspicious transactions.
36.	MIRSD/ DPSIII/ 130466/ 2008	July 2, 2008	In-Person verification of clients by stock-brokers	Responsibility of stock brokers to ensure in -person verification by its own staff.
37.	MRD/ DoP/ Cir-20/ 2008	June 30, 2008	Mandatory Requirement of PAN	Exception for certain classes of persons from PAN being the sole identification number for all participants trading in the securities market.
38.	F.No.47/ 2006/ ISD/ SR/ 122539	April 4, 2008	In-person verification of BO's when opening demat accounts	In-person verification to be carried out by staff of depository participant.
39.	MRD/ DoP/ Cir-20/2008	April 3, 2008	Exemption from mandatory requirement of PAN.	Exemption for investors residing in the State of Sikkim from PAN being the sole identification number for trading in the securities market.
40.	F.No.47- 2006 / ISD/ SR/ 118153/ 2008	February 22, 2008	In-Person verification of clients by depositories	Clarification on various topics relating to 'in person' verification of BOs at the time of opening demat accounts
41.	MRD/ DoP/ Dep/ Cir- 12/ 2007	September 7, 2007	KYC Norms for Depositories	Proof of Identity (POI) and Proof of Address (POA) for opening a Beneficiary Owner (BO) Account for non - body corporates
42.	MRD/ DoP/ Cir-05/ 2007	April 27, 2007	PAN to be the sole identification number for all transactions in the securities market	Mandatory requirement of PAN for participants transacting in the securities market.

43.	ISD /CIR/ RR/ AML/2/ 06	March 20, 2006	PMLA Obligations Of intermediaries in terms of Rules notified there under	Procedure for maintaining and preserving records, reporting requirements and formats of reporting cash transactions and suspicious transactions
44.	ISD/ CIR/ RR/ AML/1/ 06	January 18, 2006	Directives on AML Standards	Framework for AML and CFT including policies and procedures, Client Due Diligence requirements, record keeping, retention, monitoring and reporting
45.	SEBI/ MIRSD/ DPS - 1/ Cir-31/ 2004	August 26, 2004	Uniform Documentary Requirements for trading	Uniform KYC documentary requirements for trading on different segments and exchanges
46.	MRD/ DoP/ Dep/ Cir- 29/ 2004	August 24, 2004	Proof of Identity (POI) and Proof of Address (POA) for opening a Beneficiary Owner	Broadening the list of documents that may be accepted as Proof of Identity (POI) and/or Proof of Address (POA) for the purpose of opening a BO Account
47.	SEBI/ MRD/ SE / Cir-33/ 2003/ 27/ 08	August 27, 2003	Mode of payment and delivery	Prohibition on acceptance/ giving of cash by brokers and on third party transfer of securities
48.	SMDRP/ Policy/ Cir-36/ 2000	August 4, 2000	KYC Norms for Depositories	Documentary requirements for opening a beneficiary account.
49.	SMD/ POLICY/ CIRCULARS /5-97	April 11, 1997	Client Registration Form	Formats of client Registration Form and broker clients agreements
50.	SMD-1/ 23341	Nov. 18, 1993	Regulation of transaction between clients and members	Mandatory requirement to obtain details of clients by brokers.

Circular No.: NSDL/ POLICY/2019/0061 September 12, 2019	***Subject: United Nations Security Council Consolidated List.*** All Participants are hereby informed that SEBI vide its email dated September 06, 2019 has informed about insertions/ deletions and amendments made to the UNSC Sanctions Committee List in August 2019 as received from Ministry of External Affairs (list enclosed) for necessary compliance as required under provisions of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on July 04, 2018. These UNSC Sanctions Committee List can also be accessed from URL: https://www.un.org/securitycouncil/sanctions/1267/press-releases. Participants are advised to take note of the above and ensure compliance.

Security Council ISIL (Da'esh) and Al-Qaida Sanctions Committee Adds Two Entries to Its Sanctions List

On 14 August 2019, the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida, and associated individuals, groups, undertakings and entities approved the addition of the entries specified below to its ISIL (Da'esh) and Al-Qaida Sanctions List of individuals and entities subject to the assets freeze, travel ban and arms embargo set out in paragraph 1 of Security Council resolution 2368 (2017), and adopted under Chapter VII of the Charter of the United Nations:

A. Individuals

QDi.423 Name: 1: ALI 2: MAYCHOU 3: na 4: na

Name (original script): وشي ام يلع

Title: na Designation: na DOB: 25 May 1983 POB: Taza, Morocco Good quality a.k.a.: a) Abderahmane al Maghrebi b) Abderrahmane le Marocain Low quality a.k.a.: Abou Abderahmane Sanhaji Nationality: Morocco Passport no: Morocco number V06359364 National identification no: Morocco identity card AB704306 Address: Mali Listed on: 14 Aug. 2019 Other information: Member of Al Qaida in the Islamic Maghreb (AQIM) (QDe.014), Ansar Eddine (QDe.135), and Jama'a Nusrat ul-Islam wa al-Muslimin (JNIM) (QDe.159). Physical description: height: 185 cm; weight: 80 kg INTERPOL-UN Security Council Special Notice web link: www.interpol.int/en/How-we-work/Notices/View-UN-Notices-Individuals

QDi.424 Name: 1: BAH 2: AG MOUSSA 3: na 4: na Title: na Designation: na DOB: na POB: na Good quality a.k.a.: a) Ag Mossa b) Ammi Salim Low quality a.k.a.: na Nationality: Mali Passport no: na National identification no: na Address: na Listed on: 14 Aug. 2019 Other information: Founding member of Ansar Eddine (QDe.135), operational leader of Jama'a Nusrat ul-Islam wa al-Muslimin (JNIM) (QDe.159). INTERPOL-UN Security Council Special Notice web link: www.interpol.int/en/How-we-work/Notices/View-UN-Notices-Individuals

Security Council ISIL (Da'esh) and Al-Qaida Sanctions Committee Amends One Entry on Its Sanctions List

On 9 August 2019, the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida, and associated individuals, groups, undertakings and entities enacted the technical amendments specified with underline and strikethrough in the entry below on its ISIL (Da'esh) and Al-Qaida Sanctions List of individuals and entities subject to the assets freeze, travel ban and arms embargo set out in paragraph 1 of Security Council resolution 2368 (2017), and adopted under Chapter VII of the Charter of the United Nations:

B. Entities and other groups

QDe.002 Name: AL-ITIHAAD AL-ISLAMIYA / AIAI

Name (originalscript): الاتحاد الاسلامي

A.k.a.: na F.k.a.: na Address: na Listed on: 6 Oct. 2001 (amended on 21 Dec. 2007, 13 Dec. 2011, 18 Mar. 2013, 9 Aug 2019) Other information: Reported to have operated in Somalia and Ethiopia and to have merged with Harakat Al-Shabaab Al-Mujaahidiin (Al-Shabaab), which was accepted as an affiliate of Al-Qaida (QDe.004) by Aiman Muhammed Rabi al-Zawahiri (QDi.006) in Feb. 2012, and is also subject to the sanctions measures set out in Security Council resolution 1844 (2008) concerning Somalia and Eritrea (see www.un.org/sc/suborg/en/sanctions/751). Leadership included ~~Hassan Abdullah Hersi Al Turki (QDi.172) and~~ Hassan Dahir Aweys (QDi.042). AIAI has received funds through the Al-Haramain Islamic Foundation (Somalia) (QDe.072). Review pursuant to Security Council resolution 1822 (2008) was concluded on 21 Jun. 2010. INTERPOL-UN Security Council Special Notice web link: www.interpol.int/en/How-we-work/Notices/View-UN-Notices-Entities.

Security Council ISIL (Da'esh) and Al-Qaida Sanctions Committee Amends One Entry on Its Sanctions List

On 20 August 2019, the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities enacted the amendments specified with underline and strikethrough in the entry below on its ISIL (Da'esh) and Al-Qaida Sanctions List of individuals and entities subject to the assets freeze, travel ban and arms embargo set out in paragraph 1 of Security Council resolution 2368 (2017), and adopted under Chapter VII of the Charter of the United Nations.

A. Individuals

QDi.424 Name: 1: BAH 2: AG MOUSSA 3: na 4: na

Title: na Designation: ~~na~~ DOB: na a) 01 Jan 1958 b) 31 Dec 1952 c) 28 Oct 1956 POB: na Good quality a.k.a.: a) Ag Mossa b) Ammi Salim Low quality a.k.a.: na Nationality: Mali Passport no: na National identification no: na Address: na Listed on: 14 Aug. 2019 (amended on 20 Aug. 2019) Other information: Founding member of Ansar Eddine (QDe.135), operational leader of Jama'a Nusrat ul-Islam wa al-Muslimin (JNIM) (QDe.159). INTERPOL-UN Security Council Special Notice web link: https://www.interpol.int/en/How-we-work/Notices/View-UN-Notices-Individuals.

Circular No.: NSDL/POLICY/2019/0043 July 23, 2019	***Subject: United Nations Security Council Consolidated List.*** All Participants are hereby informed that SEBI vide its email dated July 19, 2019 has informed about insertions/ deletions and amendments made to the UNSC Sanctions Committee list since January 2019 as received from Ministry of External Affairs (list enclosed) for necessary compliance as required under provisions of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on July 04, 2018. These UNSC Sanctions Committee list can also be accessed from the following URL: https://www.un.org/securitycouncil/sanctions/1267/press-releases Participants are advised to take note of the above and ensure compliance.

Circular No.: NSDL/ POLICY/2019/0037 July 4, 2019	***Subject: The Financial Action Task Force (FATF) public statement dated June 21, 2019 regarding FATF identified jurisdictions that have strategic Anti Money Laundering and Combating the Financing of Terrorism (AML / CFT) deficiencies and Improving Global AML/CFT Compliance: On-going Process - June 21, 2019.*** Participants are hereby informed that FATF in its on-going efforts to identify and work with jurisdictions with strategic AML / CFT deficiencies, has released fresh statements titled 'FATF Public Statement – June 2019' and 'Improving Global AML/CFT Compliance: On-going Process - 21 June, 2019'. The aforesaid FATF statements are available at http://www.fatf-gafi.org, and is also attached for ready reference. Participants are requested to take note of the above and ensure compliance. Further, Participants are requested to take note that this does not preclude regulated entities from legitimate trade and business transactions with these countries and jurisdictions.

Improving Global AML/CFT Compliance: On-going Process - 21 June 2019

Orlando, USA, 21 June 2019 - As part of its ongoing review of compliance with the AML/CFT standards, the FATF identifies the following jurisdictions that have strategic AML/CFT deficiencies for which they have developed an action plan with the FATF. While the situations differ among each jurisdiction, each jurisdiction has provided a written high-level political commitment to address the identified deficiencies. The FATF welcomes these commitments.

A number of jurisdictions have not yet been reviewed by the FATF. The FATF continues to identify additional jurisdictions, on an ongoing basis, that pose a risk to the international financial system.

The FATF and the FATF-style regional bodies (FSRBs) will continue to work with the jurisdictions noted below and to report on the progress made in addressing the identified deficiencies. The FATF calls on these jurisdictions to complete the implementation of action plans expeditiously and within the proposed timeframes. The FATF will closely monitor the implementation of these action plans and encourages its members to consider the information presented below.

Jurisdictions with strategic deficiencies	Jurisdictions no longer subject to monitoring
The Bahamas	Serbia
Botswana	
Cambodia	
Ethiopia	
Ghana	
Pakistan	
Panama	
Sri Lanka	
Syria	
Trinidad and Tobago	
Tunisia	
Yemen	

The Bahamas

Since October 2018, when The Bahamas made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, The Bahamas has taken steps towards improving its AML/CFT regime, including by beginning its initial implementation of the recent Beneficial Ownership Law, and bringing the Anti-Terrorism Regulations into force. The Bahamas should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) completing the comprehensive electronic case management system for international cooperation; (2) demonstrating risk-based supervision of non-bank financial institutions; (3) completing the process to ensure the timely access to adequate, accurate and current basic and beneficial ownership information; (4) increasing the quality of the FIU's products to assist LEAs in the pursuance of ML/TF investigations, specifically complex ML/TF and stand-alone ML investigations; (5) demonstrating that authorities are investigating and prosecuting all types of money laundering, including complex ML cases, stand-alone money laundering, and cases involving proceeds of foreign offences; (6) increasing the identification, tracing and freezing or restraining of assets and to present cases linked with foreign offences and standalone ML cases; and (7) addressing remaining gaps in the TF and PF TFS frameworks and demonstrating implementation.

Botswana

Since October 2018, when Botswana made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, Botswana has taken steps towards improving its AML/CFT regime, including by amending its legal framework to criminalise ML and TF and amending record keeping and STR filing obligations. Botswana should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) assessing the risks associated with legal persons, legal arrangements, and NPOs, and developing and implementing a risk-based comprehensive national AML/CFT strategy; (2) developing and implementing risk-based AML/CFT supervisory manuals; (3) improving its analysis and dissemination of financial intelligence by the FIU, and enhancing the use of financial intelligence among the relevant law enforcement agencies; (4) developing and implementing CFT strategy, and ensuring the TF investigation capacity of the law enforcement agencies; (5) ensuring the implementation without delay of targeted financial sanctions measures related to terrorist financing and proliferation financing, and (6) applying a risk-based approach to monitoring non-profit organisations.

Cambodia

Since February 2019, when Cambodia made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, Cambodia has taken steps towards improving its AML/CFT regime, including by increasing the analytical resources of its FIU Cambodia should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) providing a broad legal basis for MLA and conducting relevant training to LEAs; (2) implementing risk-based supervision for real estate and casinos; (3) implementing the risk-based supervision to banks, including through prompt, proportionate and dissuasive enforcement actions, as appropriate; (4) amending the AML/CFT Law to address the remaining technical compliance deficiencies; (5) conducting sector-specific outreach to casinos, real-estate and MVTS providers; (6) increasing its FIU resources; enhancing its analysis of STRs; and increasing disseminations to LEAs; (7) increasing domestic coordination and cooperation to enhance ML investigations; (8) demonstrating an increase in ML investigations and prosecutions; and providing targeted proceeds of crime confiscation training to all LEAs; (9) demonstrating an increase in the freezing and confiscation of criminal proceeds, instrumentalities, and property of equivalent value; (10) establishing the legal framework to implement UN sanctions related to PF TFS, demonstrating that implementation is occurring and enhancing the understanding of sanctions evasion.

Ethiopia

In February 2017, Ethiopia made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies. The FATF has made the initial determination that Ethiopia has substantially completed its action plan and warrants an on-site visit to verify that the implementation of Ethiopia's AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future. Specifically, Ethiopia has made the following key reforms: (1) implementing the results of its national risk assessment; (2) integrating designated non-financial businesses and professions into its AML/CFT regime; (3) confiscating the proceeds and instrumentalities of crime; (4) implementing terrorism-related targeted financial sanctions and proportionately regulating non-profit organizations in line with a risk-based approach; and (5) establishing and implementing WMD-related targeted financial sanctions.

Ghana

Since October 2018, when Ghana made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime, Ghana has taken steps towards improving its AML/CFT regime, including by developing its national AML/CFT Policy and Action Plan based on the risks identified in the NRA, and conducting a risk assessment on its NPO sector. Ghana should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) developing and implementing a comprehensive national AML/CFT Policy based on the risks identified in the NRA, including measures to mitigate ML/TF risks associated with the legal persons; (2) improving risk-based supervision, by enhancing the capacity of the regulators and the awareness of the private sector; (3) ensuring the timely access to adequate, accurate and current basic and beneficial ownership information; (4) ensuring the focused actions of the FIU in accordance with the risks identified by the NRA, and adequate resource allocation to the FIU; (5) ensuring adequate and effective investigation and prosecution of TF; and (6) applying a risk-based approach for monitoring non-profit organisations.

Pakistan

Since June 2018, when Pakistan made a high-level political commitment to work with the FATF and APG to strengthen its AML/CFT regime and to address its strategic counter-terrorist financing-related deficiencies, Pakistan has taken steps towards improving its AML/CFT regime, including the recent development of its TF risk assessment addendum; however, it does not demonstrate a proper understanding of Pakistan's transnational TF risk.. Pakistan should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) adequately demonstrating its proper understanding of the TF risks posed by the terrorist groups , and conducting supervision on a risk-sensitive basis; (2) demonstrating that remedial actions and sanctions are applied in cases of AML/CFT violations, and that these actions have an effect on AML/CFT compliance by financial institutions; (3) demonstrating that competent authorities are cooperating and taking action to identify and take enforcement action against illegal money or value transfer services (MVTS); (4) demonstrating that authorities are identifying cash couriers and enforcing controls on illicit movement of currency and understanding the risk of cash couriers being used for TF; (5) improving inter-agency coordination including between provincial and federal authorities on combating TF risks; (6) demonstrating that law enforcement agencies (LEAs) are identifying and investigating the widest range of TF activity and that TF investigations and prosecutions target designated persons and entities, and persons and entities acting on behalf or at the direction of the designated persons or entities; (7) demonstrating that TF prosecutions result in effective, proportionate and dissuasive sanctions and enhancing the capacity and support for prosecutors and the judiciary; and (8) demonstrating effective implementation of targeted financial sanctions (supported by a comprehensive legal obligation) against all 1267 and 1373 designated terrorists and those acting for or on their behalf, including preventing the raising and moving of funds, identifying and freezing assets (movable and immovable), and prohibiting access to funds and financial services; (9) demonstrating enforcement against TFS violations including administrative and criminal penalties and provincial and federal authorities cooperating on enforcement

cases; (10) demonstrating that facilities and services owned or controlled by designated person are deprived of their resources and the usage of the resources. The FATF expresses concern that not only did Pakistan fail to complete its action plan items with January deadlines, it also failed to complete its action plan items due May 2019. The FATF strongly urges Pakistan to swiftly complete its action plan by October 2019 when the last set of action plan items are set to expire. Otherwise, the FATF will decide the next step at that time for insufficient progress.

Panama

In June 2019, Panama made a high-level political commitment to work with the FATF and GAFILAT to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in 2017, Panama has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including enacting Law No. 70 introducing tax offenses and making them predicate offences for money laundering, increasing obligations for resident agents, and addressing the shortcomings in the timeframe to submit suspicious transaction reports. Panama will work to implement its action plan, including by: (1) strengthening its understanding of the national and sectoral ML/TF risk and informing findings to its national policies to mitigated the identified risks; (2) proactively taking action to identify unlicensed money remitters, applying a risk-based approach to supervision of the DNFBP sector and ensuring effective, proportionate, and dissuasive sanctions again AML/CFT violations; (3); ensuring adequate verification and update of beneficial ownership information by obliged entities, establishing an effective mechanisms to monitor the activities of offshore entities, assessing the existing risks of misuse of legal persons and arrangements to define and implement specific measures to prevent the misuse of nominee shareholders and directors, and ensuring timely access to adequate and accurate beneficial ownership information; and (4) ensuring effective use of FIU products for ML investigations, demonstrating its ability to investigate and prosecute ML involving foreign tax crimes and to provide constructive and timely international cooperation with such offence, and continuing to focus on ML investigations in relation to high-risk areas identified in the NRA and MER.

Sri Lanka

In November 2017, Sri Lanka made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies. In February 2019, the FATF made the initial determination that Sri Lanka has completed its action plan and warrants an on-site assessment. Specifically, Sri Lanka has made the following key reforms: (1) enacting amendments to the MACMA to ensure that mutual legal assistance may be provided on the basis of reciprocity; (2) issuing the CDD Rule for DNFBPs, issuing any necessary guidance, and ensuring implementation of this Rule has begun, by way of supervisory actions; (3) enhancing risk-based supervision and outreach to FIs, and high risk DNFBPs, including through prompt and dissuasive enforcement actions and sanctions, as appropriate; (4) providing case studies and statistics to demonstrate that competent authorities can obtain beneficial ownership information in relation to legal persons in a timely manner; (5) issuing a revised Trust Ordinance and demonstrating that implementation has begun; and (6) establishing a TFS regime to implement the relevant UNSCRs related to Iran, demonstrating that implementation has begun, and demonstrating that implementation has begun on the UN Regulation related to the DPRK. However, due to the terrorist attack that occurred on 21 April 2019, the FATF was unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will conduct an on-site visit prior to its October 2019 Plenary.

Syria

Since February 2010, when Syria made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Syria has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Syria had substantially addressed its action plan at a technical level, including by criminalising terrorist financing and establishing procedures for freezing terrorist assets. While the FATF determined that Syria has completed its agreed action plan, due to the

security situation, the FATF has been unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will continue to monitor the situation, and will conduct an on-site visit at the earliest possible date.

Trinidad and Tobago

Since November 2017, when Trinidad and Tobago made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, Trinidad and Tobago has taken steps towards improving its AML/CFT regime, including by proclaiming laws on NPO supervision and civil asset recovery. Trinidad and Tobago should continue to work on implementing its action plan to address its strategic deficiencies, including by implementing: (1) the remaining measures to further enhance international cooperation; (2) the issues related to transparency and beneficial ownership; and (3) the measures to monitor NPOs on the basis of risk.

Tunisia

In November 2017, Tunisia made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies. The FATF has made the initial determination that Tunisia has substantially completed its action plan and warrants an on-site assessment to verify that the implementation of Tunisia's AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future. Specifically, Tunisia has made the following key reforms: (1) implementing risk-based AML/CFT supervision of the financial sector and fully integrating designated non-financial businesses and professions into its AML/CFT regime; (2) maintaining comprehensive and updated commercial registries and strengthening the system of sanctions for violations of transparency obligations; (3) increasing the efficiency of suspicious transaction report processing by allocating the necessary resources to the financial intelligence unit; (4) establishing a terrorism-related targeted financial sanctions regime and appropriately monitoring the association sector; and (5) establishing WMD-related targeted financial sanctions.

Yemen

Since February 2010, when Yemen made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Yemen has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Yemen had substantially addressed its action plan at a technical level, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing procedures to identify and freeze terrorist assets; (3) improving its customer due diligence and suspicious transaction reporting requirements; (4) issuing guidance; (5) developing the monitoring and supervisory capacity of the financial sector supervisory authorities and the financial intelligence unit; and (6) establishing a fully operational and effectively functioning financial intelligence unit. While the FATF determined that Yemen has completed its agreed action plan, due to the security situation, the FATF has been unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will continue to monitor the situation, and conduct an on-site visit at the earliest possible date.

Jurisdictions No Longer Subject to the FATF's On-Going Global AML/CFT Compliance Process Serbia

The FATF welcomes Serbia's significant progress in improving its AML/CFT regime and notes that Serbia has strengthened the effectiveness of its AML/CFT regime and addressed related technical deficiencies to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in February 2018. Serbia is therefore no longer subject to the FATF's monitoring process under its ongoing global AML/CFT compliance process. Serbia will continue to work with MONEYVAL to improve further its AML/CFT regime.

More on:

- Public Statement, 21 June 2019
- Outcomes FATF Plenary, Orlando, 21 June 2019

^ High-risk and other monitored jurisdictions

Circular No.: NSDL/ POLICY/2019/0032 June 4, 2019	***Subject: Combating Financing of Terrorism (CFT) under Unlawful Activities (Prevention) Act, 1967.*** Attention of Participants is invited to SEBI Circular no. **SEBI/HO/MIRSD/DOP/ CIR/P/2019/69** dated May 28, 2019 (copy enclosed) regarding Combating Financing of Terrorism (CFT) under Unlawful Activities (Prevention) Act, 1967.

CIRCULAR SEBI/HO/MIRSD/DOP/CIR/P/2019/69

May 28, 2019

To,

All Intermediaries registered with SEBI under Section 12 of the Securities and Exchange Board of India Act, 1992

(Through the stock exchanges for stock brokers, depositories for depository participants and Association of Mutual Funds in India (AMFI) for asset management companies)

Dear Sir / Madam,

Sub: Combating Financing of Terrorism (CFT) under Unlawful Activities (Prevention) Act, 1967 -Directions to stock exchanges, depositories and all registered intermediaries

1. The Government had issued an Order dated August 27, 2009 detailing the procedure for implementation of Section 51A of the Unlawful Activities (Prevention) Act, 1967 (UAPA), relating to the purpose of prevention of, and for coping with terrorist activities. Accordingly SEBI had issued circular ISD/AML/CIR-2/2009 dated October 23, 2009 on *"Combating Financing of Terrorism (CFT) under Unlawful Activities (Prevention) Act, 1967"* and subsequently master circular SEBI/ HO/MIRSD/DOS3/CIR/P/2018/104 dated July 04, 2018 on *"Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under'*.
2. In view of the reorganization of Divisions in the Ministry of Home Affairs and allocation of work relating to countering of terror financing to the Counter Terrorism and Counter Radicalization (CTCR) Division, the Government has modified the earlier order dated August 27, 2009 by the order dated March 14, 2019 **(copy enclosed)** for strict compliance.

Circular No.: NSDL/ POLICY/2019/0031 June 4, 2019	***Subject: The Financial Action Task Force (FATF) public statement dated February 22, 2019 regarding FATF identified jurisdictions that have strategic Anti Money Laundering and Combating the Financing of Terrorism (AML / CFT) deficiencies and Improving Global AML/ CFT Compliance: On-going Process - 22 February 2019.*** Participants are hereby informed that FATF in its on-going efforts to identify and work with jurisdictions with strategic AML / CFT deficiencies, has released fresh statements titled 'FATF Public Statement – February 2019' and 'Improving Global AML/CFT Compliance: On-going Process - 22 February 2019'. The aforesaid FATF statements are available at http://www.fatf-gafi.org, and is also attached for ready reference.

Circular No.: NSDL/ POLICY/2019/0025 April 30, 2019	***Subject: United Nations Security Council Consolidated List.*** All Participants are hereby informed that SEBI vide its email dated April 22, 2019 has informed about the consolidated list of individuals / entities designated by the United Nations Security Council (as on 3 April 2019) as received from Ministry of External Affairs for necessary compliance as required under provisions of SEBI "Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under" issued on July 04, 2018.
Circular No.: NSDL/ POLICY/2019/0006 January 18, 2019	***Subject: The Financial Action Task Force (FATF) public statement dated October 19, 2018 regarding FATF identified jurisdictions that have strategic Anti Money Laundering and Combating the Financing of Terrorism (AML / CFT) deficiencies and FATF guidance for a risk based approach for securities sector published on October 26, 2018.*** Participants are hereby informed that FATF in its on-going efforts to identify and work with jurisdictions with strategic AML / CFT deficiencies, has released fresh statements titled 'FATF Public Statement -October 19, 2018' and 'Guidance for a Risk Based Approach for Securities Sector - October 26, 2018'. The aforesaid FATF statements are available at http://www.fatf-gafi.org, and is also attached for ready reference.
Circular No.: NSDL/ POLICY/2018/0036 Date: July 10, 2018	***Subject: SEBI Master Circular on Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the PMLA, 2002 and Rules framed there under.*** Attention of Participants is invited to SEBI Master Circular no. SEBI/ HO/ MIRSD/ DOS3/ CIR/ P/ 2018/ 104 dated July 4, 2018 regarding guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the PMLA, 2002 and Rules framed there under.

MASTER CIRCULAR

SEBI/ HO/ MIRSD/ DOS3/ CIR/ P/ 2018/ 104 **July 04, 2018**

To,

All Intermediaries registered with SEBI under Section 12 of the Securities and Exchange Board of India Act, 1992.

(Through the stock exchanges for stock brokers and sub brokers, depositories for depository participants, Association of Mutual Funds in India (AMFI) for Asset Management Companies)

Subject: Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under

1. The Prevention of Money Laundering Act, 2002 ("PMLA") was brought into force with effect from 1st July 2005. Necessary Notifications / Rules under the said Act were published in the Gazette of India on July 01, 2005 by the Department of Revenue, Ministry of Finance, Government of India.
2. As per the provisions of the PMLA, every banking company, financial institution (which includes chit fund company, a co-operative bank, a housing finance institution and a non-banking financial

company) and intermediary (includes a stock-broker, sub-broker, share transfer agent, banker to an issue, trustee to a trust deed, registrar to an issue, asset management company, depository participant, merchant banker, underwriter, portfolio manager, investment adviser and any other intermediary associated with the securities market and registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (SEBI Act)) shall have to adhere to client account opening procedures and maintain records of such transactions as prescribed by the PMLA and rules notified there under.

3. Pursuant to amendments made to the PMLA and Rules thereunder, updated guidelines in the context of recommendations made by Financial Action Task force (FATF) on anti-money laundering standards is enclosed. These guidelines have been divided into two parts; the first part is an overview on the background and essential principles that concern combating Money Laundering (ML) and Terrorist Financing (TF). The second part provides a detailed account of the procedures and obligations to be followed by all registered intermediaries to ensure compliance with AML/ CFT directives. These guidelines shall also apply to their branches and subsidiaries located abroad, especially, in countries which do not or insufficiently apply the FATF Recommendations, to the extent local laws and regulations permit. When local applicable laws and regulations prohibit implementation of these requirements, the same shall be brought to the notice of SEBI.

4. The key circulars/ directives issued with regard to KYC, CDD, AML and CFT have been mentioned in Schedule I. These directives lay down the minimum requirements and it is emphasized that the intermediaries may, according to their requirements, specify additional disclosures to be made by clients to address concerns of money laundering and suspicious transactions undertaken by clients. Reference to applicable statutes and reporting guidelines for intermediaries is available at the website of the Financial Intelligence Unit - India (FIU-IND).

5. This Master Circular shall supersede the earlier Master Circular on AML/ CFT dated December 31, 2010.

Yours faithfully,

Surabhi Gupta
Deputy General Manager
Phone No. 022-26449315
Email id: surabhig@sebi.gov.in

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SCHEDULE I

List of key circulars/ directives issued with regard to KYC, CDD, AML and CFT

Section 1: Overview

1.1. Introduction

1.1.1 The Directives as outlined below provide a general background and summary of the main provisions of the applicable anti-money laundering and anti-terrorist financing legislations in India. They also provide guidance on the practical implications of the Prevention of Money Laundering Act, 2002 **(PMLA).** The Directives also set out the steps that a registered intermediary or its representatives shall implement to discourage and to identify any money laundering or terrorist financing activities. The relevance and usefulness of these Directives will be kept under review and it may be necessary to issue amendments from time to time.

1.1.2 These Directives are intended for use primarily by intermediaries registered under Section 12 of the Securities and Exchange Board of India Act, 1992 **(SEBI Act).** While it is recognized that a "one- size-fits-all" approach may not be appropriate for the securities industry in India, each registered intermediary shall consider the specific nature of its business, organizational structure, type of clients and transactions, etc. when implementing the suggested measures and procedures to ensure that they are effectively applied. The overriding principle is that they shall be able to satisfy themselves that the measures taken by them are adequate, appropriate and abide by the spirit of such measures and the requirements as enshrined in the PMLA.

1.2. Background

1.2.1 The PMLA came into effect from 1st July 2005. Necessary Notifications / Rules under the said Act were published in the Gazette of India on 1st July, 2005 by the Department of Revenue, Ministry of Finance, Government of India. The PMLA has been further amended vide notification dated March 6, 2009 and inter alia provides that violating the prohibitions on manipulative and deceptive devices, insider trading and substantial acquisition of securities or control as prescribed in Section 12 A read with Section 24 of the Securities and Exchange Board of India Act, 1992 (SEBI Act) will now be treated as a scheduled offence under schedule B of the PMLA.

1.2.2 As per the provisions of the PMLA, every banking company, financial institution (which includes chit fund company, a co-operative bank, a housing finance institution and a non-banking financial company) and intermediary (which includes a stock-broker, sub-broker, share transfer agent, banker to an issue, trustee to a trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and any other intermediary associated with securities market and registered under Section 12 of the SEBI Act , shall have to maintain a record of all the transactions; the nature and value of which

has been prescribed in the Rules under the PMLA. Such transactions include;

i. All cash transactions of the value of more than ? 10 lakh or its equivalent in foreign currency.

ii. All series of cash transactions integrally connected to each other which have been valued below ? 10 lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds an amount of ten lakh rupees or its equivalent in foreign currency

iii. All suspicious transactions whether or not made in cash and including, inter-alia, credits or debits into from any non-monetary account such as demat account, security account maintained by the registered intermediary.

1.2.3 It may, however, be clarified that for the purpose of suspicious transactions reporting, apart from 'transactions integrally connected', 'transactions remotely connected or related' shall also be considered. In case there is a variance in CDD/AML standards prescribed by SEBI and the regulators of the host country, branches/overseas subsidiaries of intermediaries are required to adopt the more stringent requirements of the two.

1.3. Policies and Procedures to Combat Money Laundering and Terrorist financing

1.3.1 Essential Principles:

1.3.1.1 These Directives have taken into account the requirements of the PMLA as applicable to the intermediaries registered under Section 12 of the SEBI Act. The detailed Directives in Section II have outlined relevant measures and procedures to guide the registered intermediaries in preventing ML and TF. Some of these suggested measures and procedures may not be applicable in every circumstance. Each intermediary shall consider carefully the specific nature of its business, organizational structure, type of client and transaction, etc. to satisfy itself that the measures taken by it are adequate and appropriate and follow the spirit of the suggested measures in Section II and the requirements as laid down in the PMLA.

1.3.2 Obligation to establish policies and procedures:

1.3.2.1 Global measures taken to combat drug trafficking, terrorism and other organized and serious crimes have all emphasized the need for financial institutions, including securities market intermediaries, to establish internal procedures that effectively serve to prevent and impede money laundering and terrorist financing. The PMLA is in line with these measures and mandates that all intermediaries ensure the fulfillment of the aforementioned obligations.

1.3.2.2 To be in compliance with these obligations, the senior management of a registered intermediary shall be fully committed to establishing appropriate policies and procedures for the prevention of ML and TF and ensuring their effectiveness and compliance with all relevant legal and regulatory requirements. The Registered Intermediaries shall:

a) issue a statement of policies and procedures, on a group basis where applicable, for dealing with ML and TF reflecting the current statutory and regulatory requirements

b) ensure that the content of these Directives are understood by all staff members

c) regularly review the policies and procedures on the prevention of ML and TF to ensure their effectiveness. Further, in order to ensure the effectiveness of policies and procedures, the person doing such a review shall be different from the one who has framed such policies and procedures

d) adopt client acceptance policies and procedures which are sensitive to the risk of ML and TF

e) undertake client due diligence **("CDD")** measures to an extent that is sensitive to the risk of ML and TF depending on the type of client, business relationship or transaction

f) have in system a place for identifying, monitoring and reporting suspected ML or TF transactions to the law enforcement authorities; and

g) develop staff members' awareness and vigilance to guard against ML and TF

1.3.2.3 Policies and procedures to combat ML shall cover:

a) Communication of group policies relating to prevention of ML and TF to all management and relevant staff that handle account information, securities transactions, money and client records etc. whether in branches, departments or subsidiaries;

b) Client acceptance policy and client due diligence measures, including requirements for proper identification;

c) Maintenance of records;

d) Compliance with relevant statutory and regulatory requirements;

e) Co-operation with the relevant law enforcement authorities, including the timely disclosure of information; and

f) Role of internal audit or compliance function to ensure compliance with the policies, procedures, and controls relating to the prevention of ML and TF, including the testing of the system for detecting suspected money laundering transactions, evaluating and checking the adequacy of exception reports generated on large and/or irregular transactions, the quality of reporting of suspicious transactions and the level of awareness of front line staff, of their responsibilities in this regard. The internal audit function shall be independent, adequately resourced and commensurate with the size of the business and operations, organization structure, number of clients and other such factors

Section 2: Detailed Directives

2.1. Written Anti Money Laundering Procedures

2.1.1 Each registered intermediary shall adopt written procedures to implement the anti-money laundering provisions as envisaged under the PMLA. Such procedures shall include inter alia, the following three specific parameters which are related to the overall **'Client Due Diligence Process':**

a) Policy for acceptance of clients

b) Procedure for identifying the clients

c) Transaction monitoring and reporting especially Suspicious Transactions Reporting (STR).

2.2. **Client Due Diligence (CDD)**

2.2.1 The CDD measures comprise the following:

a) Obtaining sufficient information in order to identify persons who beneficially own or control the securities account. Whenever it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the client, that party shall be identified using client identification and verification procedures. The beneficial owner is the natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement

b) Verify the client's identity using reliable, independent source documents, data or information

c) Identify beneficial ownership and control, i.e. determine which individual(s) ultimately own(s) or control(s) the client and/or the person on whose behalf a transaction is being conducted -

i) [1]For clients other than individuals or trusts: Where the client is a person other than an individual or trust, viz., company, partnership or unincorporated association/body of individuals, the intermediary shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the following information:

aa) The identity of the natural person, who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest.

Explanation: Controlling ownership interest means ownership of/ entitlement to:

i. more than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;

ii. more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or

iii. more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

bb) In cases where there exists doubt under clause (aa) above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the juridical person through other means.

Explanation: Control through other means can be exercised through voting rights, agreement, arrangements or in any other manner.

cc) Where no natural person is identified under clauses (aa) or (bb) above, the identity of the relevant natural person who holds the position of senior managing official.

ii. For client which is a trust: Where the client is a trust, the intermediary shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

iii. Exemption in case of listed companies: Where the client or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

Applicability for foreign investors: Intermediaries dealing with foreign investors' may be guided by the clarifications issued vide SEBI circulars CIR/ MIRSD/11/2012 dated September 5, 2012 and CIR/ MIRSD/ 07/ 2013 dated September 12, 2013, for the purpose of identification of beneficial ownership of the client.

iv. The Stock Exchanges and Depositories shall monitor the compliance of the

[1] CIR/ MIRSD/2/ 2013 dated January 24, 2013

aforementioned provision on identification of beneficial ownership through half-yearly internal audits. In case of mutual funds, compliance of the same shall be monitored by the Boards of the Asset Management Companies and the Trustees and in case of other intermediaries, by their Board of Directors

d) Verify the identity of the beneficial owner of the client and/or the person on whose behalf a transaction is being conducted, corroborating the information provided in relation to (c).

e) Understand the ownership and control structure of the client. .

f) Conduct ongoing due diligence and scrutiny, i.e. Perform ongoing scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the registered intermediary's knowledge of the client, its business and risk profile, taking into account, where necessary, the client's source of funds; and

g) Registered intermediaries shall periodically update all documents, data or information of all clients and beneficial owners collected under the CDD process.

2.2.2 Policy for acceptance of clients:

2.2.2.1 All registered intermediaries shall develop client acceptance policies and procedures that aim to identify the types of clients that are likely to pose a higher than average risk of ML or TF. By establishing such policies and procedures, they will be in a better position to apply client due diligence on a risk sensitive basis depending on the type of client business relationship or transaction. In a nutshell, the following safeguards are to be followed while accepting the clients:

a) No account is opened in a fictitious / benami name or on an anonymous basis.

b) Factors of risk perception (in terms of monitoring suspicious transactions) of the client are clearly defined having regard to clients' location (registered office address, correspondence addresses and other addresses if applicable), nature of business activity, trading turnover etc. and manner of making payment for transactions undertaken. The parameters shall enable classification of clients into low, medium and high risk. Clients of special category (as given below) may, if necessary, be classified even higher. Such clients require higher degree of due diligence and regular update of Know Your Client **(KYC)** profile.

c) Documentation requirements and other information to be collected in respect of different classes of clients depending on the perceived risk and having regard to the requirements of Rule 9 of the PML Rules, Directives and Circulars issued by SEBI from time to time.

d) Ensure that an account is not opened where the intermediary is unable to apply appropriate CDD measures/ KYC policies. This shall apply in cases where it is not possible to ascertain the identity of the client, or the information provided to the intermediary is suspected to be non - genuine, or there is perceived non - co-operation of the client in providing full and complete information. The market intermediary shall not continue to do business with such a person and file a suspicious activity report. It shall also evaluate whether there is suspicious trading in determining whether to freeze or close the account. The market intermediary shall be cautious to ensure that it does not return securities of money that may be from suspicious trades. However, the market intermediary shall consult the relevant authorities in determining what action it shall take when it suspects suspicious trading.

e) The circumstances under which the client is permitted to act on behalf of another person / entity shall be clearly laid down. It shall be specified in what manner the

account shall be operated, transaction limits for the operation, additional authority required for transactions exceeding a specified quantity/value and other appropriate details. Further the rights and responsibilities of both the persons i.e. the agent-client registered with the intermediary, as well as the person on whose behalf the agent is acting shall be clearly laid down. Adequate verification of a person's authority to act on behalf of the client shall also be carried out.

f) Necessary checks and balance to be put into place before opening an account so as to ensure that the identity of the client does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide

g) The CDD process shall necessarily be revisited when there are suspicions of money laundering or financing of terrorism (ML/FT).

2.2.3 Risk-based Approach:

2.2.3.1 It is generally recognized that certain clients may be of a higher or lower risk category depending on the circumstances such as the client's background, type of business relationship or transaction etc. As such, the registered intermediaries shall apply each of the client due diligence measures on a risk sensitive basis. The basic principle enshrined in this approach is that the registered intermediaries shall adopt an enhanced client due diligence process for higher risk categories of clients. Conversely, a simplified client due diligence process may be adopted for lower risk categories of clients. In line with the risk-based approach, the type and amount of identification information and documents that registered intermediaries shall obtain necessarily depend on the risk category of a particular client.

2.2.3.1 Further, low risk provisions shall not apply when there are suspicions of ML/FT or when other factors give rise to a belief that the customer does not in fact pose a low risk

2.2.3.2 Risk Assessment[2]

a) Registered intermediaries shall carry out risk assessment to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk with respect to its clients, countries or geographical areas, nature and volume of transactions, payment methods used by clients, etc. The risk assessment shall also take into account any country specific information that is circulated by the Government of India and SEBI from time to time, as well as, the updated list of individuals and entities who are subjected to sanction measures as required under the various United Nations' Security Council Resolutions (these can be accessed at the URL - http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml and http://www.un.org/sc/committees/1988/list.shtml)

b) The risk assessment carried out shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied. The assessment shall be documented, updated regularly and made available to competent authorities and self-regulating bodies, as and when required.

2.2.4 Clients of special category (CSC): Such clients shall include the following:

a) Non - resident clients

b) High net-worth clients,

c) Trust, Charities, Non-Governmental Organizations (NGOs)and organizations receiving donations

d) Companies having close family shareholdings or beneficial ownership

[2] SEBI Circular No. CIR/ MIRSD/ 1/ 2014 dated March 12, 2014

e) Politically Exposed Persons (PEP) are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. The additional norms applicable to PEP as contained in the subsequent para 2.2.5 of this circular shall also be applied to the accounts of the family members or close relatives of PEPs.

f) Companies offering foreign exchange offerings

g) Clients in high risk countries where existence / effectiveness of money laundering controls is suspect, where there is unusual banking secrecy, countries active in narcotics production, countries where corruption (as per Transparency International Corruption Perception Index) is highly prevalent, countries against which government sanctions are applied, countries reputed to be any of the following - Havens/ sponsors of international terrorism, offshore financial centers, tax havens, countries where fraud is highly prevalent. While dealing with clients in high risk countries where the existence/effectiveness of money laundering control is suspect, intermediaries apart from being guided by the Financial Action Task Force (FATF) statements that identify countries that do not or insufficiently apply the FATF Recommendations, published by the FATF on its website (www.fatf-gafi.org), shall also independently access and consider other publicly available information.

h) Non face to face clients

i) Clients with dubious reputation as per public information available etc.

The above mentioned list is only illustrative and the intermediary shall exercise independent judgment to ascertain whether any other set of clients shall be classified as CSC or not.

2.2.5 Client identification procedure:

2.2.5.1 The KYC policy shall clearly spell out the client identification procedure to be carried out at different stages i.e. while establishing the intermediary - client relationship, while carrying out transactions for the client or when the intermediary has doubts regarding the veracity or the adequacy of previously obtained client identification data.

Intermediaries shall be in compliance with the following requirements while putting in place a Client Identification Procedure **(CIP):**

a) All registered intermediaries shall proactively put in place appropriate risk management systems to determine whether their client or potential client or the beneficial owner of such client is a politically exposed person. Such procedures shall include seeking relevant information from the client, referring to publicly available information or accessing the commercial electronic databases of PEPS. Further, the enhanced CDD measures as outlined in clause 2.2.5 shall also be applicable where the beneficial owner of a client is a PEP.

b) All registered intermediaries are required to obtain senior management approval for establishing business relationships with PEPs. Where a client has been accepted and the client or beneficial owner is subsequently found to be, or subsequently becomes a PEP, registered intermediaries shall obtain senior management approval to continue the business relationship.

c) Registered intermediaries shall also take reasonable measures to verify the sources of funds as well as the wealth of clients and beneficial owners identified as PEP.

d) The client shall be identified by the intermediary by using reliable sources including documents / information. The intermediary shall obtain adequate information

to satisfactorily establish the identity of each new client and the purpose of the intended nature of the relationship.

e) The information must be adequate enough to satisfy competent authorities (regulatory / enforcement authorities) in future that due diligence was observed by the intermediary in compliance with the directives. Each original document shall be seen prior to acceptance of a copy.

f) Failure by prospective client to provide satisfactory evidence of identity shall be noted and reported to the higher authority within the intermediary

2.2.5.2 SEBI has prescribed the minimum requirements relating to KYC for certain classes of registered intermediaries from time to time as detailed in Schedule II. Taking into account the basic principles enshrined in the KYC norms which have already been prescribed or which may be prescribed by SEBI from time to time, all registered intermediaries shall frame their own internal directives based on their experience in dealing with their clients and legal requirements as per the established practices.

Further, the intermediary shall conduct ongoing due diligence where it notices inconsistencies in the information provided. The underlying objective shall be to follow the requirements enshrined in the PMLA, SEBI Act and Regulations, directives and circulars issued thereunder so that the intermediary is aware of the clients on whose behalf it is dealing.

2.2.5.3 Every intermediary shall formulate and implement a CIP which shall incorporate the requirements of the PML Rules Notification No. 9/2005 dated July 01, 2005 (as amended from time to time), which notifies rules for maintenance of records of the nature and value of transactions, the procedure and manner of maintaining and time for furnishing of information and verification of records of the identity of the clients of the banking companies, financial institutions and intermediaries of securities market and such other additional requirements that it considers appropriate to enable it to determine the true identity of its clients.

2.2.5.4 It may be noted that irrespective of the amount of investment made by clients, no minimum threshold or exemption is available to registered intermediaries (brokers, depository participants, AMCs etc.) from obtaining the minimum information/documents from clients as stipulated in the PML Rules/ SEBI Circulars (as amended from time to time) regarding the verification of the records of the identity of clients. Further no exemption from carrying out CDD exists in respect of any category of clients. In other words, there shall be no minimum investment threshold/ category-wise exemption available for carrying out CDD measures by registered intermediaries. This shall be strictly implemented by all intermediaries and non-compliance shall attract appropriate sanctions.

2.2.6 Reliance on third party for carrying out Client Due Diligence (CDD)[3]

2.2.6.1 Registered intermediaries may rely on a third party for the purpose of

a) identification and verification of the identity of a client and

b) Determination of whether the client is acting on behalf of a beneficial owner, identification of the beneficial owner and verification of the identity of the beneficial owner. Such third party shall be regulated, supervised or monitored for, and have measures in place for compliance with CDD and record-keeping requirements in line with the obligations under the PML Act.

2.2.6.2 Such reliance shall be subject to the conditions that are specified in Rule 9 (2) of the PML Rules and shall be in accordance with the regulations and circulars/ guidelines issued

[3] SEBI Circular No. CIR/ MIRSD/ 1/ 2014 dated March 12, 2014

by SEBI from time to time. Further, it is clarified that the registered intermediary shall be ultimately responsible for CDD and undertaking enhanced due diligence measures, as applicable.

2.3. Record Keeping

2.3.1 Registered intermediaries shall ensure compliance with the record keeping requirements contained in the SEBI Act, 1992, Rules and Regulations made thereunder, PMLA as well as other relevant legislation, Rules, Regulations, Exchange Bye-laws and Circulars.

2.3.2 Registered Intermediaries shall maintain such records as are sufficient to permit reconstruction of individual transactions (including the amounts and types of currencies involved, if any) so as to provide, if necessary, evidence for prosecution of criminal behaviour.

2.3.3 Should there be any suspected drug related or other laundered money or terrorist property, the competent investigating authorities would need to trace through the audit trail for reconstructing a financial profile of the suspect account. To enable this reconstruction, registered intermediaries shall retain the following information for the accounts of their clients in order to maintain a satisfactory audit trail:

a) the beneficial owner of the account;

b) the volume of the funds flowing through the account; and

c) for selected transactions:

i. the origin of the funds

ii. the form in which the funds were offered or withdrawn, e.g. cheques, demand drafts etc.

iii. the identity of the person undertaking the transaction;

iv. the destination of the funds;

v. the form of instruction and authority.

2.3.4 Registered Intermediaries shall ensure that all client and transaction records and information are available on a timely basis to the competent investigating authorities. Where required by the investigating authority, they shall retain certain records, e.g. client identification, account files, and business correspondence, for periods which may exceed those required under the SEBI Act, Rules and Regulations framed there-under PMLA, other relevant legislations, Rules and Regulations or Exchange bye-laws or circulars.

2.3.5 More specifically, all the intermediaries shall put in place a system of maintaining proper record of transactions prescribed under Rule 3 of PML Rules as mentioned below:

a) all cash transactions of the value of more than ten lakh rupees or its equivalent in foreign currency;

b) all series of cash transactions integrally connected to each other which have been individually valued below rupees ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds an amount of ten lakh rupees or its equivalent in foreign currency;

c) all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine or where any forgery of a valuable security or a document has taken place facilitating the transactions;

d) all suspicious transactions whether or not made in cash and by way of as mentioned in the Rules.

2.4. Information to be maintained

2.4.1 Intermediaries are required to maintain and preserve the following information in respect of transactions referred to in Rule 3 of PML Rules:

a) the nature of the transactions;

b) the amount of the transaction and the currency in which it is denominated;

c) the date on which the transaction was conducted; and

d) the parties to the transaction.

2.5. Retention of Records[4]

2.5.1 Intermediaries shall take appropriate steps to evolve an internal mechanism for proper maintenance and preservation of such records and information in a manner that allows easy and quick retrieval of data as and when requested by the competent authorities. Further, the records mentioned in Rule 3 of PML Rules have to be maintained and preserved for a period of five years from the date of transactions between the client and intermediary.

2.5.2 As stated in sub-section 2.2.5, intermediaries are required to formulate and implement the CIP containing the requirements as laid down in Rule 9 of the PML Rules and such other additional requirements that it considers appropriate. Records evidencing the identity of its clients and beneficial owners as well as account files and business correspondence shall be maintained and preserved for a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later.

2.5.3 Thus the following document retention terms shall be observed:

a) All necessary records on transactions, both domestic and international, shall be maintained at least for the minimum period prescribed under the relevant Act and Rules (PMLA and rules framed thereunder as well SEBI Act) and other legislations, Regulations or exchange bye-laws or circulars.

b) Registered intermediaries shall maintain and preserve the records of documents evidencing the identity of its clients and beneficial owners (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents) as well as account files and business correspondence for a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later.

2.5.4 In situations where the records relate to on-going investigations or transactions which have been the subject of a suspicious transaction reporting, they shall be retained until it is confirmed that the case has been closed.

2.5.5 Records of information reported to the Director, Financial Intelligence Unit – India (FIU – IND)[5]: Registered Intermediaries shall maintain and preserve the records of information related to transactions, whether attempted or executed, which are reported to the Director, FIU – IND, as required under Rules 7 and 8 of the PML Rules, for a period of five years from the date of the transaction between the client and the intermediary.

2.6. Monitoring of transactions

2.6.1 Regular monitoring of transactions is vital for ensuring effectiveness of the AML procedures. This is possible only if the intermediary has an understanding of the normal activity of the client so that it can identify deviations in transactions / activities.

2.6.2 The intermediary shall pay special attention to all complex unusually large transactions / patterns which appear to have no economic purpose. The intermediary may specify

[4] SEBI Circular No. CIR/ MIRSD/ 1/ 2014 dated March 12, 2014

[5] SEBI Circular No. CIR/ MIRSD/ 1/ 2014 dated March 12, 2014

internal threshold limits for each class of client accounts and pay special attention to transactions which exceeds these limits. The background including all documents/office records /memorandums/clarifications sought pertaining to such transactions and purpose thereof shall also be examined carefully and findings shall be recorded in writing. Further such findings, records and related documents shall be made available to auditors and also to SEBI/stock exchanges/FIUIND/ other relevant Authorities, during audit, inspection or as and when required. These records are required to be maintained and preserved for a period of five years from the date of transaction between the client and intermediary.

2.6.3 The intermediary shall ensure a record of the transactions is preserved and maintained in terms of Section 12 of the PMLA and that transactions of a suspicious nature or any other transactions notified under Section 12 of the Act are reported to the Director, FIU-IND. Suspicious transactions shall also be regularly reported to the higher authorities within the intermediary.

2.6.4 Further, the compliance cell of the intermediary shall randomly examine a selection of transactions undertaken by clients to comment on their nature i.e. whether they are in the nature of suspicious transactions or not.

2.7. Suspicious Transaction Monitoring and Reporting

2.7.1 Intermediaries shall ensure that appropriate steps are taken to enable suspicious transactions to be recognized and have appropriate procedures for reporting suspicious transactions. While determining suspicious transactions, intermediaries shall be guided by the definition of a suspicious transaction contained in PML Rules as amended from time to time.

2.7.2 A list of circumstances which may be in the nature of suspicious transactions is given below. This list is only illustrative and whether a particular transaction is suspicious or not will depend upon the background, details of the transactions and other facts and circumstances:

a) Clients whose identity verification seems difficult or clients that appear not to cooperate

b) Asset management services for clients where the source of the funds is not clear or not in keeping with clients' apparent standing /business activity;

c) Clients based in high risk jurisdictions;

d) Substantial increases in business without apparent cause;

e) Clients transferring large sums of money to or from overseas locations with instructions for payment in cash;

f) Attempted transfer of investment proceeds to apparently unrelated third parties;

g) Unusual transactions by CSCs and businesses undertaken by offshore banks/financial services, businesses reported to be in the nature of export- import of small items.

2.7.3 Any suspicious transaction shall be immediately notified to the Money Laundering Control Officer or any other designated officer within the intermediary. The notification may be done in the form of a detailed report with specific reference to the clients, transactions and the nature /reason of suspicion. However, it shall be ensured that there is continuity in dealing with the client as normal until told otherwise and the client shall not be told of the report/ suspicion. In exceptional circumstances, consent may not be given to continue to operate the account, and transactions may be suspended, in one or more jurisdictions concerned in the transaction, or other action taken. The Principal Officer/ Money Laundering Control Officer and other appropriate compliance, risk management and related staff members shall have timely access to client identification data and CDD

information, transaction records and other relevant information.

2.7.4 It is likely that in some cases transactions are abandoned or aborted by clients on being asked to give some details or to provide documents. It is clarified that intermediaries shall report all such attempted transactions in STRs, even if not completed by clients, irrespective of the amount of the transaction.

2.7.5 Clause 2.2.4 (g) of this Master Circular categorizes clients of high risk countries, including countries where existence and effectiveness of money laundering controls is suspect or which do not or insufficiently apply FATF standards, as 'CSC'. Intermediaries are directed that such clients shall also be subject to appropriate counter measures. These measures may include a further enhanced scrutiny of transactions, enhanced relevant reporting mechanisms or systematic reporting of financial transactions, and applying enhanced due diligence while expand

2.8. List of Designated Individuals/ Entities

2.8.1 An updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs) can be accessed at its website at http://www.un.org/sc/committees/1267/consolist.shtml. Registered intermediaries are directed to ensure that accounts are not opened in the name of anyone whose name appears in said list. Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list. Full details of accounts bearing resemblance with any of the individuals/entities in the list shall immediately be intimated to SEBI and FIU-IND. ing business relationships with the identified country or persons in that country etc.

2.9. Procedure for freezing of funds, financial assets or economic resources or related services

2.9.1 Section 51A of the Unlawful Activities (Prevention) Act, 1967 (UAPA), relating to the purpose of prevention of, and for coping with terrorist activities was brought into effect through UAPA Amendment Act, 2008. In this regard, the Central Government has issued an Order dated August 27, 2009 detailing the procedure for the implementation of Section 51A of the UAPA.

2.9.2 Under the aforementioned Section, the Central Government is empowered to freeze, seize or attach funds and other financial assets or economic resources held by, on behalf of, or at the direction of the individuals or entities listed in the Schedule to the Order, or any other person engaged in or suspected to be engaged in terrorism. The Government is also further empowered to prohibit any individual or entity from making any funds, financial assets or economic resources or related services available for the benefit of the individuals or entities listed in the Schedule to the Order or any other person engaged in or suspected to be engaged in terrorism.

2.9.3 The stock exchanges, depositories and registered intermediaries shall ensure effective and expeditious implementation of the procedure laid down in the UAPA Order dated August 27, 2009 as listed below[6]

a) On receipt of the updated list of individuals/ entities subject to UN sanction measures (hereinafter referred to as 'list of designated individuals/ entities) from the Ministry of External Affairs (MHA)'; SEBI will forward the same to stock exchanges, depositories and registered intermediaries for the following purposes:

i. To maintain updated designated lists in electronic form and run a check on the given parameters on a regular basis to verify whether individuals or entities listed

[6] SEBI Circular No. ISD/ AML/ CIR – 2/ 2009 dated October 23, 2009

in the schedule to the Order (referred to as designated individuals/entities) are holding any funds, financial assets or economic resources or related services held in the form of securities with them.

ii. In the event, particulars of any of customer/s match the particulars of designated individuals/entities, stock exchanges, depositories and intermediaries shall immediately, not later than 24 hours from the time of finding out such customer, inform full particulars of the funds, financial assets or economic resources or related services held in the form of securities, held by such customer on their books to the Joint Secretary (IS.I), Ministry of Home Affairs, at Fax No.011-23092569 and also convey over telephone on 011-23092736. The particulars apart from being sent by post should necessarily be conveyed through e-mail at jsis@nic.in.

iii. Stock exchanges, depositories and registered intermediaries shall send the particulars of the communication mentioned in (ii) above through post/fax and through e-mail (sebi_uapa@sebi.gov.in) to the UAPA nodal officer of SEBI, Officer on Special Duty, Integrated Surveillance Department, Securities and Exchange Board of India, SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 as well as the UAPA nodal officer of the state/UT where the account is held, as the case may be, and to FIU-IND.

iv. In case the aforementioned details of any of the customers match the particulars of designated individuals/entities beyond doubt, stock exchanges, depositories and registered intermediaries would prevent designated persons from conducting financial transactions, under intimation to Joint Secretary (IS.I), Ministry of Home Affairs, at Fax No. 011-23092569 and also convey over telephone on 011-23092736. The particulars apart from being sent by post should necessarily be conveyed through e-mail at jsis@nic.in.

v. Stock exchanges, depositories and registered intermediaries shall also file a Suspicious Transaction Report (STR) with FIU-IND covering all transactions in the accounts covered by paragraph 2.9.2 (a) (ii) above carried through or attempted, as per the prescribed format.

b) On receipt of the particulars as mentioned in paragraph 2.9.3 (a) (ii) above, IS-I Division of MHA would cause a verification to be conducted by the State Police and /or the Central Agencies so as to ensure that the individuals/ entities identified by the stock exchanges, depositories, registered intermediaries are the ones listed as designated individuals/entities and the funds, financial assets or economic resources or related services, reported by stock exchanges, depositories, registered intermediaries are held by the designated individuals/entities. This verification would be completed within a period not exceeding 5 working days from the date of receipt of such particulars.

c) In case, the results of the verification indicate that the properties are owned by or held for the benefit of the designated individuals/entities, an order to freeze these assets under section51A of the UAPA would be issued within 24 hours of such verification and conveyed electronically to the concerned depository under intimation to SEBI and FIU-IND. The order shall take place without prior notice to the designated individuals/entities.

d) Implementation of requests received from foreign countries under U.N. Securities Council Resolution 1373 of 2001.

i. U.N. Security Council Resolution 1373 obligates countries to freeze without

delay the funds or other assets of persons who commit, or attempt to commit, terrorist acts or participate in or facilitate the commission of terrorist acts; of entities or controlled directly or indirectly by such persons; and of persons and entities acting on behalf of, or at the direction of such persons and entities, including funds or other assets derived or generated from property owned or controlled, directly or indirectly, by such persons and associated persons and entities.

ii. To give effect to the requests of foreign countries under U.N. Security Council Resolution 1373, the Ministry of External Affairs shall examine the requests made by the foreign countries and forward it electronically, with their comments, to the UAPA nodal officer for IS-I Division for freezing of funds or other assets.

iii. The UAPA nodal officer of IS-I Division of MHA, shall cause the request to be examined, within five working days so as to satisfy itself that on the basis of applicable legal principles, the requested designation is supported by reasonable grounds, or a reasonable basis, to suspect or believe that the proposed designee is a terrorist, one who finances terrorism or a terrorist organization, and upon his satisfaction, request would be electronically forwarded to the nodal officer in SEBI. The proposed designee, as mentioned above would be treated as designated individuals/entities.

iv. Upon receipt of the requests from the UAPA nodal officer of IS-I Division, the list would be forwarded to stock exchanges, depositories and intermediaries and the procedure as enumerated at paragraphs 2.9.2 (a) and (b) shall be followed.

v. The freezing orders shall take place without prior notice to the designated persons involved.

e) Procedure for unfreezing of funds, financial assets or economic resources or related services of individuals/entities inadvertently affected by the freezing mechanism upon verification that the person or entity is not a designated person

i. Any individual or entity, if it has evidence to prove that the freezing of funds, financial assets or economic resources or related services, owned/held by them has been inadvertently frozen, shall move an application giving the requisite evidence, in writing, to the concerned stock exchanges/depositories and registered intermediaries. The stock exchanges/depositories and registered intermediaries shall inform and forward a copy of the application together with full details of the asset frozen given by any individual or entity informing of the funds, financial assets or economic resources or related services have been frozen inadvertently, to the nodal officer of IS-I Division of MHA as per the contact details given in paragraph 5(ii) above within two working days. The Joint Secretary (IS-I), MHA, being the nodal officer for (IS-I) Division of MHA, shall cause such verification as may be required on the basis of the evidence furnished by the individual/entity and if he is satisfied, he shall pass an order, within fifteen working days, unfreezing the funds, financial assets or economic resources or related services, owned/held by such applicant under intimation to the concerned stock exchanges, depositories and registered intermediaries. However, if it is not possible for any reason to pass an order unfreezing the assets within fifteen working days, the nodal officer of IS-I Division shall inform the applicant.

f) Communication of Orders under section 51A of Unlawful Activities (Prevention) Act.

i. All Orders under section 51A of the UAPA relating to funds, financial assets

or economic resources or related services, would be communicated to stock exchanges, depositories and intermediaries through SEBI.

2.10. Reporting to Financial Intelligence Unit-India

2.10.1 In terms of the PML Rules, intermediaries are required to report information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND) at the following address:

Director, FIU-IND,
Financial Intelligence Unit-India,
6th Floor, Hotel Samrat,
Chanakyapuri,
New Delhi-110021.
Website: http://fiuindia.gov.in

2.10.2 Intermediaries shall carefully go through all the reporting requirements and formats that are available on the website of FIU – IND under the Section Obligation of Reporting Entity – Furnishing Information – Reporting Format (https://fiuindia.gov.in/files/downloads/Filing_Information.html). These documents contain detailed directives on the compilation and manner/procedure of submission of the reports to FIU-IND. The related hardware and technical requirement for preparing reports, the related data files and data structures thereof are also detailed in these documents While detailed instructions for filing all types of reports are given in the instructions part of the related formats, intermediaries shall adhere to the following:

a) The Cash Transaction Report (CTR) (wherever applicable) for each month shall be submitted to FIU-IND by 15th of the succeeding month.

b) The Suspicious Transaction Report (STR) shall be submitted within 7 days of arriving at a conclusion that any transaction, whether cash or non-cash, or a series of transactions integrally connected are of suspicious nature. The Principal Officer shall record his reasons for treating any transaction or a series of transactions as suspicious. It shall be ensured that there is no undue delay in arriving at such a conclusion.

c) The Non Profit Organization Transaction Reports (NTRs) for each month shall be submitted to FIU-IND by 15th of the succeeding month.

d) The Principal Officer will be responsible for timely submission of CTR, STR and NTR to FIU-IND;

e) Utmost confidentiality shall be maintained in filing of CTR, STR and NTR to FIU-IND.

f) No nil reporting needs to be made to FIU-IND in case there are no cash/ suspicious/ non – profit organization transactions to be reported.

2.10.3 Intermediaries shall not put any restrictions on operations in the accounts where an STR has been made. Intermediaries and their directors, officers and employees (permanent and temporary) shall be prohibited from disclosing ("tipping off") the fact that a STR or related information is being reported or provided to the FIU-IND. This prohibition on tipping off extends not only to the filing of the STR and/ or related information but even before, during and after the submission of an STR. Thus, it shall be ensured that there is no tipping off to the client at any level

It is clarified that the registered intermediaries, irrespective of the amount of transaction and/or the threshold limit envisaged for predicate offences specified in part B of Schedule of PMLA, 2002, shall file STR if they have reasonable grounds to believe that the transactions involve proceeds of crime.

2.11. Designation of officers for ensuring compliance with provisions of PMLA

2.11.1 Appointment of a Principal Officer:

2.11.1.1 To ensure that the registered intermediaries properly discharge their legal obligations to report suspicious transactions to the authorities, the Principal Officer would act as a central reference point in facilitating onward reporting of suspicious transactions and for playing an active role in the identification and assessment of potentially suspicious transactions and shall have access to and be able to report to senior management at the next reporting level or the Board of Directors. Names, designation and addresses (including email addresses) of 'Principal Officer' including any changes therein shall also be intimated to the Office of the Director-FIU. As a matter of principle, it is advisable that the 'Principal Officer' is of a sufficiently senior position and is able to discharge the functions with independence and authority.

2.11.2 Appointment of a Designated Director:[7]

2.11.2.1 In addition to the existing requirement of designation of a Principal Officer, the registered intermediaries shall also designate a person as a 'Designated Director'. In terms of Rule 2 (ba) of the PML Rules, the definition of a Designated Director reads as under:

"Designated director means a person designated by the reporting entity to ensure overall compliance with the obligations imposed under chapter IV of the Act and the Rules and includes –

a) the Managing Director or a Whole-Time Director duly authorizes by the Board of Directors if the reporting entity is a company,

b) the managing partner if the reporting entity is a partnership firm,

c) the proprietor if the reporting entity is a proprietorship firm,

d) the managing trustee if the reporting entity is a trust,

e) a person or individual, as the case may be, who controls and manages the affairs of the reporting entity if the reporting entity is an unincorporated association or a body of individuals, and

f) such other person or class of persons as may be notified by the Government if the reporting entity does not fall in any of the categories above."

2.11.2.2 In terms of Section 13 (2) of the PMLA, the Director, FIU – IND can take appropriate action, including levying monetary penalty, on the Designated Director for failure of the intermediary to comply with any of its AML/CFT obligations.

2.11.2.3 Registered intermediaries shall communicate the details of the Designated Director, such as, name designation and address to the Office of the Director, FIU – IND.

2.12. Employees' Hiring/Employee's Training/ Investor Education

2.12.1 Hiring of Employees

2.12.1.1 The registered intermediaries shall have adequate screening procedures in place to ensure high standards when hiring employees. They shall identify the key positions within their own organization structures having regard to the risk of money laundering and terrorist financing and the size of their business and ensure the employees taking up such key positions are suitable and competent to perform their duties.

2.12.2 Employees' Training:

2.12.2.1 Intermediaries must have an ongoing employee training programme so that the members of the staff are adequately trained in AML and CFT procedures. Training requirements shall have specific focuses for frontline staff, back office staff, compliance staff, risk management staff and staff dealing with new clients. It is crucial that all those concerned fully understand the rationale behind these directives, obligations and requirements,

[7] SEBI Circular No. CIR/ MIRSD/ 1/ 2-014 dated March 12, 2014

implement them consistently and are sensitive to the risks of their systems being misused by unscrupulous elements.

2.12.3 Investors Education

2.12.3.1 Implementation of AML/CFT measures requires intermediaries to demand certain information from investors which may be of personal nature or has hitherto never been called for. Such information can include documents evidencing source of funds/income tax returns/bank records etc. This can sometimes lead to raising of questions by the client with regard to the motive and purpose of collecting such information. There is, therefore, a need for intermediaries to sensitize their clients about these requirements as the ones emanating from AML and CFT framework. Intermediaries shall prepare specific literature/ pamphlets etc. so as to educate the client of the objectives of the AML/CFT programme.

SCHEDULE I

List of key circulars/ directives issued with regard to KYC, CDD, AML and C

S.No.	Circular Number	Date of Circular	Subject	Broad area covered
1.	SEBI/ HO/ IMD/ FIIC/ CIR/ P/ 2017/ 068	June 30, 2017	Acceptance of e -PAN card for KYC purpose	E-PAN issued by CBDT for KYC compliance by FPI
2.	SEBI/ HO/ MRD/ DP/ CIR/ P/ 2016/ 134	December 15, 2016	Master Circulars for Depositories	Opening of BO Accounts
3.	CIR/ IMD/ FPIC/ 123/ 2016	November 17, 2016	Review of requirement for copy of PAN Card to open accounts of FPIs	Verification and submission of PAN Card by FPI
4.	CIR/ MIRSD/ 120 / 2016	November 10, 2016	Uploading of the existing clients' KYC details with Central KYC Records Registry (CKYCR) System by the registered intermediaries	Time lines for registered intermediaries in respect of uploading KYC data of the new and existing individual clients with CKYCR
5.	SEBI/ HO/ IMD / DF3/ CIR/ P / 2016/ 84	September 14, 2016	Master Circular for Mutual Funds	Compliance with AML/ CFT CDD directives of SEBI stipulated in Master Circular dated September 14, 2016
6.	CIR/ MIRSD/ 66/ 2016	July 21, 2016	Operationalization of Central KYC Records Registry (CKYCR)	Authorization of Central Registry of Securitization and Asset Reconstruction and Security interest of India (CERSAI) for receiving, storing, safeguarding, retrieving the KYC records and finalizing template of KYC
7.	CIR/ IMD/ FPI&C/ 59/ 2016	June 10, 2016	Know Your Client (KYC)norms for ODI subscribers, transferability of ODIs, reporting of suspicious transactions, periodic review of systems and modified ODI reporting format	Applicability of Indian KYC/ AML norms for Client Due Diligence, KYC Review, Suspicious Transactions Report, Reporting of complete transfer trail of ODIs, Reconfirmation of ODI positions, Periodic Operational Evaluation

8.	CIR/ MIRSD/ 29/ 2016	January 22, 2016	Know Your Client Requirements -Clarification on voluntary adaptation of Aadhaar based e-KYC process	Client identification and authentication from UIDAI, Investment Limit and mode of payment to Mutual Funds, PAN verification, additional due diligence in case of material difference in information
9.	CIR/ IMD/ FIIC/ 11/ 2014	June 16, 2014	Know Your Client (KYC) requirements for Foreign Portfolio Investors (FPIs)	Process to be followed by DDPs to share the relevant KYC documents of FPIs with the banks and record of ransfer of documents
10.	CIR/ MIRSD/ 1/ 2014	March 12, 2014	Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Obligations of Securities Market Intermediaries under the Prevention of Money laundering Act, 2002 and Rules framed there under	Consequential modifications and additions to Master Circular CIR/ ISD/ AML/ 3/ 2010 dated December 31, 2010 in respect of Risk Assessment, Reliance on third party for carrying out Client Due Diligence (CDD), Record keeping requirements, Records of information reported to the Director, Financial Intelligence Unit - India (FIU-IND), Appointment of a Designated Director
11.	CIR/ MIRSD/ 13/ 2013	December 26, 2013	Know Your Client requirements	Shifting of certain information in Section C of Part I to Part II of the AOF, information required to be captured in the systems of KRAs
12.	CIR/ MIRSD/ 09/ 2013	October 8, 2013	Know Your Client Requirements	Acceptance of e-KYC service launched by UIDAI as a valid process for KYC verification
13.	CIR/ MIRSD/ 07 / 2013	September 12, 2013	Know Your Client Requirements for Eligible Foreign Investors	Partial modification to the provisions of circular No CIR/MIRSD/ 11 /2012 dated September 5, 2012, Classification of Eligible foreign investors investing under Portfolio Investment Scheme ('PIS') route as Category I, II and III

14.	CIR /MIRSD/ 4 '2013	March 28, 2013	Amendment to SEBI [(Know Your Client) Registration Agency} Regulations, 2011 and relevant circulars	Modification of circulars dated December 23, 2011 and April 13, 2012, to the extent of requirement for sending original KYC documents of the clients to the KRA
15.	CIR/ MIRSD/ 2/ 2013	January 24, 2013	Guidelines on Identification of Beneficial Ownership	Client Due Diligence to dentify and verify the dentity of persons who beneficially own or control the securities account for clients other than ndividuals or trusts and client which is a trust. Exemption in case of listed companies, Applicability for foreign investors and mplementation
16.	CIR/ MIRSD/ 01 /2013	January 04, 2013	Rationalization process for obtaining PAN by Investors	Verification the PAN of clients online at the Income Tax website
17.	CIR/ MIRSD/ 11/ 2012	September 5, 2012	Know Your Client Requirements	Clarifications for Foreign Investors viz. FIIs, Sub Accounts and QFIs w.r.t. implementation of SEBI circulars no. CIR /MIRSD/ 16/ 2011 dated August 22, 2011 and MIRSD/ SE/ Cir-21/ 2011 dated October 5, 2011 on know your client norms
18.	CIR/ MIRSD/ 09 / 2012	August 13, 2012	Aadhaar Letter as Proof of Address for Know Your Client (KYC) norms.	Admissibility of Aadhaar etter issued by UIDAI as Proof of Address in addition to its presently being recognized as Proof of Identity
19.	MIRSD/ Cir-5 / 2012	April 13, 2012	Uploading of the existing clients' KYC details in the KYC Registration Agency (KRA) system by the intermediaries	Process to avoid duplication of KYC, guidelines for uploading the KYC data of the existing clients, Schedule for implementation

20.	MIRSD/ Cir- 26 / 2011	December 23, 2011	Guidelines in pursuance of the SEBI KYC Registration Agency (KRA) Regulations, 2011 and for n-Person Verification (IPV)	Guidelines for Intermediaries, Guidelines for KRAs, Guidelines w.r.t In-Person Verification (IPV)
21.	MIRSD/ Cir-23/ 2011	December 2, 2011	The Securities and Exchange Board of India (KYC Registration Agency) Regulations, 2011.	Centralization of the KYC records to avoid duplication of KYC process
22.	CIR/ MIRSD/ 22/ 2011	October 25, 2011	In-person' verification (IPV) of clients by subsidiaries of stock exchanges, acting as stock brokers	Clarification w.r.t ultimate responsibility for 'in-person' verification
23.	MIRSD/ SE/ Cir-21/ 2011	October 5, 2011	Uniform Know Your Client (KYC) Requirements for the Securities Markets	Clarification w.r.t different KYC forms used by Market ntermediaries, Guidelines for KYC form capturing the basic details about the client and additional details specific to the area of activity of the intermediary being obtained
24.	CIR/ MIRSD/ 16/ 2011	August 22, 2011	Simplification and Rationalization of Trading Account Opening Process	Client account opening Process, Client Account Opening Form, Rights & Obligations of stock broker, sub-broker and client for trading on exchanges Uniform Risk Disclosure Documents, Guidance Note detailing Do's and Don'ts for trading
25.	CIR/ ISD/ AML/ 3/ 2010	December 31, 2010	Master Circular on AML/ CFT	Anti - Money Laundering (AML) Standards/ Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under
26.	CIR/ MRD/ DP / 37/ 2010	December 14, 2010	Acceptance of third party address as correspondence address	Capturing of address other than that of the BO as the correspondence address.

27.	CIR/ MRD/ DMS/ 13/ 2010	August 31, 2010	Guidelines on the Execution of Power of Attorney by the Client in favour of Stock Broker/ DP	Clarifications on the Execution of the POA by the client
28.	CIR/ MRD/ DMS/ 13/ 2010	April 23, 2010	Guidelines on the Execution of Power of Attorney by the Client in favour of Stock Broker/ DP	Guidelines on the Execution of Power of Attorney by the Client
29.	CIR/ ISD/ AML/ 2/ 2010	June 14, 2010	Additional Requirements for AML/ CFT	Additional Requirements on retention of documents, monitoring, tipping off, updation of records and other clarifications.
30.	CIR/ ISD/ AML/ 1/ 2010	February 12, 2010	Master Circular -AML/ CFT	Framework for AML/ CFT including procedures for CDD, client identification, record keeping & retention, monitoring and reporting of STRs
31.	SEBI/ MIRSD/ Cir No.02/ 2010	January 18, 2010	Mandatory Requirement of in-person verification of clients.	In-person verification done for opening beneficial owner's account by a DP will hold good for opening trading account for a stock broker and vice versa, if the DP and the stock broker is the same entity or if one of them is the holding or subsidiary.
32.	ISD/ AML/ CIR-2/ 2009	October 23, 2009	Directives on CFT under Unlawful Activities (Prevention) Act, 1967	Procedure to be followed for the freezing of assets of individual or entities engaged in terrorism
33.	ISD/ AML/ CIR-1/ 2009	September 01, 2009	Additional AML/ CFT obligations of Intermediaries under PMLA, 2002 and rules framed	Additional AML/ CFT requirements and clarifications thereon
34.	ISD/ AML/ CIR-1/2008	December 19, 2008	Master Circular on AML/ CFT directives	Framework for AML/ CFT including procedures for CDD, client identification, record keeping & retention, monitoring and reporting of suspicious transactions.
35.	MIRSD/ DPSIII/ 130466/ 2008	July 2, 2008	In-Person verification of clients by stock-brokers	Responsibility of stock brokers to ensure in -person verification by its own staff.

36.	MRD/ DoP/ Cir-20/ 2008	June 30, 2008	Mandatory Requirement of PAN	Exception for certain classes of persons from PAN being the sole identification number for all participants trading in the securities market.
37.	F.No.47/ 2006/ ISD/ SR/ 122539	April 4, 2008	In-person verification of BO's when opening demat accounts	In-person verification to be carried out by staff of depository participant.
38.	MRD/ DoP/ Cir- 20/ 2008	April 3, 2008	Exemption from mandatory requirement of PAN.	Exemption for investors residing in the State of Sikkim from PAN being the sole identification number for trading in the securities market.
39.	F.No.47- 2006 /ISD/ SR/ 118153/ 2008	February 22, 2008	In-Person verification of clients by depositories	Clarification on various topics relating to 'in person' verification of BOs at the time of opening demat accounts
40.	MRD/ DoP/ Dep/ Cir- 12/ 2007	September 7, 2007	KYC Norms for Depositories	Proof of Identity (POI) and Proof of Address (POA) for opening a Beneficiary Owner (BO) Account for non - body corporates
41.	MRD/ DoP/ Cir-05/ 2007	April 27, 2007	PAN to be the sole identification number for all transactions in the securities market	Mandatory requirement of PAN for participants transacting in the securities market.
42.	ISD /CIR/ RR/ AML/2/ 06	March 20, 2006	PMLA Obligations Of intermediaries in terms of Rules notified there under	Procedure for maintaining and preserving records, reporting requirements and formats of reporting cash transactions and suspicious transactions
43.	ISD/ CIR/ RR/ AML/ 1/06	January 18, 2006	Directives on AML Standards	Framework for AML and CFT including policies and procedures, Client Due Diligence requirements, record keeping, retention, monitoring and reporting
44.	SEBI/ MIRSD/ DPS - 1/ Cir-31/ 2004	August 26, 2004	Uniform Documentary Requirements for trading	Uniform KYC documentary requirements for trading on different segments and exchanges

45.	MRD/ DoP/ Dep/ Cir- 29/ 2004	August 24, 2004	Proof of Identity (POI) and Proof of Address (POA) for opening a Beneficiary Owner	Broadening the list of documents that may be accepted as Proof of Identity (POI) and/or Proof of Address (POA) for the purpose of opening a BO Account
46.	SEBI/ MRD/ SE /Cir-33/ 2003/ 27/ 08	August 27, 2003	Mode of payment and delivery	Prohibition on acceptance/ giving of cash by brokers and on third party transfer of securities
47.	SMDRP/ Policy/ Cir-36/ 2000	August 4, 2000	KYC Norms for Depositories	Documentary requirements for opening a beneficiary account.
48.	SMD/ POLICY/ CIRCULARS /5-97	April 11, 1997	Client Registration Form	Formats of client Registration Form and broker clients agreements
49.	SMD-1/ 23341	Nov. 18, 1993	Regulation of transaction between clients and members	Mandatory requirement to obtain details of clients by brokers.

Circular No.: NSDL/ POLICY/2018/0032

Date: June 12, 2018

Subject: SEBI Circular on Amendments to Prevention of Money-laundering (Maintenance of Records) Rules, 2005.

Attention of Participants is invited to SEBI Circular no. SEBI/ HO/MIRSD/DOSR1/ CIR/P/2018/93 dated June 6, 2018 regarding Amendments to Prevention of Money-laundering (Maintenance of Records) Rules, 2005. Copy of the same is enclosed.

CIRCULAR

SEBI/HO/MIRSD/DOSR1/CIR/P/2018/93 June 6, 2018

1. **All Recognized Stock Exchanges**
2. **Stock Brokers through Recognized Stock Exchanges**
3. **All Recognized Depositories**
4. **Depository Participants through Depositories**
5. **Association of Mutual Funds in India**
6. **Mutual funds through AMFI**
7. **Portfolio Managers**
8. **KYC Registration Agencies (KRAs)**
9. **Alternative Investment Funds (AIFs)**
10. **Collective Investment Schemes (CIS)**
11. **Custodians**
12. **Investment Advisors**

Dear Sir/Madam,

Sub: Amendments to Prevention of Money-laundering (Maintenance of Records) Rules, 2005

1. Government of India (GoI) had notified Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2017 (PML Second Amendment Rules) on June 01, 2017 making the Aadhaar number issued by the Unique Identification Authority of India (UIDAI) and Permanent Account Number (PAN) or Form No. 60 as defined in Income-tax Rules, 1962 mandatory for both new and existing accounts with the financial market intermediaries including securities market intermediaries. Copy of the Gazette notification no. G.S.R.538(E) dated June 01, 2017 is attached as **Annexure 1.**
2. Subsequently, GoI has issued the following notifications -
   i. PML (Maintenance of Records) Fifth Amendment Rules, 2017, regarding explanation of the term "certified copy" and a list of deemed OVDs for limited purpose of proof of address (in case OVD submitted does not contain updated address). Copy of the Gazette notification no. G.S.R. 1300(E) dated October 16, 2017, is attached as **Annexure 2.**
   ii. PML (Maintenance of Records) Sixth Amendment Rules, 2017, regarding acceptable documents in case the OVDs presented by a foreign national does not contain address details. Copy of the Gazette notification no. G.S.R. 1318(E) dated October 23, 2017, is attached as **Annexure 3.**
3. Further, as per PML notification dated March 31, 2018 issued by Department of Revenue, Ministry of Finance pursuant to the interim order dated March 13,2018 of Hon'ble Supreme Court, the Central Government has extended the date of submission of Aadhaar Number, and Permanent Account Number or Form 60 by the clients to the reporting entity till a date to be notified subsequent to pronouncement of final judgment in W.P. (C) 494/2012 etc. Copy of the Gazette notification no. G.S.R. 314(E) dated March 31, 2018 is attached as **Annexure 4.**
4. All the above notifications issued by GoI in relation to PML Rules are brought to notice for necessary compliance.
5. Further, as per Clause 2(b)(4) of PML Second Amendment Rules, in case PAN is not submitted by any client at the time of opening of account based relationship, one certified copy of an "officially valid document" (OVD) shall be submitted. However, it is hereby clarified that for securities market, in terms of SEBI circular dated April 27, 2007, the requirement of PAN would continue to be mandatory for completing the KYC process.
6. The Stock Exchanges and Depositories are directed to:
   a. bring the provisions of this circular to the notice of the Stock Brokers and DPs, as the case may be, and also disseminate the same on their websites;
   b. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another, as considered necessary;
   c. monitor the compliance of this circular through half-yearly internal audits and inspections; and
   d. communicate to SEBI, the status of the implementation of the provisions of this circular.
7. In case of Mutual Funds, compliance of this circular shall be monitored by the Boards of Asset Management Companies and the Trustees and in case of other intermediaries by their Board of Directors.

Yours faithfully,

D Rajesh Kumar
General Manager
Email: rajeshkd@sebi.gov.in

Encl:
Annexure 1- G.S.R. 538(E) dated June 01, 2017
Annexure 2- G.S.R. 1300(E) dated October 16, 2017
Annexure 3- G.S.R. 1318(E) dated October 23, 2017
Annexure 4- G.S.R. 314(E) dated March 31, 2018

Circular No.: NSDL/ POLICY/2017/0046 Date: July 25, 2017	***Subject: The Financial Action Task Force (FATF) public statement dated June 23, 2017 regarding FATF identified jurisdictions that have strategic Anti Money Laundering and Combating the Financing of Terrorism (AML / CFT) deficiencies*** All Participants are hereby informed that FATF in its on-going efforts to identify and work with jurisdictions with strategic AML / CFT deficiencies, has released fresh statements titled 'FATF Public Statement – June 23, 2017'. The aforesaid FATF statements are available at http://www.fatf-gafi.org Participants are advised to take note of the above and ensure compliance.
Circular No.: NSDL/ POLICY/2017/0022 Date: April 17, 2017	***Subject: Blocking of financial accounts under Rule 114H (8) of the Income Tax Rules, 1962 under alternative procedure for FATCA.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2016/0080 dated October 3, 2016 regarding guidance note on reporting requirement under Foreign Account Tax Compliance Act (FATCA). In this regard, SEBI vide its email dated April 17, 2017 has informed about the Press Release issued by Ministry of Finance, Government of India on April 11, 2017 regarding the alternative procedure for FATCA. It is clarified vide the press release that 'The Inter-Governmental Agreement (IGA) with USA for implementation of FATCA entered into force on 31st August 2015. Under the alternative procedure provided in Rule 114H(8) of the Income Tax Rules, 1962, the financial institutions need to obtain self-certification and carry out due diligence in respect of all individual and entity accounts opened from 1st July 2014 to 31st August 2015. Such self-certification and documentation was required to be obtained by the financial institutions by 31st August 2016, otherwise they were required to close the accounts and report the same if found to be a "reportable account" as per the prescribed due diligence procedure for pre-existing account. In view of the difficulties highlighted by stakeholders in following the provision for "closure" of financial accounts, it was informed vide Press Release dated 31st August 2016 that the financial institutions may not close the accounts by 31st August 2016 in respect of which self-certifications have not been obtained under the alternative procedure and a revised time line shall be notified in due course. The financial institutions were also advised to continue to work on completing the required due diligence, including obtaining self-certifications. Queries are being received from the financial institutions regarding the revised time lines for completion of due diligence. The financial institutions are advised that all efforts should be made by the financial institutions to obtain the self-certification. The account holders may be informed that, in case self-certifications are not provided till 30 April 2017, the accounts would be blocked, which would mean that the financial institution would prohibit the account holder from effecting any transaction with respect to such accounts. The transactions by the account holder in such blocked accounts may, thereafter, be permitted once the self-certification is obtained and due diligence completed. Participants are advised to take note of the above and ensure compliance.

Circular No.: NSDL/ POLICY/2017/0015 Date: March 29, 2017	***Subject: The Financial Action Task Force (FATF) public statement dated February 24, 2017 regarding FATF identified jurisdictions that have strategic Anti Money Laundering and Combating the Financing of Terrorism (AML / CFT) deficiencies.*** All Participants are hereby informed that FATF in its on-going efforts to identify and work with jurisdictions with strategic AML / CFT deficiencies, has released fresh statements titled 'FATF Public Statement – February 24, 2017'. The aforesaid FATF statements are available at http://www.fatf-gafi.org. Participants are advised to take note of the above and ensure compliance.
Circular No.: NSDL/ POLICY/2017/0003 Date: January 16, 2017	***Subject: The Financial Action Task Force (FATF) public statement dated October 21, 2016 regarding FATF identified jurisdictions that have strategic Anti Money Laundering and Combating the Financing of Terrorism (AML / CFT) deficiencies.*** All Participants are hereby informed that FATF in its on-going efforts to identify and work with jurisdictions with strategic AML / CFT deficiencies, has released fresh statements titled 'FATF Public Statement – October 21, 2016' and 'Improving Global AML / CFT Compliance: On-going process- October 21, 2016. The aforesaid FATF statements are available at http://www.fatf-gafi.org. Participants are advised to take note of the above and ensure compliance.
Circular No.: NSDL/ POLICY/2016/0069 Date: August 10, 2016	***Subject: The Financial Action Task Force (FATF) public statement dated June 24, 2016 regarding FATF identified jurisdictions that have strategic Anti Money Laundering and Combating the Financing of Terrorism (AML / CFT) deficiencies.*** All Participants are hereby informed that SEBI vide its email dated August 5, 2016 has informed that FATF in its on-going efforts to identify and work with jurisdictions with strategic AML / CFT deficiencies, has released fresh statements titled 'FATF Public Statement – June 24, 2016' and 'Improving Global AML / CFT Compliance: On-going process- June 24, 2016'. The aforesaid FATF statements are available in the links http://www.fatf-gafi.org. Participants are advised to take note of the above and ensure compliance.
Circular No.: NSDL/ POLICY/2016/0065 Date: July 11, 2016	***Subject: SEBI's instructions on Implementation of UN Security Council's Resolutions 2270 (2016) (UNSCR) related to Democratic People's Republic of Korea (DPRK).*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2009/0101 dated October 29, 2009 (enclosing copy of SEBI Circular No. ISD/AML/CIR-2/2009 dated October 23, 2009), wherein lists of individuals and entities linked to Al-Qaida and Taliban were provided. SEBI vide its email dated June 30, 2016 has informed that the Ministry of Finance, Financial Intelligence Unit (FIU) has informed about the Resolution of United Nations Security Council Resolution 2270 (2016) (UNSCR) for implementation of sanctions on Democratic People's Republic of Korea (DPRK) (copy enclosed). The sanctions relating to banking and other financial institutions is covered under paragraph 33 to 36 of the Resolution. Participants are advised to take note of the above and ensure compliance.

Circular No.: NSDL/ POLICY/2016/0048 Date: April 18, 2016	***Subject: The Financial Action Task Force (FATF) public statement dated February 19, 2016 regarding FATF identified jurisdictions that have strategic Anti Money Laundering and Combating the Financing of Terrorism (AML / CFT) deficiencies.*** All Participants are hereby informed that SEBI vide its email dated April 12, 2016 has informed that FATF in its on-going efforts to identify and work with jurisdictions with strategic AML / CFT deficiencies, has released fresh statements titled 'FATF Public Statement – February 19, 2016' and 'Improving Global AML / CFT Compliance: On-going process- February 19, 2016'. The aforesaid FATF statements are available in the following links:
Circular No.: NSDL/ POLICY/2016/0024 Date: March 10, 2016	***Subject: Use of digital signatures for uploading returns on FINnet by Reporting Entities.*** Attention of Participant is invited to NSDL Circular No.: NSDL/POLICY/2015/0004 dated January 5, 2015 regarding registration on FINgate Gateway for uploading Reports to FIU – IND. Further, Participants are informed that FIU-IND has advised that they will not be accepting the reports without digital signature after April 1, 2016. Accordingly, Participants are advised to take suitable necessary action for obtaining Class-II digital signature and upload returns on FINnet duly signed digitally. Participants are requested to take note of the same and ensure compliance.
Circular No.: NSDL/ POLICY/2015/0072 Date: August 14, 2015	***Subject: The Financial Action Task Force (FATF) public statement dated June 26, 2015 regarding FATF identified jurisdictions that have strategic Anti Money Laundering and Combating the Financing of Terrorism (AML / CFT) deficiencies.*** All Participants are hereby informed that SEBI vide its email dated August 10, 2015 has informed that FATF in its on-going efforts to identify and work with jurisdictions with strategic AML / CFT deficiencies, has released fresh statements titled 'FATF Public Statement – June 26, 2015' and 'Improving Global AML / CFT Compliance: On-going process- June 26, 2015'. The aforesaid FATF statements are available in the following links: http://www.fatf-gafi.org/documents/documents/public-statement-june-2015.html http://www.fatf-gafi.org//topics/high-riskandnon-cooperativejurisdictions/documents/fatf-compliance-june-2015.html
Circular No.: NSDL/ POLICY/2015/0048 Date: May 5, 2015	***Subject: The Financial Action Task Force (FATF) public statement dated February 27, 2015 regarding FATF identified jurisdictions that have strategic Anti Money Laundering and Combating the Financing of Terrorism (AML / CFT) deficiencies.*** All Participants are hereby informed that SEBI vide its letter no. MIRSD-2/FATF/OW/11228/2015 dated April 22, 2015 (copy enclosed) has informed that FATF in its on-going efforts to identify and work with jurisdictions with strategic AML / CFT deficiencies, has released fresh statements titled 'FATF Public Statement – February 27, 2015' and 'Improving Global AML / CFT Compliance: On-going process- February 27, 2015'. Copies of these statements are enclosed herewith.

Circular No.: NSDL/ POLICY/2015/0004 Date: January 5, 2015	***Subject: Registration on FINgate Gateway for uploading Reports to FIU – IND.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2012/0108 dated October 03, 2012 wherein the Financial Intelligence Unit – India (FIU-IND) had informed about the new reporting format for CTRs and STRs under the FINnet Project. FIU – IND had informed that reporting entities are required to initiate submission of reports on the FINnet gateway using the 'Test Mode' in order to test the new system. In this context, FIU-IND has now requested the Depositories to instruct the Participants the following: 1. Register on FINNET gateway. 2. Appoint a Principal Officer and Designated Director. 3. Apply for a digital signature and use the same for filing of STRs. Further, FIU-IND has also provided the following clarifications in this context: 1. Whether a Participant which is already registered on FINNET gateway as a Bank, will be required to register again as a Participant and get a separate FIUREID? **FIU-IND clarification:** Yes, separate registration is required as a bank and as a Participant. For Reporting Entity / Principal Officer's registration related queries, Participants may send email to ctrcell@fiuindia.gov.in 2. Action to be taken in case Participant has already appointed a Principal Officer and Designated Director and intimated to FIU-IND. **FIU-IND clarification:** No further action is needed if Participant has appointed Principal Officer and Designated Director. But, the Participant (through their Principal Officer) is required to register on FINNET gateway to obtain FIUREID. The process of registration is available on FIUIND website (http://fiuindia.gov.in/). 3. Where can the List of Certifying Authorities approved by FIU from whom the digital signature can to be procured be obtained? **FIU-IND clarification:** The list of certifying authorities may be obtained by Participants by sending email to FIUIND helpdesk helpdesk@fiuindia.gov.in. 4. Format to be used by the Participants in which STR is to be filed / uploaded with FIUIND. **FIU-IND clarification:** The format of STR is available on website (fiuindia.gov.in). The Participants may also refer to FAQ available on FIUIND website (http://fiuindia.gov.in/faq-reportingformats.htm#3e)
Circular No.: NSDL/ POLICY/2014/0123 Date: November 24, 2014	***Subject: The Financial Action Task Force (FATF) public statement dated October 24, 2014 regarding FATF identified jurisdictions that have strategic Anti Money Laundering and Combating the Financing of Terrorism (AML / CFT) deficiencies.*** All Participants are hereby informed that SEBI vide its letter no. MIRSD-2/FATF/OW/32201/2014 dated November 13, 2014 (enclosed) has informed that FATF in its on-going efforts to identify and work with jurisdictions with strategic AML / CFT deficiencies, has released fresh statements titled 'FATF Public Statement – October 24, 2014' and 'Improving Global AML / CFT Compliance: On-going process- October 24, 2014'. Copies of these statements are enclosed herewith. Participants are advised to take note of the above and ensure compliance.

Circular No. NSDL/POLICY/ 2014/0029 Date: March 14, 2014	***Subject: Anti-Money Laundering/ Countering the Financing of Terrorism (AML/CFT) Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under.*** Attention of Participants is invited to SEBI Master Circular CIR/ISD/AML/3/2010 dated December 31, 2010 on the captioned subject. (*Refer NSDL Circular No. NSDL/POLICY/2011/0005 dated January 10, 2011*). All Participants are hereby informed that SEBI has vide its Circular No. CIR/MIRSD/1/2014 dated March 12, 2014 notified the modifications and additions to the above referred SEBI Master Circular dated December 31, 2010 pursuant to amendments to the Prevention of Money-laundering Act, 2002 (PML Act) and amendments to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (PML Rules). Copy of the same is enclosed. Participants are requested to take a note of the same and ensure compliance.
Circular No. NSDL/POLICY/ 2013/0140 Date: December 4, 2013	***Sub: The Financial Action Task Force (FATF) public statement dated October 18, 2013 against the FATF identified jurisdictions that have strategic Anti Money Laundering and Combating the Financing of Terrorism (AML/CFT) deficiencies.*** All Participants are hereby informed that SEBI has vide its letter no. MIRSD-2/FATF/OW/30737/2013/3 dated November 28, 2013 informed that The Financial Action Task Force (FATF) in its on-going efforts to identify and work with jurisdictions with strategic AML/CFT deficiencies has released fresh Statements dated October 18, 2013 titled 'FATF Public Statement – October 18, 2013' and Improving Global AML/CFT Compliance: On-going process- October 18, 2013'. Copies of both the FATF statements are enclosed herewith for information and appropriate action. The same are also available at http://www.fatf-gafi.org Participants are advised to take note of the above and ensure compliance with the same.
Circular No. Circular No. NSDL/POLICY/ 2011/0005 Date: January 10, 2011	***Sub: The Financial Action Task Force (FATF) public statement dated*** ***Sub: SEBI's Master Circular on Anti Money Laundering and Combating Financing of Terrorism.*** Attention of Participants is invited to SEBI's Master Circular no. CIR/ISD/AML3/2010 dated December 31, 2010 (copy enclosed) regarding Anti Money Laundering / Combating the Financing of Terrorism. Participants are advised to ensure compliance with the same.
Circular No. NSDL/POLICY/ 2010/0066 Date: June 18, 2010	***Sub: SEBI's Circular on Anti Money Laundering and Combating Financing of Terrorism.*** As all Participants are aware that SEBI has issued a Master Circular No. ISD/AML/CIR-1/2010 dated February 12, 2010 (Ref.: NSDL Circular no. NSDL/POLICY/2010/0016 dated February 19, 2010) regarding Anti Money Laundering (AML) Standards/Combating Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under Prevention of Money Laundering Act, 2002 and Rules framed thereunder. Participants are hereby informed that SEBI has vide Circular No. CIR/ISD/AML/2/2010 dated June 14, 2010 informed about the additional requirements to be fulfilled or clarifications with regard to the existing requirements. A copy of the SEBI Circular dated June 14, 2010 is enclosed for information and compliance.

Circular No. NSDL/POLICY/ 2010/0008 Date: January 19, 2010	***Sub: Amendment to PMLA Rules*** Attention of Participants is invited to SEBI's Master Circular No. ISD/AML/Cir-1/2008 dated December 19, 2008 and Circular No. ISD/AML/CIR-1/2009 dated September 1, 2009 intimated vide NSDL Circular Nos. NSDL/POLICY/2008/0087 dated December 30, 2008 and NSDL/POLICY/2009/0080 dated September 5, 2009 respectively, regarding Anti Money Laundering Standards/Combating Financing of Terrorism/Obligations of Securities Market Intermediaries under Prevention of Money Laundering Act, 2002 and Rules made thereunder. The Financial Intelligence Unit - India (FIU - IND) has issued notification No.13/2009 dated November 12, 2009 of the Ministry of Finance amending the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the clients of the Banking Companies, Financial Institutions and Intermediaries) Amendment Rules, 2009. The copy of said notification is enclosed for the information of Participants and necessary compliance. Annexure MINISTRY OF FINANCE (Department of Revenue) NOTIFICATION New Delhi, the 12th November, 2009 G.S.R. 816(E).—In exercise of the powers conferred by clauses (a), (b) and (c) of sub-section (1) of Section 12 and Section 15 read with clauses (h), (i), (j) and (k) of sub-section (2) of Section 73 ofthe Prevention of Money-laundering Act, 2002 (i 5 of 2003), the Central Government, in consultation with the Reserve Bank of India, hereby makes the following rules further to amend the Prevention of Money-laundering (Maintenance of Records ofthe Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records ofthe Identity ofthe Clients ofthe Banking Companies Financial Institutions and Intermediaries) Rules, 2005, namely:— 1. (1) These rules may be called the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records ofthe Identity ofthe Clients ofthe Banking Companies. Financial Institutions and Intermediaries) Amendment Rules, 2009. (2) They shall come into force on the date of their publication in the Official Gazette. 2. In the Prevention of Money-laundering (Maintenance of Records ofthe Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records ofthe Identity ofthe Clients ofthe Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 (hereinafter referred to as the principal rules),—

In rule 2, sub-rule (1),—

(a) after clause (c), the following clause shall be inserted, namely :—

'(ca) "non profit organisation'*means any entity or organisation that is registered as a trust or a society under the Societies Registration Act, 1860 (21 of 1860) or any similar State legislation or a company registered under section 25,of the Companies Act, 1956(1 of 1956);';

(b) after clause (f), the following clause shall be inserted, namely :—

'(fa) "Regulator" means a person or an authority or a Government which is vested with The power to license, authorise, register, regulate or supervise the activity of banking companies, financial institutions or intermediaries, as the case may be;';

(c) for clause (g), the following clause shall be substituted, namely :—

'(g) "Suspicious transaction" means a transaction referred to in clause (h), including an attempted transaction, whether or not made in cash, which to a person acting in good faith—

(a) gives rise to a reasonable ground of suspicion that it may involve proceeds of an offence specified in the Schedule to the Act, regardless ofthe value involved; or

(b) appears to be made in circumstances of unusual or unjustified complexity; or

(c) appears to have no economic rationale or bonafide purpose; or

(d) gives rise to a reasonable ground of suspicion that it may involve financing ofthe activities relating to terrorism;'.

3. In the principal rules, in rule 3, in sub-rule (1), after clause (B), the following clause shall be inserted,namely:—

"(BA) all transactions involving receipts by non-profit organisations of value more than rupees ten lakh, or its equivalent in foreign currency;".

4. In the principal rules, in rule 5, for the words "the Reserve Bank of India or the Securities and Exchange Board of India, or the Insurance Regulatory Development Authority, as the case may be,", where ever they occur, the words, "its Regulator,", shall be substituted.

5. In the principal rules, for rule 6, the following rule shall be substituted, namely :—

''Retention of records of transactions—The records referred to in rule 3 shall-be maintained for a period of ten years from the date of transactions between the client and the banking company, financial institution or intermediary, as the case may be.".

6. In the principal rules, in rule 7, for the words "the Reserve Bank of India or the Securities and Exchange Board of India, or the Insurance Regulatory Development Authority, as the case may be," where ever they occur, the words, "its Regulator,", shall be substituted;

7. In the principal rules, in rule 8,—

(a) in sub-rule (1), for the word, brackets and letters, "clauses (A) and (B)", the word, brackets and letters "clauses (A), (B) and (BA)" shall be substituted;

(b) after sub-rule (3), the following proviso shall be inserted at the end, namely :—

"Provided that a banking company, financial institution or intermediary, as the case may be, and its employees shall keep the fact of furnishing information in respect of transactions referred to in clause (D) of sub-rule (1) of rule 3 strictly confidential.".

8. In the principal rules, in rule 9,—

(a) for sub-rules (1) and (2), the following sub-rules shall be substituted, namely :—

"(1) Every banking company, financial institution and intermediary, as the case may be, shall, -

(a) at the time of commencement of an account-based relationship, identify its clients, verify their identity and obtain information on the purpose and intended nature of the business relationship, and

(b) in all other cases, verify identity while carrying out:

(i) transaction of an amount equal to or exceeding rupees fifty thousand, whether conducted as a single transaction or several transactions that appear to be connected, or

(ii) any international money transfer operations.

(1A) Every banking company, financial institution and intermediary, as the case may be, shall identify the beneficial owner and take all reasonable steps to verify his identity.

(IB) Every banking company, financial institution and intermediary, as the case may be, shall exercise ongoing due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with their knowledge of the customer, his business and risk profile.

(1C) No banking company, financial institution or intermediary, as the case may be. shall keep any anonymous account or account in fictitious names.

(2) Where the, client is an individual, he shall for the purpose of sub-rule (1), submit to the banking company, financial institution and intermediary, as the case may be, one certified copy of an 'officially valid document' containing details of his identity and address, one recent photograph and such other documents including in respect of the nature of business and financial status of the client as may be required by the banking company or the financial institution or the intermediary, as the case may be :

Provided that photograph need not be submitted by a client falling under clause (b) of sub-rule (I).":

(b) after sub-rule (6), the following sub-rule shall be inserted, namely :—

"(6 A) Where the client is a juridical person, the banking company, financial institution and intermediary, as the case may be, shall verify that any person purporting to act on behalf of such client is so authorised and verify the identity of that person.";

	(c) for sub-rule (7), the following sub-rule shall be substituted, namely :— "(7) (i)The regulator shall issue guidelines incorporating the requirements of sub- rules (I) to (6A) above and may prescribe enhanced measures to verily the client's identity taking into consideration type of client, business relationship or nature and value of transactions. (ii) Every banking company, financial institution and intermediary as the case may be, shall formulate and implement a Client Identification Programme to determine the true identity of its clients, incorporating requirements of sub-rules (1) to (6A) and guidelines issued under clause (i) above. 9. In the principal rules, in rule 10. for the words "the Reserve Bank of India or the Securities and Exchange Board of India, or the Insurance Regulatory Development Authority, as the case may be,", wherever they occur, the words, "its regulator:", shall be substituted. [Notification No. 13/2009/F. No. 6/8/2009-ES] S. G P. VERGHESE, Under Secy. Note: The principal rules were published in Part II, Section 3, Sub-section (i) of the Gazette of India, Extraordinary videNo. G.S.R. 444(E), dated 1 st July, 2005 and subsequently amended vide No. G.S.R. 717(E), dated 13th December, 2005 and No. G.S.R. 389(E), dated 24th May. 2007.
Circular No. NSDL/POLICY/ 2009/0101 Date: October 29, 2009	***Sub: Combating Financing of Terrorism (CFT) under Unlawful Activities (Prevention) Act, 1967.*** SEBI has issued a Circular no. ISD/AML/CIR-2/2009 dated October 23, 2009 regarding Combating Financing of Terrorism (CFT) under Unlawful Activities (Prevention) Act, 1967. A copy of the Circular is attached at Annexure 1. Participants are hereby advised to note the contents of the Circular for necessary action and compliance.
Circular No. NSDL/POLICY/ 2009/0085 Date: September 18, 2009	***Sub: Facility to download PMLA alerts from SQLASSIST intranet site*** As Participants are aware, alerts for the purpose of reporting to Financial Intelligence Unit (FIU) as per the provisions of Prevention of Money Laundering Act, 2002 (PMLA) are being sent to Participants on a fortnightly basis. A facility is being made available on SQLASSIST intranet site of NSDL (i.e. http://sqlassist/) under the option 'PMLA ALERTS DOWNLOAD' for Participants to download the alerts for the current and past five fortnights. The alerts will be made available on the SQLASSIST within five days after the end of every fortnight eg.: for the fortnight 1st to 15th day of the month, the alerts will be made available by 20th day of the month and for the fortnight from 16th to the end of the month, the alerts will be available by 5th of the subsequent month. The first such alerts will be made available on SQLASSIST for the fortnight September 16-30, 2009 by October 5, 2009. The practice of sending the alerts by email will be continued till the fortnight of October 1-15, 2009. PIN mailer containing User ID and password to access these alerts is being sent to the Principal Officer by courier. Principal Officers are requested to change the password after login with the password provided in the PIN mailer. For further information / clarification, Participants are requested to contact Mr. Sandip Patel on Tel No. (022) 2499 4413 (email : sandipp@nsdl.co.in) / Mr. Vinith Nair on Tel. No. (022) 2499 4414 (email : vinithn@nsdl.co.in).

Circular No. NSDL/POLICY/ 2009/0008 Date: January 29, 2009	***Sub: SEBI's advise to Participants regarding providing additional information to FIU-IND at the time filing of STRs under Prevention of Money Laundering Act (PMLA)*** SEBI vide its letter no. ISD/SR/AK/AML/151330/2009 dated January 20, 2009 has informed the Depositories that FIU-IND (Financial Intelligence Unit - India) has intimated SEBI that very few Suspicious Transaction Reports (STRs) have been received by FIU-IND from the Participants so far and the grounds of suspicion in the STRs received from this sector are generally found to be deficient. In this regard, SEBI has directed the Depositories to advise their Participants to analyze the alerts sent by Depositories carefully and file STRs in appropriate cases. Further, in order to enable FIU-IND to analyze STRs properly, Participant may also provide following information in the grounds of suspicion: (i) Details of initial alert. (ii) Information collected during analysis of alert. (iii) KYC information of the Client. (iv) Period and quantum of activities being reported. (v) Name(s) of scrips if reported transaction relates to a particular/few scrips. (vi) Statement regarding suspicion. Participants are advised to take note of the above and ensure compliance.
Circular No. NSDL/POLICY/ 2008/0088 Date: December 30, 2008	***Sub: Prevention of Money Laundering Act, 2002 - 'Revised' alerts*** Attention of Participants is invited to Circular no. NSDL/POLICY/2008/0071 dated October 16, 2008 regarding generation of alerts as per 'Revised' criteria under Prevention of Money Laundering Act, 2002 (PMLA). In this regard, NSDL has completed the process of generating the alerts as per the revised criteria. The criteria for 'Revised' alerts are as follows: (i) Details of debits due to off-market or IDT transfers, having value of Rs. 'z' and above, in a single transaction or series of transactions executed in an account, in an ISIN, during the fortnight. (ii) Details of credits due to off-market or IDT transfers, having value of Rs. 'z' and above, in a single transaction or series of transactions executed in an account, in an ISIN, during the fortnight. (iii) Details of debit due to off-market or IDT transfers, involving 'y' or more shares or having value of Rs. 'z' and above, whichever is smaller, in a single transaction or series of transactions executed in an account, in an ISIN, during the fortnight, which exceed 10 times the average size of the transaction. For this purpose, average is calculated over the total number of securities in all ISINs debited in an account in the past 30 days. (iv) Details of credit due to off-market or IDT transfers, involving 'y' or more shares or having value of Rs. 'z' and above, whichever is smaller, in a single transaction or series of transactions executed in an account, in an ISIN, during the fortnight, which exceed 10 times the average size of the transaction. For this purpose, average is calculated over the total number of securities in all ISINs credited in an account in the past 30 days.

	(v) Details of all transactions involving '***x***' or more shares in an account, in an ISIN, in a single transaction or series of transactions executed during the fortnight, in respect of the following transactions: o Demat, o Remat and o Pledges. (vi) Details of credits due to off-market or IDT transfers, for more than '***w***' transactions, in a single account executed during the fortnight. (vii) Transactions in dormant accounts: Any debit transaction in the ***dormant*** account will be reported as alert. It may be mentioned that any account having no 'Debit' transaction in the last 6 months will be considered as a 'Dormant' account for this purpose. Please note that the alert mentioned at point no. (vi) above will now be read as follows: ***"Details of credits due to off-market or IDT transfers, for more than 'w' transactions, in an ISIN, in a single account executed during the fortnight."*** The revised alerts are effective from **December 1, 2008**. Further, Participants are requested to take note of the following: a) Participants will be required to ascertain whether the transactions/alerts intimated by NSDL (on a fortnightly basis) are of a suspicious nature and submit the report directly to The Director, FIU-IND, in the prescribed format, within seven working days of establishment of suspicion. b) For the purpose of reporting suspicious transactions, attention of Participants is invited to formats enclosed with SEBI Circular No. ISD/AML/CIR-1/2008 dated December 19, 2008, which were circulated to Participants along with NSDL Circular no. NSDL/POLICY/2008/0087 dated December 30, 2008. c) Participants are informed that 'Nil' report need not be filed with FIU-IND (refer NSDL Circular No. NSDL/POLICY/2006/0035 dated August 25, 2006). d) Participants are advised to inform NSDL about the number of STRs filed by the Participants with FIU-IND (refer NSDL Circular No. NSDL/POLICY/2008/0052 dated July 26, 2008). e) Participants are also advised to keep FIU-IND informed about the name, address, email-id and contact details of Principal Officer. Any change therein must also be intimated to FIU-IND & NSDL. For further information, Participants are requested to contact Mr. Amit Shinde on Tel No. (022) 2499 4486 (email: shindea@nsdl.co.in) / Mr. Vinith Nair on Tel. No. (022) 2499 4414 (email: vinithn@nsdl.co.in).
Circular No. NSDL/POLICY/2008/0071 Date: October 16, 2008	***Sub: Alerts as per 'Revised' criteria under Prevention of Money Laundering Act, 2002.*** Attention of Participants is invited to Circular no. NSDL/POLICY/2008/0028 dated April 23, 2008 regarding the revised criteria for generation of alerts under Prevention of Money Laundering Act, 2002 (PMLA). In this regard, both the Depositories and their representative Participants have reviewed the existing criteria with a view to further fine-tune the alerts being

generated and finalized the revised parameters / criteria. The 'Revised' alerts are as follows:

(i) Details of debits due to off-market or IDT transfers, having value of Rs. ***'z'*** and above, in a single transaction or series of transactions executed in an account, in an ISIN, during the fortnight.

(ii) Details of credits due to off-market or IDT transfers, having value of Rs. ***'z'*** and above, in a single transaction or series of transactions executed in an account, in an ISIN, during the fortnight.

(iii) Details of debit due to off-market or IDT transfers, involving ***'y'*** or more shares or having value of Rs. ***'z'*** and above, whichever is smaller, in a single transaction or series of transactions executed in an account, in an ISIN, during the fortnight, which exceed 10 times the average size of the transaction. For this purpose, average is calculated over the total number of securities in all ISINs debited in an account in the past 30 days.

(iv) Details of credit due to off-market or IDT transfers, involving ***'y'*** or more shares or having value of Rs. ***'z'*** and above, whichever is smaller, in a single transaction or series of transactions executed in an account, in an ISIN, during the fortnight, which exceed 10 times the average size of the transaction. For this purpose, average is calculated over the total number of securities in all ISINs credited in an account in the past 30 days.

(v) Details of all transactions involving ***'x'*** or more shares in an account, in an ISIN, in a single transaction or series of transactions executed during the fortnight, in respect of the following transactions:

- Demat,
- Remat and
- Pledges.

(vi) Details of credits due to off-market or IDT transfers, for more than ***'w'*** transactions, in a single account executed during the fortnight.

(vii) Transactions in dormant accounts: Any debit transaction in the dormant account will be reported as alert. It may be mentioned that any account having no 'Debit' transaction in the last 6 months will be considered as a ***'Dormant'*** account for this purpose.

NSDL is in the process of generating alerts as per the aforesaid revised criteria and Participants will be informed regarding the same in due course. Till that time the alerts which were circulated to Participants vide our aforesaid Circular dated April 23, 2008 will continue to be sent to Participants on a fortnightly basis.

Further, Participants are requested to take note of the following:

(i) Participants will be required to ascertain whether the transactions/alerts intimated by NSDL are of a suspicious nature and submit the report directly to The Director, FIU-IND, in the prescribed format, within seven working days of establishment of suspicion.

(ii) For the purpose of reporting suspicious transactions, attention of Participants is invited to formats enclosed with SEBI Circular No. ISD/CIR/RR/AML/2/06 dated March 20, 2006, which was circulated to Participants along with NSDL Circular no. NSDL/POLICY/2006/0025 dated July 17, 2006.

<table>
<tr><td></td><td>(iii) Participants are also advised to keep FIU-IND informed about the name, address, email-id and contact details of Principal Officer. Any change therein must also be intimated to FIU-IND & NSDL.

For further information, Participants are requested to contact Mr. Amit Shinde on Tel No. (022) 2499 4486 (email: shindea@nsdl.co.in) / Mr. Vinith Nair on Tel. No. (022) 2499 4414 (email: vinithn@nsdl.co.in).</td></tr>
<tr><td>Circular No. NSDL/POLICY/ 2008/0052
Date: July 26, 2008</td><td>Sub: Filing of Suspicious Transaction Report (STR) to Financial Intelligence Unit-India (FIU-IND) under Prevention of Money Laundering Act, 2002 (PMLA) guidelines.

Attention of Depository Participants (DPs) is invited to NSDL Circular no. NSDL/ POLICY/2008/0028 dated April 23, 2008 regarding submission of information to Financial Intelligence Unit-India (FIU-IND) and generation of alerts as per ‘Revised’ criteria under Prevention of Money Laundering Act, 2002 (PMLA). As per the said circular, NSDL had advised DPs to ascertain whether the transactions/ alerts intimated by NSDL are of a suspicious nature and submit the report directly to The Director, FIU-IND, in the prescribed format, within seven working days of establishment of suspicion.

In the meeting held on July 7, 2008, SEBI has advised both the depositories that DPs should inform their respective depositories regarding the number of STRs filed by DPs with the FIU-IND during a month for onward submission to SEBI.

In view of the aforesaid, all DPs are hereby advised to inform NSDL about the number of STRs filed by the DP with FIU-IND for the month by 7th of the following month in the below mentioned format on the email ID of the Principal Officer of NSDL (PrincipalOfficer-NSDL@nsdl.co.in). Further, DPs need not submit a ‘NIL’ report to NSDL.

<table><tr><th>DP ID</th><th>DP Name</th><th>Month & Year</th><th>No. of STRs</th></tr><tr><td></td><td></td><td></td><td></td></tr></table>
For the purpose of reporting suspicious transactions, attention of DPs is invited to formats enclosed with SEBI Circular No. ISD/CIR/RR/AML/2/06 dated March 20, 2006, which was circulated to DPs vide NSDL Circular no. NSDL/ POLICY/2006/0025 dated July 17, 2006.</td></tr>
<tr><td>Circular No. NSDL/POLICY/ 2008/0028
Date: April 23, 2008</td><td>Sub: Generation of alerts as per ‘Revised’ criteria under Prevention of Money Laundering Act, 2002.

Attention of Depository Participants (DPs) is invited to Circular no. NSDL POLICY/2007/0070 dated November 12, 2007 regarding change in the criteria for generating alerts on the advise of Financial Intelligence Unit-India (FIU-IND under Prevention of Money Laundering Act, 2002 (PMLA).

DPs are requested to note that the criteria for generation of alerts with respect to point nos. (iii) and (iv) of the aforesaid circular have undergone changes. The revised criteria for generation of alerts is given below:

(i) Details of debits due to off-market or IDT transfers, involving ‘x’ or more shares or having value of Rs. ‘y’ and above, whichever is smaller, in an account, in an ISIN, in a single transaction or series of transactions executed during the fortnight.</td></tr>
</table>

	(ii) Details of **credits** due to off-market or IDT transfers, involving ***'x'*** or more shares or having value of Rs. ***'y'*** and above, whichever is smaller, in an account, in an ISIN, in a single transaction or series of transactions executed during the fortnight. (iii) Details of **debit** transactions involving ***'w'*** or more shares or having value of Rs. ***'y'*** and above, whichever is smaller, in a single transaction or series of transactions executed during the fortnight, in an account, in an ISIN, which exceed 10 times the average size of the transaction. For this purpose, average is calculated over the total number of securities in all ISINs debited in an account in the past 30 days. (iv) Details of **credit** transactions involving ***'w'*** or more shares or having value of Rs. ***'y'*** and above, whichever is smaller, in a single transaction or series of transactions executed during the fortnight, in an account, in an ISIN, which exceed 10 times the average size of the transaction. For this purpose, average is calculated over the total number of securities in all ISINs **credited** in an account in the past 30 days. (v) Details of all transactions involving ***'w'*** or more shares in an account, in an ISIN, in a single transaction or series of transactions executed during the fortnight, in respect of the following transactions: o Demat ; o Remat and o Pledges. (vi) Details of **credits** due to off-market or IDT transfers, for more than ***'v'*** transactions, in a single account executed during the fortnight. (vii) Transactions in dormant accounts: Any **debit** transaction in the dormant account will be reported as alert. It may be mentioned that any account having no **'Debit'** transaction in the last 6 months will be considered as 'Dormant' account for this purpose. The revised alerts are effective from **April 1, 2008**, which will be sent to DPs on a fortnightly basis. DPs are also requested to take note of the following: (i) DPs will be required to ascertain whether the transactions/alerts intimated by NSDL are of a suspicious nature and submit the report directly to The Director, FIU-IND, in the prescribed format, within seven working days of establishment of suspicion. (ii) For the purpose of reporting suspicious transactions, attention of DPs is invited to formats enclosed with SEBI Circular No. ISD/CIR/RR/AML/2/06 dated March 20, 2006, which was circulated to DPs along with NSDL Circular no. NSDL/POLICY/2006/0025 dated July 17, 2006. (iii) DPs are also advised to keep FIU-IND informed about the name, address, email-id and contact details of Principal Officer. Any change therein must also be intimated to FIU-IND & NSDL.

Circular No. NSDL/POLICY/ 2008/0003 Date: January 17, 2008	***Sub: SEBI's advise to Depositories and Depository Participants (DPs) on Compliance with Prevention of Money Laundering Act (PMLA) and Rules framed there-under*** Attention of DPs is invited to NSDL Circular No. NSDL/POLICY/2006/0013 dated May 2, 2006 wherein DPs were advised to report the details of 'Principal Officer' to Financial Intelligence Unit-India (FIU-IND) and a subsequent reminder vide NSDL Circular No. NSDL/POLICY/2006/0019 dated June 21, 2006 regarding appointment of Principal Officer. In this regard, SEBI vide its letter ISD/SR/AK/AML/113767/2008 dated January 14, 2008 has informed the depositories that compliance by DPs with the key obligations of PMLA and Rules framed there-under has not been satisfactory and large number of entities have still not fulfilled these key requirements. Further, SEBI has advised the depositories to ensure enhanced compliance standards by their DPs and to monitor performance on a regular basis. In view of the aforesaid, all DPs are hereby directed / advised to ensure strict compliance of the below mentioned requirements: 1. to appoint 'Principal Officer' under PMLA and inform his particulars to FIU-IND immediately, if not done. 2. to frame Anti Money Laundering (AML) policy containing 'Client Identification Programme' and internal mechanism for identification and reporting of suspicious transactions and submit copy of the same to FIU-IND on an immediate basis. DPs are also advised to keep FIU-IND & NSDL informed about any change in the name, address, email-id and contact details of 'Principal Officer'. For the purpose of reporting suspicious transactions, DPs are once again advised to refer the formats enclosed with SEBI Circular No. ISD/CIR/RR/AML/2/06 dated March 20, 2006, which was circulated to DPs along with NSDL Circular no. NSDL/POLICY/2006/0025 dated July 17, 2006.
Circular No. NSDL/POLICY/ 2007/0070 Date: November 12, 2007	***Sub: Submission of information to Financial Intelligence Unit-India under Prevention of Money Laundering Act, 2002*** Attention of Depository Participants (DPs) is invited to Circular no. NSDL/POLICY/2006/0025 dated July 17, 2006 regarding submission of information to Financial Intelligence Unit-India (FIU-IND) under Prevention of Money Laundering Act, 2002 (PMLA). In this regard, FIU-IND has advised both the depositories to enhance the scope / quality of alerts sent to DPs to identify suspicious transactions. Accordingly, the following criteria have now been finalised amongst the depositories for generating alerts **(pertaining to Off-market transactions only)**: (i) Details of **debits** due to off-market or IDT transfers, involving ***'x'*** or more shares or having value of **Rs. *'y'*** and above, whichever is smaller, in an account, in an ISIN, in a single transaction or series of transactions executed during the fortnight. (ii) Details of **credits** due to off-market or IDT transfers, involving ***'x'*** or more shares or having value of **Rs. *'y'*** and above, whichever is smaller, in an account, in an ISIN, in a single transaction or series of transactions executed during the fortnight.

(iii) Details of **debit** transactions (subject to minimum of ***'z'*** shares), if securities debited in a single transaction or series of transactions executed during the fortnight, in an account, in an ISIN, exceed 10 times the average size of the transaction. For this purpose, average was calculated over the total number of securities in all ISINs **debited** in an account in the past 30 days.

(iv) Details of **credit** transactions (subject to minimum of ***'z'*** shares), if securities credited in a single transaction or series of transactions executed during the fortnight, in an account, in an ISIN, exceed 10 times the average size of the transaction. For this purpose, average was calculated over the total number of securities in all ISINs **credited** in an account in the past 30 days.

(v) Details of all transactions involving ***'w'*** or more shares in an account, in an ISIN, in a single transaction or series of transactions executed during the fortnight, in respect of the following transactions:

- Demat ;
- Remat and
- Pledges.

(vi) Details of **credits** due to off-market or IDT transfers, for more than ***'v'*** transactions, in a single account executed during the fortnight.

(vii) Transactions in dormant accounts: Any **debit** transaction in the dormant account will be reported as alert. It may be mentioned that any account having no 'Debit' transaction in the last 6 months will be considered as 'Dormant' account for this purpose.

NSDL is in the process of generating alerts as per the aforesaid modified criterion and DPs will be informed regarding the same in due course.

Further, FIU-IND has also advised the depositories to do the following:

1. To incorporate the 'Financial status' and 'Nature of Business' of client in the Account Opening Form (AOF).
2. To incorporate 'Consideration' and 'Reasons/Purpose' in Delivery Instruction Slip (DIS) used for Off-market transactions.

The modified AOF & DIS are incorporated in the Circular No. NSDL/POLICY/2007/0069 dated November 12, 2007 which is being issued simultaneously. DPs will be required to obtain the details in the AOF and DIS respectively, from the account holders which shall be in the form of declaration.

DPs will be required to ascertain whether the transactions/alerts intimated by NSDL are of a suspicious nature and submit the report directly to The Director, FIU-IND, in the prescribed format, within seven working days of establishment of suspicion. Further, DPs are advised to undertake KYC reconfirmation exercise for these accounts including 'Financial Status' while scrutinizing the alerts.

For the purpose of reporting suspicious transactions, attention of DPs is invited to formats enclosed with SEBI Circular No. ISD/CIR/RR/AML/2/06 dated March 20, 2006, which was circulated to DPs along with NSDL Circular no. NSDL/POLICY/2006/0025 dated July 17, 2006.

	For further information, DPs are requested to contact Mr. Amit Shinde on Tel No. (022) 2499 4486 (email : shindea@nsdl.co.in) / Mr. Vinith Nair on Tel. No. (022) 2499 4414 (email : vinithn@nsdl.co.in). DPs are also advised to keep FIU-IND informed about the name, address, email-id and contact details of Principal Officer. Any change therein must also be intimated to FIU-IND & NSDL.
Circular No. NSDL/POLICY/ 2007/0839 Date: July 11, 2007	***Sub : Amendment to the Rules framed under the Prevention of Money Laundering Act, 2002*** With reference to NSDL Circular No. NSDL/POLICY/2006/0002 dated January 23, 2006, all Depository Participants (DPs) are hereby informed that the Securities and Exchange Board of India has vide its letter no. ISD/RR/AK/AML/97765/07 dated July 2, 2007 (copy enclosed) advised NSDL to intimate the DPs regarding Amendment to the Rules framed under the Prevention of Money Laundering Act, 2002. DPs are advised to ensure compliance of the above. **Annexure** **OFFICER ON SPECIAL DUTY** **INTEGRATED SURVEILLANCE DEPARTMENT** ISD/RR/AK/AML/97765/07 July 2, 2007 The Managing Director NSDL Trade World, 4th Floor, Kamla Mills Compound Senapati Bapat Marg, Lower Parel Mumbai 400 013

Dear Sir,

Subject: Amendment to the Rules framed under the Prevention of Money Laundering Act, 2002.

The Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Trasactions, the Procedure and Manner of Maintaining and Time for furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 framed under the Prevention of Money Laundering Act. 2002 have been amended vide Gazette notification dated May 24, 2007.

A copy of the notification is enclosed for reference. You may bring the contents of the said amendment to the notice of intermediaries registered through you for compliance.

Yours faithfully.

R Ravichandran

Encl: a.a.

MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

New Delhi, the 24th May, 2007

G.S.R. 389(E).-In exercise of the powers conferred by sub-section (I) read with clause (h), clause (i), clause (j) and clause (k) of sub-section (2) of section 73 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government, in consultation with the Reserve Bank of India, hereby makes the following rules further to amend the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, namely:-

1. (1) These rules may be called the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Amendment Rules, 2007.

   (2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Prevention of Money-laundering (Maintance of Records of the Nature and Value of transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005,-

   (i) in rule 2, in sub-rule (I), clause (g), for sub-clause (c), the following sub-clauses shall be substituted, namely:-

   "(c) appears to have no economic rationale or bona fide purpose: or

   (d) gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism;";

(ii)in rule 3, in sub-rule (I), for clause (C), the following clause shall be substituted, namely,-

   "(C) all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine or where any forged or counterfeit currency notes or bank notes have been used as genuine or where any forgery of a valuable security or a document has taken place facilitating the transactions;";

   (iii) for rule 8, the following rule shall be substituted, namely:-

   "8. Furnishing of information to the Director.-(I) The Principal Officer of a banking company, a financial institution and an intermediary, as the case may be, shall furnish the information in respect of transactions referred to in clause (A) and (B) of sub-rule (I) of rule 3 every month to the Director by the 15th day of the succeeding month.

   (2) The Principal Officer of a banking company, a financial institution and an intermediary, as the case may be, shall furnish the information promptly in writing or by fax or by electronic mail to the Director in respect of transactions referred to in clause (C) of sub-rule (I) of rule 3 not later than seven working days from the date of occurrence of such transaction.

   (3) The Principal Officer of a banking company, a financial instituion and an intermediary, as the case my be, shall furnish the information promptly in writing or by fax or by electronic mail to the Director in respect of transactions referred to in clause (D) of sub-rule (1) of rule 3 not later than seven working days on being satisfied that the transaction is suspicious.";

(iv) in rule 9,-

(a) in sub-rule (3), (4) and (5), for the words "three certified copies", the words "one certified copy" shall be substituted;

(b) in sub-rule (6), for the words "three copies", the words "one certified copy" shall be substituted.

[Notification No. 4/2007-E.S./F. No. 6/13/2005-E.S.]

MUKUL SINGHAL, Jt. Secy.

Note: The principal rules were published in Part-II, Section 3, Sub-section (i) of the Gazette of India, Extraordinary vide notification Number G.S.R. 444(E), dated the 1st July, 2005 and subsequently amended vide notification number G.S.R.717(E),dated the 13th December, 2005.

Circular No. NSDL/POLICY/ 2006/0035 Date: August 25, 2006	***Sub : Submission of report to Financial Intelligence Unit-India under the Prevention of Money Laundering Act, 2002*** Attention of Participants is invited to our Circular No. NSDL/POLICY/2006/0025 dated July 17, 2006 regarding submission of information to Financial Intelligence Unit-India (FIU-IND) under the Prevention of Money Laundering Act, 2002. In this regard, all Participants are informed that FIU-IND has intimated to NSDL vide its letter no. F.No.17-1/2006-FIU dated August 14, 2006 that 'Nil' report need not be filed with FIU-IND. All other provisions of the aforesaid circular remain unchanged.
Circular No. NSDL/POLICY/ 2006/0025 Date: July 17, 2006	***CONFIDENTIAL*** ***Sub : Submission of information to Financial Intelligence Unit-India under Prevention of Money Laundering Act, 2002*** This circular is sent to the Compliance Officer in hard copy form.

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NOTES

11. Connectivity / Reconciliation

Regulation 47	Every participant shall reconcile his records with every depository in which it is a participant, on a daily basis
Bye Law 6.3.5	The Depository shall obtain, on a daily basis, the Client details from all Participants. The details shall be obtained in respect of the changes in the accounts of the Clients from the processing undertaken at the end of the previous working day. The Client details shall include the Client name, address and also the security wise details of the balance of the Client.
Bye Law 6.3.7	It shall be the responsibility of each Participant to promptly check and reconcile with its own records the details of such advices, statements and reports and to promptly notify the Depository of any error or omission contained in such advices, statements and reports within the time specified by the Depository.
Bye Law 6.3.10	Every Participant shall reconcile his records with those of the Depository on a daily basis.
Bye Law 10.1.1	The Participant shall intimate the Depository, all security balances held by the Participant with the Depository on a daily basis at the end of the day and the said balances will be reconciled with its balance held by the Depository.
Bye Law 10.1.3	If there is failure of the reconciliation as specified in Bye Law 10.1.1 and Bye Law 10.1.2 above, the Depository may initiate necessary action including suspension of a Participant or suspension of transactions in a particular security till the process of reconciliation has been completed.
Clause 12 of NSDL-DP Agreement	The Participant shall reconcile its own records with those of NSDL on a daily basis and in such manner as may be specified in the Business Rules.
Rule 7.2.2	The Depository shall have adequate Business Continuity Plan for data and electronic records to prevent, prepare for, and recover from any disaster.
Rule 15.1.1	The Participant shall effect internal reconciliation of its accounts on a daily basis through the DPM (DP) or the DPM (CC) as the case may be.
Rule 15.1.2	The Participant shall reconcile the total of balances held in different accounts in the DPM (DP) or the DPM (CC), as the case may be, with its balance held in the DM on a daily basis.
Rule 15.1.3	The Participant shall, at the end of each day, electronically provide to the Depository the details of the changes made in the accounts of the Client from the last EOD processing.
Circular No. NSDL/POLICY/ 2012/0147 Date: December 19, 2012	***Sub: Non availability of VSAT*** All Participants are hereby informed that the National Stock Exchange of India Limited (NSE) has informed that VSAT based data communication will not be available on **Saturday**, **December 22, 2012 from 8:00 AM to 2:00 PM.** This will lead to temporary disconnection from the network. All Participants (VSAT users) are requested to take note of the above and **keep their Dial-up Modems, telephone lines and internet connectivity tested and ready for use in case of emergency**. Participants are also requested to check the connectivity periodically (preferably every 10 minutes) by using the "Ping" facility provided on GISMO during the above mentioned period. However, the "Ping" should not be kept "on" continuously. In case of any problem, Participants are requested to contact Help Desk immediately. Participants whose DPM system is connected through MPLS or Leased Line can continue their operations without any disruption.

Circular No. NSDL/POLICY/ 2012/0111 Date: October 8, 2012	***Sub: Discontinuation of NSDL services on NSE VSAT network*** All Participants are hereby informed that the National Stock Exchange of India Limited (NSE) has informed that they have decided to move from the Captive VSAT network to Shared Hub VSAT network. In view of the aforesaid, the VSAT infrastructure of NSE will not be available for Participants of NSDL w.e.f. February 1, 2013. Accordingly, such Participants who are using aforesaid VSAT network of NSE for NSDL Depository Operations are advised to connect to NSDL using Multi Protocol Label Switching (MPLS) [*Ref.: Circular No.: NSDL/POLICY/2008/0067 dated October 10, 2008*]. Those Participants who are not on MPLS are advised to make application for the same latest by October 31, 2012. For any information / clarifications, Participants are requested to contact the following officials or email at mpls@nsdl.co.in:

Sr. No	Name of the Official	Tel. No.	Email ID
1	Mr. Suraj R. Pisharody	(022) 2499 4644	surajp@nsdl.co.in
2	Mr. Dhananjay Kolpe	(022) 2499 4458	dhananjayk@nsdl.co.in
3	Mr. Manoj Mhatre	(022) 2499 4452	manojmh@nsdl.co.in

Circular No. NSDL/POLICY/ 2012/0063 Date: June 22, 2012	***Sub: Non availability of VSAT*** NAll Participants are hereby informed that the National Stock Exchange of India Limited (NSE) has informed that VSAT based data communication will not be available on **June 23, 2012 from 6:00 AM to 11:00 AM.** This will lead to temporary disconnection from the network. All Participants (VSAT users) are requested to take note of the above and **keep their Dial-up Modems and the telephone lines tested and ready for use in case of emergency**. Participants are also requested to check the connectivity periodically (preferably every 10 minutes) by using the "Ping" facility provided on GISMO during the above mentioned period. However, the "Ping" should not be kept "on" continuously. In case any problem, Participants are requested to contact Help Desk immediately. Participants whose DPM system is connected through MPLS or Leased Line can continue their operations without any disruption.
Circular No. NSDL/PMC/ Email-182/2006 Date: Nov 11, 2006	***Sub : Dial up connectivity (PPP) register to be maintained*** NSDL has issued guidelines in the past about the procedure to be followed in case of Dial up connectivity. Dial up or PPP is the fallback option available in case of failure of the primary connectivity for VSAT as well as Leased line users. During inspection it was observed that though PPP testing is carried out regularly, record of the same is not available with the BPs. All Business Partners are advised to maintain a register (either online or offline) in the following format to record the Dial up (PPP) activity carried out. NSDL inspecting officer can ask for verification of this register. Format:

Date of dialup	Reason for dialup and whether successful or not	Type of dialup: sync. (dial through router) / async.(PPP)	Officer carrying out dialup	NSDL officer

	Please note that both routine testing as well as emergency connectivity should be logged in the above register. The system in charge of the Business Partner should check this register at regular intervals (say every month) and initiate action if required. Necessary comments may be made, upon review by the systems in charge in the same register along with signature.
Circular No. NSDL/PI/2002/1736 Date : October 9, 2002	As per SEBI Regulations, it is mandatory to maintain continuous electronic means of communication between the Depository and its Participants. For this purpose the primary mode of connectivity between the Participant's DPM system and NSDL is either through VSAT or leased line. Participants are also required to maintain dial-up telephone line as a fall back to the primary mode of connectivity. However, there have been instances where Participant's primary mode of connectivity had failed and Participants were unable to establish dial-up connectivity. In order to ensure readiness of Participants to meet such eventualities, NSDL on a random basis, has been advising Participants to connect their DPM setup through dial-up mode. The procedure for connecting their DPM setup through dial-up mode is provided to Participants alongwith the CD for Systems Administrator Training. However, it has been observed that many Participants have failed to connect their DPM system through dial-up link. Participants are therefore advised to train their staff so as to ensure that connectivity to NSDL is established using telephone dial-up facility. The aforesaid procedure for configuration of various types of modems is also posted on NSDL Intranet Server (http://sqlassist), under the heading "Online Connectivity Documents".
WAN to WAN Connectivity	
Circular No. NSDL/PI/2001/1849 Date: December 18, 2001	WAN TO WAN is a browser-based application, which will enable the branches of the Participant to directly interact with its DPM server through Participant's own Wide Area Network (WAN) and provide upto date information and depository services to its clients. Participants who wish to avail WAN to WAN connectivity facility, are advised to note the following: 1. Participants will need permission from the Department of Telecommunication (DOT) for the purpose of its WAN connectivity with that of NSDL. 2. Participants will have to follow the policy guidelines of CUG to CUG issued by DOT, from time to time. 3. Participants may have to upgrade their DPM server and provide for additional hardware to support this function. NSDL will provide the sizing guidelines in this regard on one to one basis depending on the volume envisaged by Participant and present size of operation. 4. Participants will have to adhere to the security requirements as prescribed by NSDL. It may be noted that the security requirements may vary from case to case depending upon the usage of the inter connectivity and the same will be provided separately to the Participants. 5. Participants will have to ensure that access to DPM system from branch offices are appropriately authorised.

	6. Participants will be required to configure its own WAN router as per the specifications of NSDL and Participants will also be required to install a firewall prescribed by NSDL. 7. Participants will have to apply service pack 6 (SP6) on Windows NT operating system of its DPM server before installing WAN TO WAN software. The fees payable for availing of this facility is Rs. 40,000/- per annum per DPM setup. The fees shall be payable to NSDL every year, in advance. Participants may contact Mr. Jignesh Gandhi or Mr. Milind Mungale on Tel. No. (022) 460 8037 / 497 6347, in case any further clarification is required.

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12. Record Keeping

Section 2 (I)	Record includes the records maintained in the form of Books or stored in a computer or in such other form as may be determined by regulations.
Regulation 49 (1)	Every participant shall maintain the following records and Documents, namely:- a) records of all the transactions entered into with a depository and with a beneficial owner; b) details of securities dematerialised, rematerialised on behalf of beneficial owners with whom it has entered into an agreement; c) records of instructions received from beneficial owners and statements of account provided to beneficial owners; and d) records of approval, notice, entry and cancellation of pledge or hypothecation, as the case may be.
Regulation 49 (4)	Every participant shall intimate the Board the place where the records and documents are maintained.
Regulation 49 (5)	Subject to the provisions of any other law, the participant shall preserve records and documents for a minimum period of five years.
Regulation 50	Where records are kept electronically by the participant, it shall ensure that the integrity of the data processing systems is maintained at all times and take all precautions necessary to ensure that the records are not lost, destroyed or tampered with and in the event of loss or destruction, ensure that sufficient back up of records is available at all times at a different place.
Regulation 51	If a participant enters into an agreement with more than one depository, it shall maintain the records specified in regulation 49 separately in respect of each depository.
Renumbered Bye Law 10.2.7 Circular No.: NSDL/POLICY/ 2014/0044 Date: April 4, 2014	Every Participant shall maintain the following records and documents, namely: i) records of all the transactions entered into with a Depository and with a Client; ii) details of securities dematerialised, rematerialised on behalf of Clients; iii) records of instructions received from Clients and statements of account provided to Clients; and, iv) records of approval, notice, entry and cancellation of pledge or hypothecation, as the case may be.
Bye Law 10.2.8	Every Participant shall intimate the Depository, the place where the records and documents are maintained.
Bye Law 10.2.9	Subject to the provisions of any other law, the Participant shall preserve records and documents for a minimum period of five years.
Rule 16.1.1	Every Participant of the Depository shall maintain the following records relating to its business for a period of five years :- i. Delivery/Receipt Instructions given by its Clients. ii. Forms submitted by the Clients to the Participant for : - a) Opening of accounts with the Participant; b) Closing of accounts with the Participant; c) Freezing of accounts with the Participant; d) Defreezing of accounts with the Participant.

	iii. Copies of correspondence from the Clients on the basis of which Clients details were updated in the DPM; iv. Record of all actions taken on the exception reports, generated by the system; v. A register showing details of grievances received from the Clients and their present status. The following details may be specified in this regard:- a) name of the Client; b) reference number of the Client; c) date; d) particulars of complaints; e) actions taken by the Participant; vi. if the matter is referred to arbitration, then the particulars including the present status thereof. vii. instructions received from the Clearing Member to transfer balances from the Pool account to the Delivery account of the Clearing Member in order to enable it to meet its obligations to the Clearing Corporation; viii. instructions from the clearing member authorising the transfer of securities from the pool account of the clearing member to the accounts of its clients ix. The forms received in respect of pledge of securities; x. The forms received in respect of transmission of securities xi. The forms received in respect of securities lending. xii. Record of serial numbers of the instruction forms for debit or pledge of securities in a Client account, issued to its Clients.
Rule 16.1.2	The following records pertaining to dematerialisation and rematerialisation of securities shall be kept by the Participants until the process of dematerialisation or rematerialisation is completed :- i. Dematerialisation request form (DRF and DRF-GS) filled by the Client; ii. Certificate details of securities sent for dematerialisation; iii. Proof of deliveries of DRF and securities to the Issuer or its Registrar and Transfer Agent and proof of delivery of DRF-GS and Government Securities to the Depository; iv. Objection memo and certificate details of the rejected securities against the DRN; v. Rematerialisation Request Form (RRF and RRF-GS) submitted by the Client vi. Proof of delivery of RRF to the Issuer or its Registrar & Transfer Agent and proof of delivery of RRF-GS to the Depository.
Rule 16.1.3	The Participant shall intimate to the Depository, the place where the above records are kept and available for audit/inspection
Rule 16.1.4	The above requirements relating to maintenance of records shall apply not only to the records of the Participant's principal office but also any branch office and to any nominee company owned or controlled by the Participant for the purpose of conducting the business of the Participant relating to the operations of the Depository.
Rule 16.4.1	The records specified in Rules 16.1 and 16.2 above may be maintained either in physical or in electronic form. Where the records are kept by the Participant

	or the Issuer or its Registrar & Transfer Agent in electronic form, it shall do so with the prior approval of the Depository and shall ensure that the integrity of the data processing systems is maintained at all times and take all precautions necessary to ensure that the records are not lost, destroyed or tampered with and ensure that sufficient backup of records is available at all times at a different place. However, the prior approval of the Depository is not required if the Participant has been permitted to receive instructions from the Client in an electronic form in the manner specified in the first proviso to Rule 4.5.1.

Amendments to Bye Laws and Business Rules of NSDL

Circular No.: NSDL/POLICY/ 2014/0044 Date: April 4, 2014	***Subject: Amendments to Bye Laws and Business Rules of NSDL.*** All Participants are hereby notified that pursuant to Circular No.: NSDL/ POLICY/2013/0143 dated December 27, 2013 regarding simplification of demat account opening process, the following amendments to NSDL Bye Laws and Business Rules have been made:

Sr. no.	Bye Laws		Annexures
1	Addition of	Bye Laws 9.1.6	Amended / new Bye Laws are enclosed at Annexure A and in the track change mode at Annexure B.
2	Deletion of	Bye Laws 6.4.1, 9.1.5 and Annexure B	
3	Renumbering	Bye Laws 6.4.2 to 6.4.6 are renumbered as 6.4.1 to 6.4.5 and Bye Laws 9.1.6 is renumbered as 9.1.5.	
4	Amendments to	Bye Laws 2.1.5, 6.3.26, 6.4.1 (renumbered), 6.4.3 (renumbered), 9.1.4 and 10.2.7.	

Sr. no.	Rules		Annexures
1	Addition of	Rules 6.6, 12.1.3, 14.3.2 to 14.3.4 and Annexure X	Amended / new Rules are enclosed at Annexure C and in the track change mode at Annexure D.
2	Deletion of	Rule 18.1.1 [Sr. No. I (9)]. Remaining items will be renumbered accordingly.	
3	Renumbering	Rules 12.1.3, 12.1.4, 12.1.5 and 14.3.2 are renumbered as 12.1.4. 12.1.5, 12.1.6 and 14.3.5	
4	Amendments to	Rules 5.3, 12.1.4 (renumbered), 12.8.3, 14.3.1, 18.1.1 [Sr. No. I (1)], 18.1.1 [Sr. No. I (2)] and 22.4	
		Annexure J and Annexure K	Amended Annexure J and K are enclosed – with and without track change mode.

In this context, Participants are requested to take note of the following:

1. Participants can use the existing stock of Account Opening Forms until the stock last.
2. Amendments in KYC Application Form and Account Opening Form pursuant to Circular No.: NSDL/ POLICY/2013/0143 dated December 27, 2013 regarding Know Your Client (KYC) requirements will be notified shortly.

Annexure

1. Amended Bye Laws 2.1.5, 6.3.26, 6.4.1 (Renumbered Bye Law), 6.4.3 (Renumbered Bye Law), 9.1.4 and 10.2.7.

2.1.5. Client: in relation to a Participant means a Beneficial Owner who has opened an account with that Participant;

6.3.26. Subject to compliance with the foregoing, the Transferee Participant and the Clients electing to continue with the relationship shall be bound in the same manner and on the same terms and conditions as if the Transferee Participant had itself originally opened the accounts of the Clients. Such assignment from the Transferor Participant to the Transferee Participant shall be subject to the equities to which the parties were subject as at the date of the transfer. After such transfer, the Transferee Participant shall notify the Clients in writing as regards the completion of the assignment of the business in favour of the Transferee Participant.

6.4.1. Every Participant shall provide the Rights and Obligations Document and obtain acknowledgement thereof of the client in the form and manner prescribed in the Business Rules.

Provided that this Bye Law shall not be applicable in case of:

i) foreign institutional investors registered with the Securities and Exchange Board of India and who have entered into an agreement with the Participant either directly or through their power of attorney holders in accordance with the provisions of sub regulation (1) of regulation 16 of the SEBI (Foreign Institutional Investors) Regulations, 1995; and

ii) foreign portfolio investor who have entered into an agreement with the Participant either directly or through their power of attorney holders in accordance with the provisions of sub regulation (1) of regulation 26 of SEBI (Foreign Portfolio Investors) Regulations, 2014; and

iii) such agreement gives the Participant an authority to act on behalf of the foreign institutional investors or the foreign portfolio investor for availing the services of the Depository; and

iv) International Multilateral Agency, who has entered into an agreement with the Participant under Regulation 17 of the SEBI (Custodians of Securities) Regulations 1996, and such agreement states that the Custodian will also act as a Participant and all provisions pertaining to Participant shall be applicable;

6.4.3. Every Participant shall provide a statement of accounts including transaction statement and holdings statement to the Clients in such form and manner as specified under the Business Rules.

9.1.4. The Client will have to make an application for this purpose to the Participant in the form and manner specified under the Business Rules.

10.2.7. Every Participant shall maintain the following records and documents, namely:

i) records of all the transactions entered into with a Depository and with a Client;

ii) details of securities dematerialised, rematerialised on behalf of Clients ;

iii) records of instructions received from Clients and statements of account provided to Clients; and,

iv) records of approval, notice, entry and cancellation of pledge or hypothecation, as the case may be.

2. New Bye Laws 9.1.6

9.1.6 Upon such application by the Client and its acceptance by the Participant by opening the account as per Bye Law 9.1.3 to 9.1.5, the Participant and the Client shall be deemed to have entered into an agreement under the provisions of the Depositories Act, SEBI (Depositories and Participants) Regulations, 1996, these Byelaws and the Business Rules.

1. **Amended Rules 5.3, 12.1.4 (Renumbered Rule), 12.8.3, 14.3.1, 18.1.1 [Sr. No. I (1)], 18.1.1 [Sr. No. I (2)], 22.4 and deleted Rule 18.1.1 [Sr. No. I (9)].**

5.3. FEES AND CHARGES

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

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

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

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

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

14.3.1 The Participant shall furnish a statement of accounts including transaction statement and holdings statement to every Client, who has opened an account with it, giving the details of the security-wise transactions and balances, in the accounts of the Clients. Such a statement shall be furnished to the Clients at monthly intervals and to the Clients opting for Basic Services Demat Account at quarterly intervals unless the Client and the Participant have agreed for provision of such statements at shorter intervals. A specimen of such statement is given in Annexure V.

Provided however, if there is no transaction in the account, or if the balance has become Nil during the year, the Participant shall send one physical statement of holding annually to such Clients and shall resume sending the transaction statement as and when there is a transaction in the account.

18.1

18.1.1. The Depository may impose a penalty on the Participant to the extent indicated for non compliance as described below:

Sr. No.	Nature of Non-compliance	Penal Action in ₹ / Action
I	**Operational deviations**	
1.	Account opened without obtaining adequate proof of identity or any other document - as prescribed under guidelines of NSDL/SEBI/ PMLA/Account opened without obtaining adequate proof of address as prescribed under guidelines of NSDL/SEBI/PMLA or adequate proof of address not	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹.5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary

	collected for change of address as prescribed under guidelines of NSDL/SEBI/PMLA. Record of in-person verification not maintained as prescribed under guidelines of NSDL/SEBI/PMLA.	Action Committee if total penalty imposed in one inspection under this head exceeds ₹ 50000.
2.	Supplementary agreement executed or undertaking/letter obtained or any modification made in any document which has clauses contradictory to SEBI/ Depository prescribed guidelines or Power of attorney executed in favour of Participant in contradiction to SEBI/Depository prescribed guidelines.	₹ 1000 per occasion.

22.4 The Participant shall close all zero balance Client accounts held with it after giving a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository.

2. New Rules 6.6, 12.1.3, 14.3.2, 14.3.3, 14.3.4 and Annexure X

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

12.1.3 Participant shall provide a copy of Rights and Obligations Document as specified at Annexure X to the Client and shall obtain an acknowledgement for the same. Participant may provide copy of Rights and Obligations Document to the Client in electronic form, if opted by the Client.

14.3.2 The Participant may provide statement of accounts including transaction statement and holdings statement to the Clients in electronic form, if opted by the Client. However, if Client is desirous of receiving such statements in physical form, Participant shall be duty bound to provide the same.

Provided that if a Participant does not have the facility of providing the such statements in the electronic mode, then the Participant shall be obliged to forward such statement in physical form.

14.3.3 For providing statement of accounts including transaction statement and holdings statement in electronic form, the Participant must ensure that:

i. Such statement must be digitally signed in accordance with Information Technology Act, 2000.

ii. Such statement is provided to the Client in physical form if the Participant is not able to provide such statement to its Clients by email or on website due to any reason (including bounced emails).

iii. Such statement should be password protected if the Participant is providing the same through email.

iv. If the Participant is providing such statement through website:

a) Implement Secure Socket Layer (SSL) security for Internet facility featuring site authentication, encrypted communication and appropriate Client authentication so as to restrict the access of such statement only to the Client.

b) Such statement should be made available on the website for a period of atleast 12 months.

14.3.4 Participant or Client can terminate such arrangement by giving 10 days prior notice.

Annexure X

Rights and Obligations of the Beneficial Owner and Depository Participant

General Clause

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars/Notifications/Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.
2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.

Beneficial Owner information

3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.
4. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

Fees/Charges/Tariff

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that "*no charges are payable for opening of demat accounts*"
6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars/directions/notifications issued from time to time.
7. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same.

Dematerialization

8. The Beneficial Owner shall have the right to get the securities, which have been admitted on the Depositories, dematerialized in the form and manner laid down under the Bye Laws, Business Rules and Operating Instructions of the depositories.

Separate Accounts

9. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DP's own securities held in dematerialized form.
10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye-Laws/ Operating Instructions/Business Rules of the Depositories.

Transfer of Securities

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.
12. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions.

Statement of account

13. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/depository in this regard.
14. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account.
15. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.
16. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

Manner of Closure of Demat account

17. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.
18. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

Default in payment of charges

19. In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the Beneficial Owner, the DP may charge interest at a rate as specified by the Depository from time to time for the period of such default.
20. In case the Beneficial Owner has failed to make the payment of any of the amounts as provided in Clause 5&6 specified above, the DP after giving two days notice to the Beneficial Owner shall have the right to stop processing of instructions of the Beneficial Owner till such time he makes the payment along with interest, if any.

Liability of the Depository

21. As per Section 16 of Depositories Act, 1996,
    1. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the beneficial owner due to the negligence of the depository or the participant, the depository shall indemnify such beneficial owner.
    2. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository, the depository shall have the right to recover the same from such participant.

Freezing/ Defreezing of accounts

22. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.
23. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or any statutory authority.

Redressal of Investor grievance

24. The DP shall redress all grievances of the Beneficial Owner against the DP within a period of thirty days from the date of receipt of the complaint.

Authorized representative

25. If the Beneficial Owner is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

Law and Jurisdiction

26. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other rights which the DP or the Beneficial Owner may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.
27. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/ notices issued by SEBI and Rules, Regulations and Bye-laws of the relevant Depository, where the Beneficial Owner maintains his/ her account, that may be in force from time to time.
28. The Beneficial Owner and the DP shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of the depository and that such procedure shall be applicable to any disputes between the DP and the Beneficial Owner.
29. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye-laws and Regulations and circulars/notices issued there under by the depository and /or SEBI.
30. Any changes in the rights and obligations which are specified by SEBI/Depositories shall also be brought to the notice of the clients at once.
31. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

Annexure - J

PART I - KNOW YOUR CLIENT (KYC) APPLICATION FORM (For Individuals)

Name and address of intermediary (pre-printed)
Please fill this form in ENGLISH and in BLOCK LETTERS

A. IDENTITY DETAILS															Photograph Please affix your recent passport size photograph Signature Across photograph
1	Name of the Applicant														
2	Father's / Husband's Name														
3	a) Gender	☐ Male ☐ Female	b) Marital status	☐ Single ☐ Married	c) Date of Birth	D	D	M	M	Y	Y	Y	Y		
4	a) Nationality	☐ Indian ☐ Other (Please specify,_____)			b) Status	☐ Resident Individual ☐ Non Resident ☐ Foreign National									
5	a) PAN				b) Unique Identification Number (UID) / Aadhaar, if any										
6	Specify the proof of identity submitted	☐ PAN card ☐ Any other (Please specify; _____)													

B. ADDRESS DETAILS					
1	Correspondence Address	_____ _____ _____			
		City/town/village		PIN Code	
		State		Country	
2	Specify the proof of address submitted for correspondence address				
3	Contact Details	Tel. (Off.)		Tel. (Res.)	
		Fax No.		Mobile No.	
		Email ID			
4	Permanent Address (*If different from above. Mandatory for Non-Resident Applicant to specify overseas address*)	_____ _____ _____			
		City/town/village		PIN Code	
		State		Country	
5	Specify the proof of address submitted for permanent address				

C. OTHER DETAILS

1	Gross Annual Income Details (please specify):	
	Income Range per annum	**Networth**
	☐ Below ₹ 1 lac ☐ ₹ 1- 5 lac ☐ ₹ 5- 10 lac ☐ ₹ 10- 25 lac ☐ More than ₹ 25 lac	Amount (₹) ____________ As on (date) D D M M Y Y Y Y (Networth should not be older than 1 year)
2	Occupation (please tick any one and give brief details): ____________	
	☐ Private Sector ☐ Public Sector ☐ Government Service ☐ Business ☐ Professional	☐ Agriculturist ☐ Retired ☐ Housewife ☐ Student ☐ Others (Please specify; ____________)
3	Please tick, if applicable: ☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)	
4	Any other information	

D. DECLARATION

I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.

Signature of the Applicant ____________ Date D D M M Y Y Y Y

FOR OFFICE USE ONLY

☐ (Originals verified) True copies of documents received

☐ (Self-Attested) Self Certified Document copies received

Signature of the Authorised Signatory ____________	**Seal/Stamp of the intermediary**
Date D D M M Y Y Y Y	

Annexure - J

PART II - ACCOUNT OPENING FORM

(*FOR INDIVIDUALS*)

Name and address of intermediary (pre-printed)	
Participant Name (DP ID ____) Address (Pre-printed)	**Client -ID** (To be filled by Participant)

I/We request you to open a depository account in my/our name as per the following details: (*Please fill all the details in CAPITAL LETTERS only*) **Date** D D M M Y Y Y Y

A) Details of Account holder(s):

	Name	PAN
Sole/ First Holder		
Second Holder		
Third Holder		

B) For HUF, Association of Persons (AOP), Partnership Firm, Unregistered Trust, etc., although the account is opened in the name of the natural persons, the name & PAN of the HUF, Association of Persons (AOP), Partnership Firm, Unregistered Trust, etc., should be mentioned below:

a) Name _____ b) PAN

C) Type of account

- ☐ Ordinary Resident
- ☐ Qualified Foreign Investor
- ☐ Margin
- ☐ NRI-Repatriable
- ☐ Foreign National
- ☐ Others (Please specify) _____
- ☐ NRI-Non Repatriable
- ☐ Promoter

D) In case of NRIs/ Foreign Nationals

RBI Approval Reference Number	
RBI Approval date	D D M M Y Y Y Y

E) Bank details

1	Bank account type	☐ Savings Account ☐ Current Account ☐ Others (Please specify) _____
2	Bank Account Number	
3	Bank Name	
4	Branch Address	_____ _____ _____
	City/town/village	PIN Code
	State	Country
5	MICR Code	
6	IFSC	

F)	**Standing Instructions**		
	1	I/We authorise you to receive credits automatically into my/our account.	☐ Yes ☐ No
	2	Account to be operated through Power of Attorney (PoA)	☐ Yes ☐ No
	3	**SMS Alert facility:** [*Mandatory if you are giving Power of Attorney (PoA). Ensure that the mobile number is provided in the KYC Application Form*]	

Sr. No.	Holder	Yes	No
1	Sole/First Holder	☐	☐
2	Second Holder	☐	☐
3	Third Holder	☐	☐

G)	4	Mode of receiving Statement of Account [*Tick any one*]	☐ Physical Form
			☐ Electronic Form [*Read Note 4 and ensure that email ID is provided in KYC Application Form*].

H)	**Guardian Details** (*where sole holder is a minor*): [For account of a minor, two KYC Application Forms must be filled i.e. one for the guardian and another for the minor (*to be signed by guardian*)]	
	Guardian Name	
	PAN	
	Relationship of guardian with minor	

I)	**Nomination Option**		
	☐ I/We wish to make a nomination. [***As per details given below***]	☐ I/We do not wish to make a nomination. [***Strike off the nomination details below***]	
	Nomination Details		
	I/We wish to make a nomination and do hereby nominate the following person in whom all rights and / or amount payable in respect of securities held in the Depository by me / us in the said beneficiary owner account shall vest in the event of my / our death.		
	1	Name of the Nominee (Mr./Ms.)	Photograph of nominee
	2	Relationship with the Applicant (if any)	Signature of nominee across photograph
	3	Address of Nominee	

City/town/village		PIN Code	
State		Country	

4	Contact Details of nominee	Tel. (Off.)		Tel. (Res.)	
		Fax No.		Mobile No.	
		Email ID			
5	Signature of nominee	X			
To be filled-up (Sr. Nos. 6-11) only if nominee is a minor:					
6	Date of Birth (in case of minor nominee)	D D M M Y Y Y Y			
7	Name of Guardian (Mr./Ms.) (in case of minor nominee)			Photograph of guardian (for minor nominee)	
8	Address of Guardian			Signature of guardian across photograph	
		City/town/village		PIN Code	
		State		Country	
9	Contact Details of Guardian	Tel. (Off.)		Tel. (Res.)	
		Fax No.		Mobile No.	
		Email ID			
10	Relationship of Guardian with nominee				
11	Signature of Guardian	X			

Signature of two Witnesses for nomination

Name of witness	Address	Signature of witness with DATe
a.		X
b.		X

Declaration

The rules and regulations of the Depository and Depository Participants pertaining to an account which are in force now have been read by me/us and I/we have understood the same and I/we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. I/we hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/ we are aware that I/we may be held liable for it. In case non-resident account, I/we also declare that I/we have complied and will continue to comply with FEMA regulations. I/we acknowledge the receipt of copy of the document, “Rights and Obligations of the Beneficial Owner and Depository Participant”.

Name(s) of holder(s)		Signature of witness with DATe
Sole/ First Holder/ Guardian (in case sole holder is minor) (Mr./Ms.)		X
Second Holder (Mr./Ms.)		X
Third Holder (Mr./Ms.)		X

Notes :

1. All communication shall be sent at the address of the Sole/First holder only.
2. Thumb impressions and signatures other than English or Hindi or any of the other language not contained in the 8th Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate.
3. Instructions related to nomination, are as below:
   I. The nomination can be made only by individuals holding beneficiary owner accounts on their own behalf singly or jointly. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the account is held jointly all joint holders will sign the nomination form.
   II. A minor can be nominated. In that event, the name and address of the Guardian of the minor nominee shall be provided by the beneficial owner.
   III. The Nominee shall not be a trust, society, body corporate, partnership firm, karta of Hindu Undivided Family or a power of Attorney holder. A non-resident Indian can be a Nominee, subject to the exchange controls in force, from time to time.
   IV. Nomination in respect of the beneficiary owner account stands rescinded upon closure of the beneficiary owner account. Similarly, the nomination in respect of the securities shall stand terminated upon transfer of the securities.
   V. Transfer of securities in favour of a Nominee shall be valid discharge by the depository and the Participant against the legal heir.
   VI. The cancellation of nomination can be made by individuals only holding beneficiary owner accounts on their own behalf singly or jointly by the same persons who made the original nomination. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot cancel the nomination. If the beneficiary owner account is held jointly, all joint holders will sign the cancellation form.
   VII. On cancellation of the nomination, the nomination shall stand rescinded and the depository shall not be under any obligation to transfer the securities in favour of the Nominee.
4. For receiving Statement of Account in electronic form:
   I. Client must ensure the confidentiality of the password of the email account.
   II. Client must promptly inform the Participant if the email address has changed.
   III. Client may opt to terminate this facility by giving 10 days prior notice. Similarly, Participant may also terminate this facility by giving 10 days prior notice.
5. Strike off whichever is not applicable.

= =

Acknowledgement

Participant Name, Address & DP ID

Received the application from Mr/Ms_______________________________ as the sole/first holder alongwith _______________________________ and _________________________________ as the second and third holders respectively for opening of a depository account. Please quote the DP ID & Client ID allotted to you in all your future correspondence.

Date: | D | D | M | M | Y | Y | Y | Y |

Participant Stamp & Signature

Annexure - K

PPART I - KNOW YOUR CLIENT (KYC) APPLICATION FORM (For Non-Individuals)

[*Name and address of intermediary (pre-printed)*]

Photograph

Please affix the recent passport size photograph and sign across it

Please fill this form in ENGLISH and in BLOCK LETTERS

A.	**IDENTITY DETAILS**																				
1	Name of the Applicant																				
2	Date of incorporation	D	D	M	M	Y	Y	Y	Y	Place of incorporation											
3	Date of commencement of business															D	D	M	M	Y	Y	Y	Y
4	a) PAN											b) Registration No. (e.g. CIN)											
5	**Status (please tick any one):**																				
	☐ Private Limited Co.											☐ Bank											
	☐ Public Ltd. Co.											☐ Government Body											
	☐ Body Corporate											☐ Non Government Organization											
	☐ Trust											☐ Defense Establishment											
	☐ Charities											☐ Society											
	☐ NGO's											☐ LLP											
	☐ Others (Please specify) _____																				

B.	**ADDRESS DETAILS**				
1	Correspondence Address	_____			
		City/town/village		PIN Code	
		State		Country	
2	Specify the proof of address submitted for correspondence address				
3	Contact Details	Tel. (Off.)		Tel. (Res.)	
		Fax No.		Mobile No.	
		Email ID			
4	Registered Address (if different from above):				
		City/town/village		PIN Code	
		State		Country	
5	Specify the proof of address submitted for registered address				

C. OTHER DETAILS

1	Gross Annual Income Details (please specify): Income Range per annum
	☐ Below ₹ 1 lac ☐ ₹ 1- 5 lac ☐ ₹ 5- 10 lac ☐ ₹ 10- 25 lac ☐ ₹ 25 lac- 1 crore ☐ More than ₹ 1 crore
2	Networth
	Amount (₹) _____ As on (date) D D M M Y Y Y Y (Networth should not be older than 1 year)
3	Name, PAN, residential address and photographs of Promoters/ Partners/Karta/Trustees and whole time directors:
4	DIN/UID of Promoters/Partners/Karta and whole time directors:
	If space is insufficient, enclose these details separately [*Illustrative format enclosed*]
5	Please tick, if applicable, for any of your authorized signatories/Promoters/Partners/Karta/Trustees/whole time directors:
	☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)
6	Any other information

D. DECLARATION

I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.

Name & Signature of the Authorised Signatory(ies) | **Date** D D M M Y Y Y Y

FOR OFFICE USE ONLY

☐ (Originals verified) True copies of documents received

☐ (Self-Attested) Self Certified Document copies received

Signature of the Authorised Signatory		**Seal/Stamp of the intermediary**
Date	D D M M Y Y Y Y	

Details of Promoters/ Partners/ Karta / Trustees and whole time directors forming a part of Know Your Client (KYC) Application Form for Non-Individuals

Sr. No.	Name	Relationship with Applicant (*i.e. promoters, whole time directors etc.*)	PAN	Residential / Registered Address	DIN/UID	Photograph
1						
2						
3						
4						
5						

Name & Signature of the Authorised Signatory(ies)

Date	D	D	M	M	Y	Y	Y	Y

Annexure - K

PART II - ACCOUNT OPENING FORM

(*FOR NON-INDIVIDUALS*)

Participant Name (DP ID _____) Address (Pre-printed)	**Client -ID** (To be filled by Participant)

We request you to open a depository account in our name as per the following details: (*Please fill all the details in CAPITAL LETTERS only*)	**Date**

A) Details of Account holder(s):

	Name	PAN
Sole/ First Holder		
Second Holder		
Third Holder		

B) Type of account

- ☐ Body Corporate
- ☐ FI
- ☐ FII
- ☐ Qualified Foreign Investor
- ☐ Mutual Fund
- ☐ Trust
- ☐ Bank
- ☐ CM
- ☐ Other (Please specify) _____

C) For HUF, Partnership Firm, Unregistered Trust, Association of Persons (AOP) etc., although the account is opened in the name of the karta, partner(s), trustee(es) etc., the name & PAN of the HUF, Partnership Firm, Unregistered Trust, Association of Persons (AOP) etc., should be mentioned below:

a) Name		b) PAN	

D) In case of FIIs/Others (as may be applicable)

RBI Approval Reference Number	
RBI Approval date	D D M M Y Y Y Y

E) Bank details

1	Bank account type ☐ Savings Account ☐ Current Account ☐ Others (Please specify) _____	
2	Bank Account Number	
3	Bank Name	
4	Branch Address	_____ _____
	City/town/village	PIN Code
	State	Country
5	MICR Code	
6	IFSC	

F)	**Clearing Member Details** (to be filled up by Clearing Members only)		
	1	Name of Stock Exchange	
	2	Name of Clearing Corporation/ Clearing House	
	3	Clearing Member ID	
	4	SEBI Registration Number	
	5	Trade Name	
	6	CM-BP-ID **(to be filled up by Participant)**	

G)	**Standing Instructions**		
	1	We authorise you to receive credits automatically into our account.	☐ Yes ☐ No
	2	Account to be operated through Power of Attorney (PoA)	☐ Yes ☐ No
	3	**SMS Alert facility**	

Sr. No.	Holder	Yes	No
1	Sole/First Holder	☐	☐
2	Second Holder	☐	☐
3	Third Holder	☐	☐

H)	4	Mode of receiving Statement of Account [*Tick any one*]	☐ Physical Form
			☐ Electronic Form [*Read Note 3 and ensure that email ID is provided in KYC Application Form*].

Declaration

The rules and regulations of the Depository and Depository Participants pertaining to an account which are in force now have been read by us and we have understood the same and we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. We hereby declare that the details furnished above are true and correct to the best of our knowledge and belief and we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, we are aware that we may be held liable for it. I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".

Authorised Signatories (Enclose a Board Resolution for Authorised Signatories)

Sole/First Holder	Name	Signature(s)
First Signatory		X
Second Signatory		X

Third Signatory		X
Other Holders		
Second Holder		X
Third Holder		X

Mode of Operation for Sole/First Holder (In case of joint holdings, all the holders must sign)	
☐ Any one singly	
☐ Jointly by	
☐ As per resolution	
☐ Others (please specify)	

Notes:

1. In case of additional signatures, separate annexures should be attached to the application form.
2. Thumb impressions and signatures other than English or Hindi or any of the other language not contained in the 8th Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate.
3. For receiving Statement of Account in electronic form:
   I. Client must ensure the confidentiality of the password of the email account.
   II. Client must promptly inform the Participant if the email address has changed.
   III. Client may opt to terminate this facility by giving 10 days prior notice. Similarly, Participant may also terminate this facility by giving 10 days prior notice.
4. Strike off whichever is not applicable.

Acknowledgement

Participant Name, Address & DP ID

Received the application from M/s _____ as the sole/first holder alongwith _____ and _____ as the second and third holders respectively for opening of a depository account. Please quote the DP ID & Client ID allotted to you (CM-BP-ID in case of Clearing Members) in all your future correspondence.

As on (date) D D M M Y Y Y Y

Participant Stamp & Signature

Sub: Preservation of records	
Circular No. NSDL/POLICY/ 2009/0121 Date: December 12, 2009	***Sub: Preservation of records*** Attention of Participants is invited to Regulation 49 of SEBI (Depositories and Participants) Regulations, 1996, Bye Laws 10.2.7, 10.2.9, Chapter 16 of the Business Rules of NSDL and Circular no. NSDL/PI/2005/1476 dated August 12, 2005 that require Participants to preserve records and documents for a minimum period of five years. Further, all Participants are hereby informed regarding the SEBI Circular no. MRD/DoP/DEP/Cir-20/2009 dated December 9, 2009 (copy enclosed) about preservation of records. Participants are advised to take note of the above and ensure compliance with SEBI's instructions.

DEPUTY GENERAL MANAGER
Market Regulation Department - Division of Policy
E-mail: harinib@sebi.gov.in

MRD/DoP/DEP/Cir-20/2009
December 9, 2009

1. The Managing Director, NSDL and
2. The Executive Director, CDSL

Dear Sir,

Sub: <u>Preservation of records</u>

1. This circular is issued in supersession of SEBI circular no. SEBI/MRD/DEP/Cir-16/2005 dated August 4, 2005 and SEBI/MRD/DEP/Cir-24/05 dated December 22, 2005.
2. In terms of regulations 38 and 49 of the SEBI (Depositories and Participants) Regulations, 1996 (hereinafter referred to as D&P Regulations, 1996), Depositories and Depository Participants are required to preserve the records and documents for a minimum period of 5 years. In case such documents are maintained in electronic form, provisions of Information Technology Act, 2000 in this regard shall be complied with.
3. Further, it has been noticed that enforcement agencies like CBI, Police, Crime Branch etc. have been collecting copies of the various records/documents during the course of their investigation. The originals of such documents maintained either in physical or in electronic form or in both would be required by such enforcement agencies during trial of the case also.
4. In view of the above, it is clarified that if a copy is taken by such enforcement agency either from physical or electronic record then the respective original is to be maintained till the trial or investigation proceedings have concluded.
5. The Depositories are advised to:-
   a) make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary ;
   b) bring the provisions of this circular to the notice of the DPs of the Depositories and also to disseminate the same on the website; and
   c) communicate to SEBI the status of the implementation of the provisions of this circular in Monthly Development Report.
6. This circular is being issued in exercise of the powers conferred by Section 11(1) of Securities and Exchange Board of India Act, 1992 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Yours faithfully,

HARINI BALAJI

Circular No. NSDL/PI/2005/1476 Date: August 12, 2005	Attention of Participants is invited to Regulation 49 of SEBI (Depositories and Participants) Regulations, 1996, Bye Laws 10.2.7, 10.2.9 & Chapter 16 of the Business Rules of NSDL that require Participants to preserve records and documents for a minimum period of five years. SEBI vide its circular no. SEBI/MRD/DEP/Cir- 16/2005 dated August 4, 2005 (copy enclosed) has advised the Participants that if copies of various documents / records are taken by CBI, Police or any other enforcement agency during the course of any investigation, Participants will be required to preserve the original records and documents, both in electronic and physical form as the case may be, till the completion of the trial. Participants are advised to ensure compliance of the above.

Annexure

GENERAL MANAGER
Market Regulation Department
Division of Policy

SEBI/MRD/DEP/Cir- 16/2005
August 4, 2005

1. The Managing Director, NSDL and
2. The Executive Director, CDSL

Dear Sir,

Sub: Maintenance of books of accounts and other documents

1. In terms of regulations 38 and 49 of the SEBI (Depositories and Participants) Regulations, 1996 (hereinafter referred to as D&P Regulations, 1996), Depositories and Depository Participants are required to preserve the records and documents for a minimum period of 5 years.
2. It is noticed that enforcement agencies like CBI, Police, Crime Branch etc. have been collecting copies of the various records/documents during the course of their investigation. These original documents both in physical form and electronic form would be required by such enforcement agencies during trial of the case also.
3. In view of the above, not withstanding anything contained in D&P Regulations, 1996, you are advised to preserve the originals of the documents, both in electronic and physical form, copies of which have been taken by CBI, Police or any other enforcement agency during the course of any investigation till the trial is completed.
4. The Depositories are advised to:-
   a) make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary ;
   b) bring the provisions of this circular to the notice of the DPs of the Depositories and also to disseminate the same on the website; and
   c) communicate to SEBI the status of the implementation of the provisions of this circular in Sec. III Item No. E of the Monthly Development Report for the month of September 2005.
5. This circular is being issued in exercise of the powers conferred by Section 11(1) of Securities and Exchange Board of India Act, 1992 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Yours faithfully,

V S SUNDARESAN

❑❑❑

NOTES

13. Systems

a. General

Regulation 45	Every participant shall maintain continuous electronic means of communication with each depository in which it is a participant
Clause 13 of NSDL-DP Agreement	The Participant shall install at its computer center, client server, hardware configuration with system database, communication and application software as prescribed by NSDL. a) Unless otherwise supplied directly by NSDL, all hardware and software in accordance with prescribed configuration shall be procured by the Participant from NSDL empanelled brands only. b) The above hardware and software set-up shall be dedicated for NSDL specific application module and even if there is spare processing/data storage capacity, the same shall not be used for any other application including the Participant's backoffice system. c) The above hardware may be connected by the Participant to their internal LAN for data transfer purpose. d) The above hardware shall not be connected by the Participant to their interoffice WAN without the prior written permission of NSDL. NSDL reserves the right to deny such permission if in its opinion granting such permission involves violation of conditions relating to the operations of NSDL's WAN as stipulated by Department of Telecommunications or any other reasons as may be deemed fit by NSDL. e) The Participant shall carry out modification, upgradation, replacement and deletion for the above mentioned configuration from time to time as may be prescribed by NSDL.
Rule 4.1.1	The User shall carry out transactions relating to the Depository only through the approved User Hardware System located at approved locations of the office of the User. No other workstation, computer system or hardware may be connected to the User Hardware System without the prior approval of the Depository.
Rule 4.1.3	A User shall have a non-exclusive permission to use the DPM as provided by the Depository in the ordinary course of its business as such User.
Rule 4.1.5	A User shall not use or permit any other person to :- i. use the software provided by the Depository for any purposeother than the purpose as approved and specified by the Depository; ii. use the software provided by the Depository on any equipment other than the User Hardware System; iii. copy, alter, modify or make available to any other person, the software provided by the Depository; iv. use the software in any manner other than the manner as may be specified by the Depository; v. attempt directly/indirectly to decompile, disassemble or reverse engineer the same.

Rule 9.2.1	The Participant and the Participant which is a Clearing Corporation shall install the hardware and software which shall be in conformity with the configurations specified by the Depository from time to time.
Rule 9.2.2	The Depository shall provide an application software called the Depository Participant Module [DPM (DP)] to the Participant and an application software called the Depository Participant Clearing Corporation Module [DPM(CC)] to the Participant which is a Clearing Corporation, and any upgradations or modifications to such software on payment of such fees as may be determined by the Depository.

Hardware Software Bandwidth Requirements for New DPM System

Circular No.: NSDL/POLICY/ 2017/0073 Date: December 20, 2017	**Subject: Changes in file format on account of introduction to Non Disposal Undertaking (NDU) module and new freeze reason code in DPM system.** Attention of Participants is invited to NSDL circular no. NSDL/POLICY/2017/0042 dated July 12, 2017 regarding SEBI circular on recording of Non Disposal Undertaking (NDU) in the NSDL depository system and NSDL circular no. NSDL/ POLICY/2017/0021 dated April 12, 2017 regarding linking of demat accounts of Individuals with their Aadhaar. In this regard, the changes in the file formats and static data code in respect of the back office interface with eDPM /Local DPM system are enclosed in **Annexure.** Participants are advised to make necessary changes in their back office system latest by **5th January, 2018.**
Circular No.: NSDL/POLICY/ 2017/0067 Date: November 17, 2017	**Subject: Security Type code for "Real Estate Investment Trusts" added in DPM System** All Participants are hereby informed that the Security Type Code viz., Real Estate Investment Trusts (REIT) has been added in the DPM System as exhibited below: **Security Type Code** — **Description** 25 — Real Estate Investment Trusts (REIT) Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with the DPM System.

Circular No.: NSDL/POLICY/ 2017/0059
Date: October 9, 2017

Subject: Enhancement of Pledge facility on SPEED-e.

Attention of all Participants is invited to Circular No. NSDL/POLICY/2017/0023 dated April 24, 2017 regarding Launch of Pledge facility on ***SPEED-e*** which enables Client whose depository account is registered for e-Token based facility to submit Pledge instructions through ***SPEED-e*** facility. Participants are hereby informed that Pledge facility on ***SPEED-e*** facility is being further enhanced to facilitate the Pledgee (*i.e. target demat account holder in whose favour pledge instruction has been submitted in the NSDL depository system*) to confirm the pledge instructions through ***SPEED-e*** facility. This facility has been made available to e-Token based users whose depository account is registered by their Participants for ***SPEED-e*** Direct Facility. The aforesaid feature has been released on e-Services website.

The salient features of the aforesaid facility are enclosed at an Annexure.

For information / clarification on operations related issues or understanding of the facility, Participants are requested to contact the following officials:

Name of the official	Contact details	Email ID
Mr. Nikhil Dumbre	(022) - 2499 4364	nikhild@nsdl.co.in
Mr. Ajinkya Velapure	(022) - 2499 4647	ajinkyav@nsdl.co.in
Mr. Pratik Ahluwalia	(022) - 2499 4355	pratika@nsdl.co.in
Mr. Rahul Gupta	(022) - 2499 4372	rahulg@nsdl.co.in

Annexure

Salient features of Pledge Confirmation facility on SPEED-e

A. Introduction:

1) This facility will be available to Client whose depository account is registered for e-Token based facility for accessing SPEED-e.

2) Client(s) (*Pledgee*) will be able to view and confirm the pledge initiation instructions through SPEED-e facility irrespective whether pledge initiation instructions submitted through e-DPM system or SPEED-e facility.

3) For availing this facility, the Participants will be required to register the account holder (i..e pledgee) for SPEED-e as a e-token user and avail of SPEED-e Direct facility. In case the account holder is already a SPEED-e e-token user, but has not availed of SPEED-e Direct facility, the facility of pledge confirmation through SPEED-e cannot be availed of.

4) Participants can view the pledge initiations details, received for pledge confirmation, which are submitted by user through SPEED-e Direct facility at e-DPM System and Local DPM System.

5) Participants will be able to ascertain the source of instructions i.e., whether the instructions have been executed through e-DPM or SPEED-e Direct facility in e-DPM and Local DPM system.

6) The channel Indicator field in the COD download file would display '11' for pledge confirmation instructions submitted through SPEED-e.

B. Capture of Pledge Confirmation Instructions:

1) e-Token User(s) will access e-Services website (https://eservices.nsdl.com) and click on "Pledge Confirmation" link available under Pledge option (refer exhibit 1).

Exhibit 1 – Pledge Confirmation

2) Upon clicking on the "Pledge Confirmation" link, search criteria viz., Pledgor DP ID & Client ID, ISIN and SPEED-e Instruction No. fields will be displayed to the User. User will be required to enter any of the requisite details on the screen and click on search option to display the details of pledge instruction on SPEED-e (refer exhibit 2).

Exhibit 2 – Pledge Confirmation - Search

3) Upon entering the requisite details and click on the search button, Pledge instruction which are pending for pledgee confirmation will be displayed to the User. User will be required to click on the hyperlink provided on SPEED-e Instruction No. to confirm the pledge instructions (refer exhibit 3).

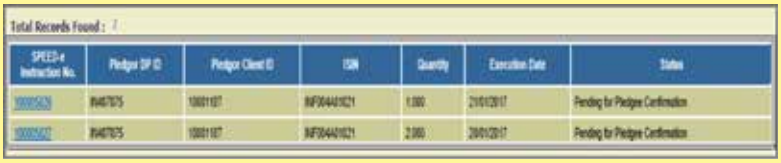


Exhibit 3 – Pledge Confirmation – Details

4) Upon clicking aforesaid hyperlink viz., SPEED-e Instruction No., complete pledge instruction details will be displayed to the User for confirmation (refer exhibit 4).

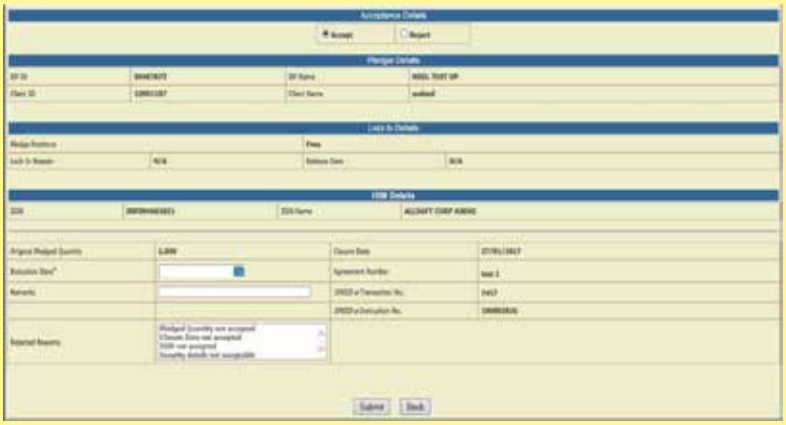


Exhibit 4 – Pledge Instruction – Confirmation

5) User will be having an option to either Accept or Reject the pledge instruction which is pending for confirmation. If User wishes to confirm the Pledge instruction, then User will be required to select execution date and click on Submit button. To confirm the pledge instruction, radio button viz., "Accept" is by default enabled on the screen. In case User wishes to reject the pledge instruction, then User will be required to click radio button of "Reject" option and select execution date & rejection reason from the drop down and click on Submit button. An option field "Remarks" is provided on the screen (refer exhibit 5).

Exhibit 5 – Pledge Confirmation - Accept / Reject

6) Upon clicking on Submit button, Pledge Confirmation screen will be displayed to the User for Acceptance or Rejection of pledge instruction (as the case may be). User will be required to check the details of the pledge confirmation and click on Confirm button to submit the instruction (refer exhibit 6 & 7).

Exhibit 6 – Pledge Confirmation - Accept

Exhibit 7 – Pledge Confirmation - Reject

7) Upon clicking on Confirm button, an acknowledgement page will be displayed to the User (refer exhibit 8).

Exhibit 8 – Pledge Confirmation- Acknowledgement

C. Authorization of Pledge Confirmation Instruction:

1) The existing functionality of Multiple Authorizations as informed to Participants vide NSDL Circular No. NSDL/PI/2001/1895 dated December 27, 2001 for submitting the instructions on SPEED-e will also continue to be applicable for pledge Confirmation instructions by e-Token users on SPEED-e facility.

2) In case of a depository account pertaining to single holder wherein only one authorized signatory (who is having authorized rights) is accessing SPEED-e facility and the Number of Authorizations captured in SPEED-e is also one, then pledge Confirmation instruction will be captured and authorized on SPEED-e after user click on submit and confirm buttons. Separate authorization from checker/another user will not be required.

3) e-Token User who is having authorize rights will access SPEED-e facility and click on the 'Pledge Confirmation' link available under Authorize Instructions option (refer exhibit 9)

Exhibit 9 -Pledge Confirmation - Authorization

Alternatively, Authorizer User will be provided a facility to view Pending Authorization Summary after login on SPEED-e facility (refer exhibit 10). User can directly click on Authorization pending for 'Pledge Confirmation' link available under Pending Authorization Summary.

Exhibit 10 -Pledge Confirmation - Authorization

4) Upon clicking on the 'Pledge Confirmation' link for authorization, pledge confirmation instruction details will be displayed to the User. User will be required to click on SPEED-e Transaction Number for authorizing pledge Confirmation request (refer exhibit 11).

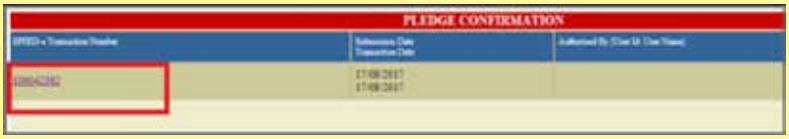


Exhibit 11 - Pledge Confirmation - Authorization

5) Upon clicking on SPEED-e Transaction Number, complete pledge confirmation instruction details would be displayed to the User. User will be required to check the pledge instruction details and click on Authorize button (refer exhibit 12).

Exhibit 12 - Pledge Confirmation - Authorization

6) Upon clicking on Authorize, Pledge Confirmation instruction details would be displayed to the User for confirmation. User will be required to click on Authorize for successfully confirmation of the Pledge Confirmation instruction (refer exhibit 13).

Exhibit 13 - Pledge Confirmation - Authorization

7) After final confirmation of Pledge Confirmation instruction, an acknowledgement page will be displayed to the User (refer exhibit 14).

Exhibit 14 - Pledge Confirmation Authorization - Acknowledgement

D. View Status of Instructions:

1) Upon submitting of Pledge Confirmation on SPEED-e, both the Users (having Capture and Authorize rights) will be able to view the status of Pledge instructions confirmed on SPEED-e facility through Pledge confirmation link available under View Instructions option (refer exhibit 15).

Exhibit 15 -Pledge Confirmation – View Status

2) Upon clicking on the Pledge Confirmation link under view instructions option, search criteria viz., Pledgor DP ID & Pledgor Client ID, ISIN, and SPEED-e Instruction Number will be displayed to the User. User will be required to enter any of the requisite details on the screen and click on search option to view the status of the instructions. If user wishes to view status-wise details (i.e. Accepted or Rejected) of pledge confirmation instruction then User can select requisite status from the drop down viz., Acceptance Status provided on the screen (refer exhibit 16).

Exhibit 16 -Pledge Confirmation – View Status

Further, following status transition(s) will be reflected to user for Pledge Confirmation instruction on SPEED-e facility :

Various status of instructions will be displayed on *SPEED-e* for Users
Captured (Instructions that are yet to be authorized by other authorized signatories/accountholders)
Pledge Confirmed
Rejected by Pledgee
Rejected
Future Dated
Released
Closed

Circular No.: NSDL/POLICY/ 2017/0058
Date: October 6, 2017

Subject: Changes in reason code for DIS Image Validation System (DIVS).

Attention of Participants is invited to Circular No: NSDL/POLICY/2014/0085 dated August 5, 2014 regarding scanning of Delivery Instruction Slip (DIS) containing the operating guidelines in respect of scanning of DIS, signing and posting of DIS images and tamper proof storage of DIS images.

In the aforesaid circular, it has been advised that Participants must digitally sign the scanned image of the DIS and post the same to DIVS for validation and affixing of digital signature by NSDL. In this context, Participants are currently permitted to replace the old image of a DIS with a new DIS image under certain exceptional circumstances and for which the Participants are required to specify the replacement reasons, as given below:

Replacement Reason Code	Replacement Reason
01	Wrong mapping of DIS image
02	Change in DIS based on the audit observation
03	Change in DIS based on the inspection observation
04	For FAX instruction original DIS is received
05	Scanned image not legible
99	Others

In this regard, Participants are hereby informed that a review of the process was carried out. Based on the review, the replacement reason codes are modified, as given below in track change mode:

Replacement Reason Code	Replacement Reason
01	Wrong mapping of DIS image
02	Change in DIS based on the audit observation
03	Change in DIS based on the inspection observation
04	For FAX instruction original DIS is received
05	Scanned image not legible
06	Change in DIS based on Participant's internal review
99	Others

As can be seen from above, a new reason code "06 – Change in DIS based on Participant's internal review" is added and the reason code "99 – Others" is removed.

Accordingly, the necessary changes in the input (.in) & output (.out) file in track change mode for upload of replacement of original DIS image in DIVS is enclosed at Annexure I. Participants are advised to make necessary changes in their back office system with revised reason codes which will be made applicable in the DPM System Version release 6.6 scheduled on October 7, 2017.

For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022)-2499 4600 or email at helpdesk@nsdl.co.in

Participants are requested to take note of the above and ensure compliance.

NATIONAL SECURITIES DEPOSITORY LIMITED

DIS Image Validation System (DIVS)

File Formats

File format for text file to be prepared by Participant's for posting the details on DIS Image Validation System (DIVS)

HEADER RECORD ***(M -Mandatory, O - Optional)**

Description	Data Type	Size	End	Status	Remarks
Batch No.	Integer	8	8	M	
Record Type	Integer	2	10	M	Header Record (01)
Filler	Character	6	16	O	
DP ID	Character	8	24	M	Master DP ID in case of Master DP Upload
Filler	Character	2	26	O	
Total no. of detail records	Integer	6	32	M	
Sender Date	Character	8	40	M	
Sender User ID	Character	8	48	O	
Filler	Character	52	100	O	

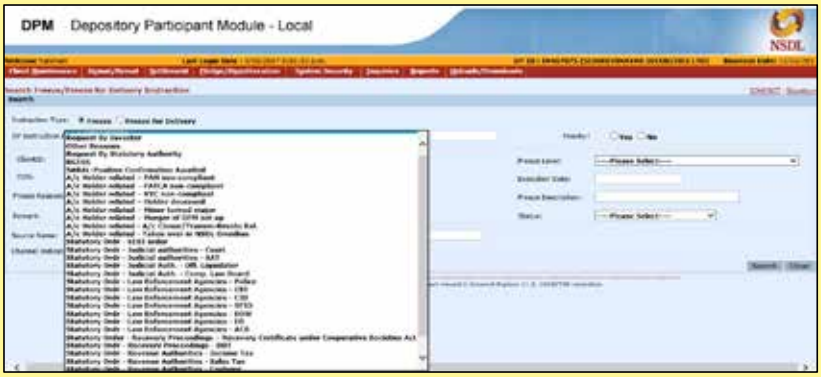
DETAIL RECORD

Description	Data Type	Size	End	Status*	Remarks
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record (02)
Line Number	Integer	6	16	M	
Instruction Type	Integer	2	18	M	'01' - Addition record, '02' - Replace Record
DIS Serial No.	Character	12	30	M	
Image File Name	Character	40	70	M	Mandatory only in case of Instruction Type = '01' (Naming convention for Image file "DP ID_DIS serial number_Page No. of Annexure(s)_Version No.sgn") Example: IN300001_100000000001_000_1.sgn For instruction type '02' for replacing old DIS image with new DIS image, Version No. will be incremented by 1 in the file name. Example: For replacement of above image file name will be IN300001_100000000001_000_2.sgn
Reason for replacement code	Integer	2	72	M/O	Mandatory only in case of Instruction Type = '02', otherwise Spaces. Reason Codes - 01: Wrong mapping of DIS image 02: Change in DIS based on the audit observation 03: Change in DIS based on the inspection observation 04: For FAX instruction original DIS is received 05: Scanned image not legible 06: Change in DIS based on Participant's internal review ~~99 - Others~~
Size of image file	Integer	8	80	M	Size on disk in bytes
Filler	Character	70	150	O	

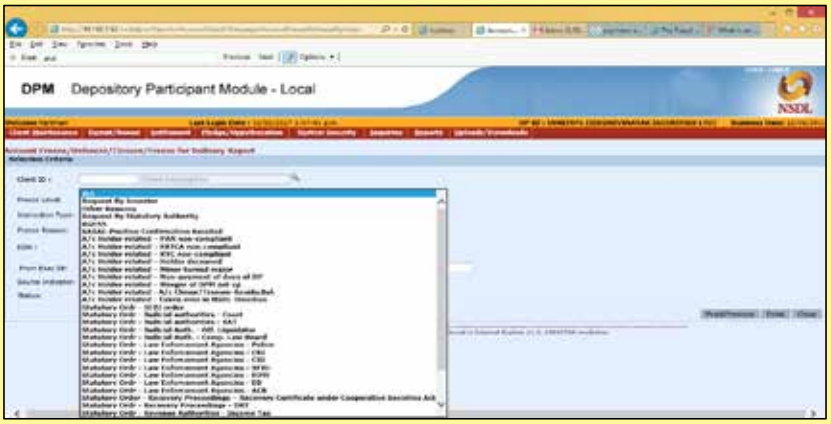
Circular No.: NSDL/POLICY/ 2017/0054 Date: September 12, 2017	***Subject: Facility for Bulk Updation of Aadhaar in Individuals Demat Accounts.*** Attention of all Participants is invited to Circular No. NSDL/Policy/2017/0021 dated April 12, 2017 regarding Linking of Demat Account of Individuals with their Aadhaar for each accountholder in depository account in the Client Maintenance Module of Local DPM and eDPM system. It is mentioned at point no. 4(b) of aforesaid NSDL circular dated April 12, 2017 as under: "*Participants acting as AUA or Sub-AUA may accept requests from clients through their registered email or on the website of Participant, provided that the Participant follows the procedure specified in NSDL Circular No. NSDL/POLICY/2011/0057 dated July 16, 2011. Also, in case such Participant has the Aadhaar details of the client in its back-office, trading account or in the bank account which has been provided by the client, then the Participant may update the Aadhaar in the demat account. In such cases, prior to updation of Aadhaar in demat account, the Participant shall validate the Aadhaar with UIDAI as per the process prescribed for AUAs by UIDAI and keep such verification on record.*" In order to facilitate bulk updation of Aadhaar in the Individual demat accounts, Participants will be required to upload the client details as per enclosed format (in **CSV** file) on NSDL intranet site i.e. i-Assist (upon DP User Login) under the link viz., **'Bulk Updation of Aadhaar in Individuals Demat Accounts'.** Participants shall ensure that Aadhaar is validated with UIDAI as per the prescribed procedure and keep such verification on record before bulk upload of Aadhaar in Individuals Demat Accounts. Once the client and Aadhaar details are uploaded on i-Assist by Participants (as per the prescribed format), NSDL shall update the Aadhaar in respect of given list of individual demat accounts in NSDL depository system (Local DPM & eDPM). In case of rejected updations on NSDL depository system, the details of rejected records/file would be provided under the aforesaid link on i-Assist platform. After updation of the above in the DPM System, Participants must send a communication via letter / email / Client Master Report generated from the DPM System or client modification letter generated from DPM system or its back office or any other mode which the Participant may deem fit to all such Clients informing about changes carried out in their depository account(s) pertaining to Aadhaar updation field. Participants are requested to take note of the above.

Circular No.: NSDL/POLICY/2017/0047 Date: August 1, 2017	**Subject: Facility to lodge complaints/issues with NSDL system auditor** All Participants are hereby informed that SEBI has reviewed the mechanism for handling of complaints relating to technology. Pursuant to the discussions held in the Technical Advisory Committee (TAC) of SEBI, SEBI has advised to provide a mechanism for lodging complaints / issues related to systems with the system auditor. Accordingly, an email id viz; systemauditor@nsdl.co.in is created to facilitate Participants to lodge complaint/ issue to the system auditor of NSDL. Participants are requested to take note of the same.
Circular No.: NSDL/POLICY/2017/0039 Date: June 30, 2017	***Subject: Security Type code for "Municipal Bond" added in DPM System*** All Participants are hereby informed that the following Security Type Code has been added in the DPM System. **Security Type Code** — **Description** 24 — Municipal Bond Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with the DPM System.
Circular No.: NSDL/POLICY/2017/0038 Date: June 29, 2017	***Subject: Release of DPM System Version 6.5*** All Participants are hereby informed that DPM System Version 6.5 will be released on EOD of June 30, 2017. Salient features of DPM System Version 6.5 are enclosed at Annexure. For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in. I. Incorporation of new freeze reason codes from 6 to 33 in the freeze Module of Local DPM system. NSDL had vide circular no. NSDL/POLICY/2017/0033 dated June 9, 2017 informed Participants regarding incorporation of new freeze reason codes from 6 to 33 in the freeze module of eDPM system. In this context, all Participants are hereby informed that the respective changes w.r.t. new freeze reason codes (i.e. from 6 to 33) have been incorporated in the search criteria of freeze module and in report viz.,'Account Freeze/Un-Freeze ' of Local DPM system as exhibited below:

Freeze/Un-Freeze Instruction – Search Screen



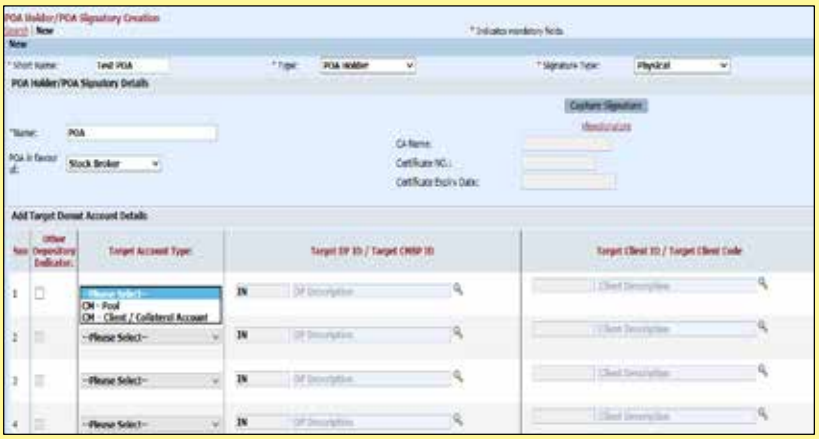
Account Freeze/Un-Freeze Report



Back-office Impact : Yes (informed to Participants vide NSDL Circular No. NSDL/POLICY/2017/0026 dated May 11, 2017)

II. Enhancement in Power of Attorney (PoA) module to allow mapping of Demat account in respect of Stock Broker with sub type viz., Stock Broker-Collateral

NSDL had vide its Circular No. NSDL/POLICY/2016/0017 dated February 17, 2016 informed Participants regarding enhancement of POA module of DPM system to capture the demat account details of Stock Broker in respect of POA assigned in favour of Stock Brokers as mentioned in the POA agreement. In the aforesaid NSDL circular, it was informed that demat accounts opened under client type/sub type viz., Resident/ Body Corporate Margin Account (now renamed as Stock Broker – Client) and Clearing Member were allowed to be mapped in respect of POA in favour of Stock Broker.



In this context, Participants are hereby informed that demat accounts of Stock Broker opened under client type/sub type viz., "Resident/Body Corporate" "Stock Broker-Collateral" will be also allowed to be mapped in respect of POA in favour of Stock Broker under 'CM-Client/Collateral Account' as target account type (as exhibited above).

Back-office Impact : No

Circular No.: NSDL/ POLICY/2017/0037
Date: June 28, 2017

Subject: Addition of Market Type Code

All Participants are hereby informed that following Market Type Code has been added in the CC Calendar in respect of Metropolitan Clearing Corporation of India Limited (Formerly MCX-SX Clearing Corporation Limited) pertaining to the settlements of 'Debt Segment':

CC ID	Market Type Code	Description
IN001141	13	Debt Segment - Auction

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No.: NSDL/ POLICY/2017/0036
Date: June 28, 2017

Subject: Addition of Market Type Codes

All Participants are hereby informed that following Market Type Codes have been added in the CC Calendar in respect of Metropolitan Clearing Corporation of India Limited (Formerly MCX-SX Clearing Corporation Limited) pertaining to the settlements of 'Securities Lending and Borrowing (SLB) Segment':

CC ID	Market Type Code	Description
IN001141	14	SLB First Leg
	15	SLB Return Leg
	16	SLB Auction Buy-in

Participants are requested to note the aforesaid codes relating to change in the static data for back-office batch interface with eDPM / Local DPM System.

Circular No.: NSDL/ POLICY/2017/0033
Date: June 9, 2017

Subject: Incorporation of new freeze reason codes in DPM system

As Participants are aware, NSDL had vide Circular No. NSDL/POLICY/2017/0026 dated May 11, 2017 (copy enclosed) issued guidelines with respect to IEPF along with new freeze reason codes. In this context, Participants are requested to take note of below mentioned changes in DPM system:

1. The new freeze reason codes i.e. from '06' to '33' will be enabled in the Freeze Module of Local DPM system and eDPM system.
2. The old freeze reason code i.e. '03' i.e. 'Request by Statutory Authority' will be disabled from the freeze module of Local DPM system and eDPM system while entering a new freeze request. However, the old freeze reason code will continue to be displayed in respect of existing freeze requests which have already been done under the freeze reason code '03'.
3. The list of entire freeze reason codes which can be chosen while executing a freeze request are enclosed at Annexure for easy reference.

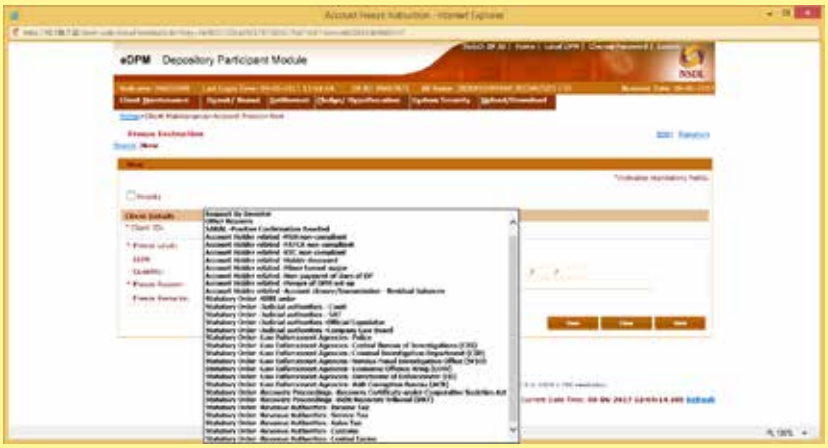
All Participants are hereby informed that the aforesaid changes will be released in eDPM system on EOD of June 9, 2017 (i.e. Friday).

For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in.

List of entire freeze reason codes while executing Freeze request in the DPM system :

Freeze Reason Code	Freeze Reason
01	Request By Investor
02	Other Reasons
03	Request By Statutory Authority
05	SARAL-Positive Confirmation Awaited
06	Account Holder – PAN non-compliant
07	Account Holder – FATCA non-compliant
08	Account Holder– KYC non-compliant
09	Account Holder –Deceased
10	Account Holder – Minor turned major
11	Account Holder– Non-payment of dues of DP
12	Account Holder– Merger of DPM set-up

13	Account Holder- Account closure/transmission - Residual balances
15	Statutory Order - SEBI order
16	Statutory Order - Judicial authorities – Court
17	Statutory Order - Judicial authorities – SAT
18	Statutory Order - Judicial authorities - Official Liquidator
19	Statutory Order - Judicial authorities - Company Law Board
20	Statutory Order - Law Enforcement Agencies - Police
21	Statutory Order - Law Enforcement Agencies - Central Bureau of Investigations (CBI)
22	Statutory Order - Law Enforcement Agencies - Criminal Investigation Department (CID)
23	Statutory Order - Law Enforcement Agencies - Serious Fraud Investigation Office (SFIO)
24	Statutory Order - Law Enforcement Agencies - Economic Offence Wing (EOW)
25	Statutory Order - Law Enforcement Agencies - Directorate of Enforcement (ED)
26	Statutory Order - Law Enforcement Agencies - Anti-Corruption Bureau (ACB)
27	Statutory Order - Recovery Proceedings - Recovery Certificate under Cooperative Societies Act
28	Statutory Order - Recovery Proceedings - Debt Recovery Tribunal (DRT)
29	Statutory Order - Revenue Authorities - Income Tax
30	Statutory Order - Revenue Authorities - Service Tax
31	Statutory Order - Revenue Authorities - Sales Tax
32	Statutory Order - Revenue Authorities - Customs
33	Statutory Order - Revenue Authorities - Central Excise

	Exhibit: List of Freeze reason codes on eDPM system 
Circular No.: NSDL/POLICY/ 2016/0081 Date: October 3, 2016	**Subject:** ***DPM Version Release 6.2*** Attention of Participants is invited to Circular No. NSDL/POLICY/2016/0075 dated September 9, 2016 regarding changes in file formats with respect to **DPM Version Release 6.2**. In this context, we are in receipt of requests from some Participants to postpone the aforesaid version release as they require more time to incorporate the requisite changes in their back-office system. Accordingly, all Participants are hereby informed that the date of **DPM Version Release 6.2** has now been revised to **November 12, 2016**. Participants are advised to make necessary changes in their back office system as per the file formats enclosed with aforementioned circular in respect of DPM System Version 6.2 latest by **November 5, 2016**. The circular containing the detailed features in respect of aforesaid version release will be provided shortly. Participants are requested to take a note of the same.
Circular No.: NSDL/POLICY/ 2016/0075 Date: September 9, 2016	***Subject: Changes in File Formats with respect to DPM Version Release 6.2.*** All Participants are hereby informed that **DPM System Version 6.2** is scheduled to be released **on October 7, 2016**. In this context, the changes in file formats and static data codes in respect of the back-office interface with eDPM and Local DPM system are highlighted and enclosed at **Annexure I**. Participants are advised to make necessary changes in their back office system as per the enclosed file formats in respect of DPM System Version 6.2 latest by **October 1, 2016**. The detailed feature will be provided shortly.

Circular No.:
NSDL/POLICY/
2016/0063
Date: June 27, 2016

Subject: DIVS GAP Report Utility Version 1.1.

Attention of Participants is invited to Circular No: **NSDL/POLICY/2014/0132** dated December 26, 2014, wherein DIVS GAP Report Utility was provided in Local DPM system so as to enable Participants to download reports for verification of DIS instructions which are executed in the eDPM system and are posted on the DIVS.

The GAP Report Utility is enhanced to cover the following:

1. DIS which are executed in the eDPM system with DIS type 'Electronic' such as 'Electronic-SPEEDe', 'Electronic – SPICE', 'Electronic-DSC' and 'Electronic – Others'. In case of Electronic Instructions, Participants are not required to upload DIS to the DIVS. Thus, in case Participant has uploaded DIS images where the DIS type is electronic, it will figure in the GAP report. Participants may verify whether the DIS type flag is inadvertently selected as 'Electronic'.

2. DIS with 'Cancelled' status. *(Participants are requested to note that DIS in cancelled status need not be uploaded in the DIVS system)*

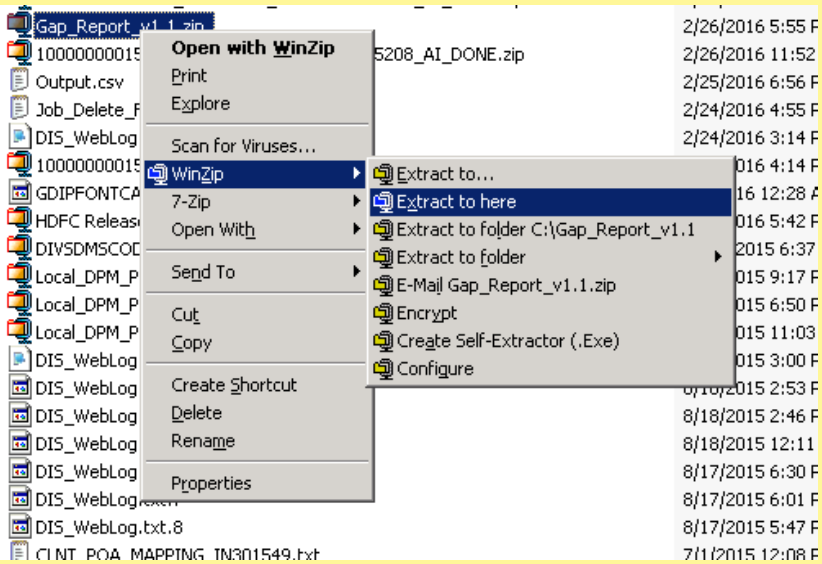
Accordingly, the revised report viz., 'DIS not in COD' will contain the aforesaid instructions for which DIS images are posted on DIVS.

In this regard, a revised manual is enclosed containing steps to generate Gap reports. The new utility (version 1.1) is being made available under the link **'DIVS GAP REPORT 1.1'** in Download section on homepage of i-Assist.

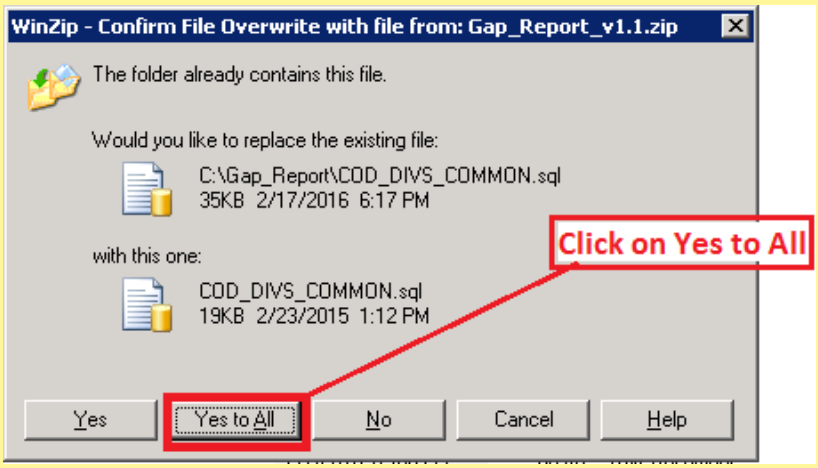
For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022)-2499 4600 or email at helpdesk@nsdl.co.in.

Steps to run Gap_Report_vl.l

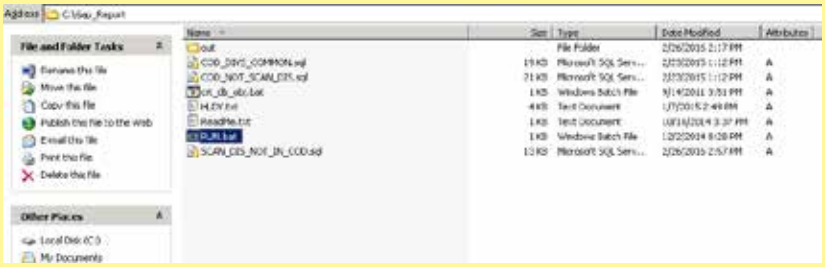
1. Download zip file Gap_Report_v1.1.zip from i-assist.
2. Copy zip file on C drive of Server machine.
3. Extract zip file on C drive itself.



4. If folder named Gap_Report is already present in C drive, then replace all contents of v1.1 in the same folder.

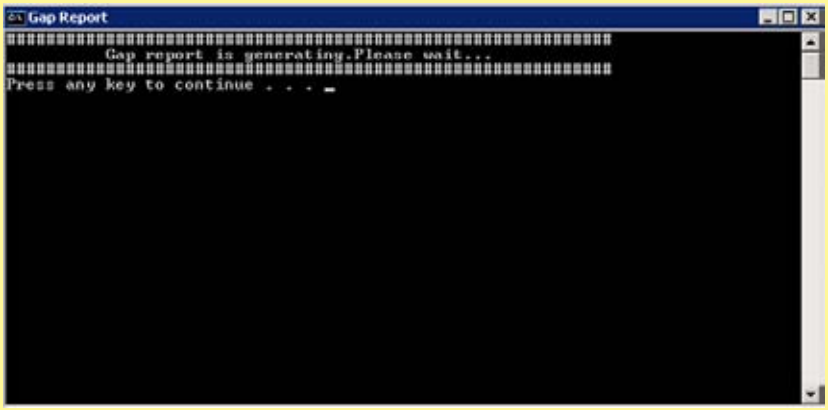


5. Open folder Gap_Report.
6. Double click on Run.bat file.

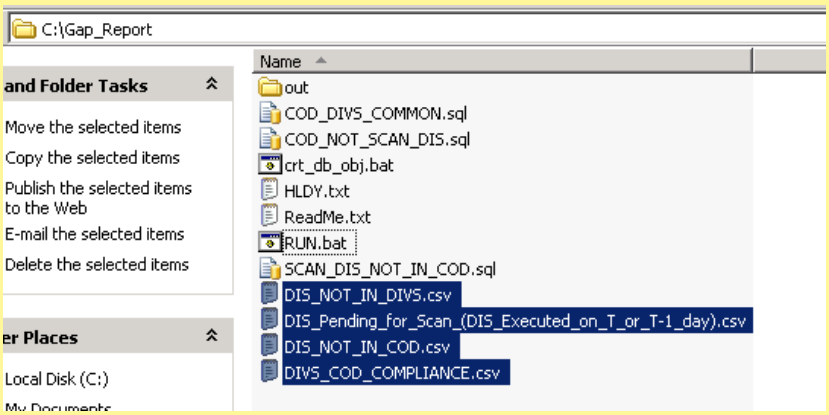


7. Gap report is generating. Wait

8. Press any key to continue.



9. Reports will be generated in the same Gap_Report folder.



Circular No.: NSDL/POLICY/ 2016/0055
Date: May 13, 2016

Subject: Release of DPM System Version 6.1.

All Participants are hereby informed that **DPM System Version 6.1** will be released at EOD of **May 20, 2016.** Salient features of DPM System Version 6.1 are enclosed at **Annexure**.

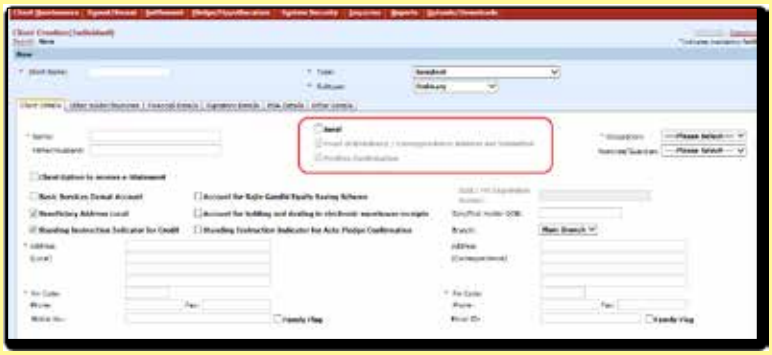
Participants are requested to note that the DPM feature viz., 'Incorporation of Document Received Date' will be released on **May 20, 2016** instead of May 13, 2016 as communicated vide Circular dated April 22, 2016.

For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022)2499 4600 or email at helpdesk@nsdl.co.in.

Annexure

1) Incorporation of SARAL & its corresponding Flags in DPM system

To facilitate opening of SARAL Account(s) [Ref. Circular No. NSDL/ POLICY/2015/0094 dated October 27, 2015], a new flag viz., **'SARAL'** along with its corresponding flags viz., **'Proof of Residence / Correspondence Address not Submitted'** and **'Positive Confirmation'** flag has been introduced in the Client Creation / Modification / Detail View (Individual) screens under Client Maintenance Module of the DPM System, as exhibited below:



- **'SARAL' Flag**: Demat accounts opened based on SARAL Form should be tagged with the said Flag.
- **'Proof of Residence/Correspondence Address not Submitted' Flag**: Information in respect of submission of declaration instead of proof of address of correspondence/residence by the client needs to be recorded by enabling the 'Proof of Residence/Correspondence Address not submitted' Flag.
- **'Positive Confirmation' Flag**: Where proof of address of the residence / correspondence address is not submitted the same needs to be verified by the Participant through 'Positive Confirmation' as per NSDL/SEBI guidelines. Positive confirmation has to be recorded in the DPM system by enabling the 'Positive Confirmation' Flag.

SARAL Account flag is applicable only in respect Client Type viz., Resident & Sub Type viz., Ordinary. The aforesaid flags shall be displayed under Client Master List.

Incorporation of SARAL Reports for Monitoring

Below mentioned reports will be generated in the Local DPM system under download section for monitoring of SARAL accounts:

Report 1: SARAL Account opened with Proof of Residence/ Correspondence Address

A daily report consisting of list of all such SARAL accounts which are activated during the day and flag viz., 'Proof of Residence/ Correspondence Address not submitted' is not enabled.

Report 2: Pending for Positive Confirmation

A daily report consisting of all such SARAL accounts where Flag viz., 'Proof of Residence / Correspondence Address not submitted' is enabled and positive confirmation flag is not enabled till 15 days from the date of account opening **OR** demat account is not 'Suspended for Debit and Credit' **OR** demat account is not closed.

Report 3: Pending for Positive confirmation over 15 days

A daily report consisting of all such SARAL accounts where Flag viz., 'Proof of Residence / Correspondence Address not submitted' is enabled and positive confirmation flag is not enabled even after 15 days from the date of account opening **OR** demat account is not 'Suspended for Debit and Credit' **OR** demat account is not closed.

Report 4: Positive confirmation received at the time of account activation.

A daily report consisting of list of all such SARAL accounts which were activated during the day and flag viz., 'Positive Confirmation" is enabled.

Report 5: Value of holding in SARAL account is equal to or greater than Rs. 2 lacs.

A daily report consisting of SARAL accounts with value of holdings in SARAL account greater than or equal to Rs. 2 lacs at any point of time and its flag viz., "Proof for Residence/Correspondence Address not submitted" is enabled. Such accounts shall continue to be included in the report even if the value of holdings has come down below Rs. 2 Lakhs till the time wherein Flag viz., "Proof for Residence/Correspondence Address not submitted" is not disabled.

2) Freezing / Un-Freezing of demat account under SARAL Account:

New Freeze/Un-Freeze reason code viz., '**SARAL - Positive Confirmation Awaited'** has been incorporated in the eDPM/ Local DPM system to Freeze or Un-Freeze demat account opened based on SARAL Form as specified by NSDL vide its circular dated October 27, 2015.

3) Incorporation of Document Received Date in DPM system

In order to facilitate Participants to capture date of receipt of the documents in respect of following service requests, a new field viz., '**Document Received Date**' has been incorporated in the Local DPM/ eDPM system under the below mentioned modules:

1. Dematerialisation of Securities
2. Rematerialisation of Securities
3. Mutual fund Conversion
4. Mutual fund Re-conversion
5. Closure of Demat account
6. Transmission of Securities

As communicated by NSDL vide its Circular No. NSDL/POLICY/2016/0042 dated April 11, 2016, Participants are requested to note that the 'Document Received Date' will be a mandatory field required to be captured by the Participants while executing the instruction in respect of aforesaid service requests in the eDPM system. Further, Participants are requested to note that the field viz., 'Document Received Date' will not be applicable in respect of 'Repurchase' & 'Mutual Fund Redemption' instructions.

4) **Facility for modification of sub types in respect of existing depository accounts to sub type viz., Margin.**

NSDL vide its email dated April 15, 2014 had issued guidelines to Participants for updation of sub-types of existing depository accounts to sub type as 'Margin'. Further, stock exchanges viz., NSE & BSE have also issued circulars recently regarding aforesaid updation.

In this regard, based on the request received from various Participants, a new facility has been made available in the Client Modification module of Local DPM system to allow modification of Client Type viz., Body Corporate in respect of below mentioned client sub-types pertaining to demat accounts which have been opened for the purpose of Margin and are currently held in sub-type other than 'Margin':

Existing Sub-type	Modification allowed in DPM System to New sub-type
Domestic	Margin
Foreign Bodies	
Stock Broker	

5) **New Modification reason code viz., 'Mandatory Conversion' :**

Participants are requested to note that a new modification reason code viz., 'Mandatory Conversion' has been incorporated under client modification module for converting regular demat accounts to BSDA & vice versa as exhibited below:

Circular No.: NSDL/POLICY/ 2014/0067 Date: May 26, 2014	***Subject: Enhancement of software utility used to identify account opened with prefix or suffix 'HUF'.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2006/0047 dated October 16, 2006 whereby various software utilities were provided for making queries in DPM. One such utility *named "List of 'HUF' accounts opened under a different type - subtype"* provides list of accounts with prefix or suffix 'HUF' in the name of the account holder, if the account has been opened in any sub-type other than 'HUF'. Participants are hereby informed that the aforesaid utility has been enhanced to also include accounts with prefix or suffix 'HUF' in the name of the account holder, opened in any sub type. Participants are requested to use the modified utility and if any such accounts are found, remediate such accounts after verifying with the account opening documents/taking up with the clients. Participants are requested to take note of above and ensure compliance.
Circular No. NSDL/POLICY/ 2013/0042 Date: March 25, 2013	***Sub: Connectivity of Local DPM System through internet during primary connectivity failure/emergency*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2011/0093 dated November 4, 2011 regarding connectivity of eDPM System through internet during connectivity failure/emergency. In continuation to this, the facility has been enhanced to connect Local DPM System through internet during primary connectivity failure/emergency. Participants are informed that henceforth during primary connectivity failure or in case of emergency, Participants can also establish connectivity through internet for Local DPM system to ensure continuity of business. The pre-requisites for accessing Local DPM System through internet are as follows: (1) **Prior approval of NSDL Help Desk:** a) Obtain a token number for the problem reported. b) Send email from the Compliance Officer's or Alternate Compliance Officer's email address or written request on the Participant's letterhead signed by the Compliance Officer / Alternate Compliance Officer. The revised format of the email/letter is enclosed at Annexure 1. (2) **Facility to be disabled** As this facility can be availed only during connectivity failure or in case of emergency, after completion of the requisite activity, this facility would be disabled. For any clarification / information, Participants are requested to contact NSDL Help Desk at helpdesk@nsdl.co.in / Tel: (022) 2499 4600. Annexure 1 To Date The Vice President Production Monitoring Cell (NSDL Help Desk) National Securities Depository Ltd., Trade World, 3rd Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013.

	Dear Sir, On account of _____, we are unable to execute/receive any instructions to the eDPM / Local DPM System. We are aware that the emergency facility for execution of instructions / connect to Local DPM through internet is provided at the sole discretion of NSDL on best efforts basis and we continue to be responsible for timely and successful execution of all instructions/operations. In this regard, we wish to connect to the following system(s) through internet: 1. eDPM 2. Local DPM 3. Both Kindly do need the needful. Yours faithfully, Signature of the Compliance officer :_____ Name of the Compliance officer :_____
Circular No. NSDL/POLICY/ 2012/0150 Date: December 28, 2012	***Sub: Changes in Back-office file formats - Incorporation of Change of Name in the Beneficial Owner (BO) Account and RGESS flag modification in the DPM System.*** Attention of Participants is invited to following circulars: 1. SEBI Circular No. CIR/MRD/DP/27/2012 dated November 1, 2012 (*informed vide NSDL Circular No. NSDL/POLICY/2012/0125 dated November 2, 2012*) regarding change of name in the Beneficial Owner (BO) account. 2. NSDL Circular No. NSDL/POLICY/2012/0142 dated December 6, 2012 regarding incorporation of Rajiv Gandhi Equity Savings Scheme (RGESS) flag in the DPM System. In view of aforesaid circulars, the changes in the file formats in respect of the back-office batch interface with Local DPM System are highlighted and enclosed at Annexures to facilitate Participants with following features: 1. Change of name in the BO account. 2. Modification of RGESS flag in the depository accounts. The feature details will be provided shortly.
Circular No. NSDL/POLICY/ 2012/0145 Date: December 14, 2012	***Sub: Single Login to eDPM facility for Participants with multiple DPM set-ups (Master-Slave).*** As Participants are aware, the facility to upload a single file containing instructions of additional DP IDs for Participants having multiple DPM set-ups was provided (Ref.: Circular No. NSDL/POLICY/2012/0024 dated February 17, 2012). Based on the representation received from Participants, DPM System has been enhanced to facilitate users of such Participants having multiple DPM set-ups, to login to all DPM set-ups with a single login. The details of this feature are enclosed at Annexure. **Annexure** **DPM Single Log-in** A. **Feature Description:** To facilitate users of Participants having multiple DPM set-ups (Master-Slave) to log-in to all DPM set-ups with single log-in. B. **Pre-requisite:** (i) This facility is for users of Participants having multiple DPM set-ups (Master-Slave).

(ii) For availing this facility the new functional right viz., "Access to all BP IDs" should be assigned to the User across all DPM set-ups (Master-Slave).

(iii) The User ID and Password should be same across all DPM set-ups (Master-Slave).

(iv) For accessing eDPM and Local DPM system simultaneously through single sign-on (*informed to Participants vide Circular No. NSDL/ POLICY/2011/0083 dated October 14, 2011*), the User should synchronize his/her User ID in eDPM System with Local DPM System. Syncronization can be done by Admin/Multi Admin User by selecting "Syncronize User" option available at "System Security" module in eDPM System provided the User ID and password for accessing both eDPM and Local DPM system is the same.

C. **Process:**

(i) **Option to switch between DP IDs for Participants having multiple DPM set-ups (Master-Slave):**

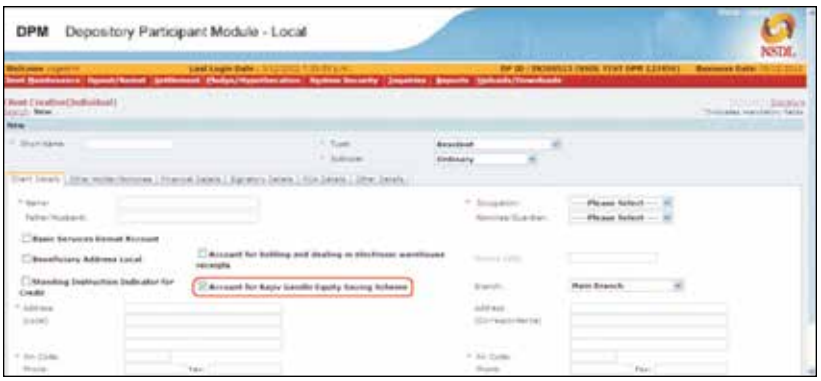
The current process for login to the eDPM System will remain same i.e., the User of the Participant will login to the eDPM system by providing his/her User ID, Password, DP ID and token PIN (after selecting the digital signature certificate). After login to the eDPM System, User will have the flexibility to switch between DP IDs without logging-off from the existing DPM login. For this purpose, User will be required to click on 'Switch BP ID' option as exhibited below:

(ii) **Option to select specific DP ID from the displayed DP IDs:**

Upon clicking on 'Switch BP ID' link, screen displaying various DP IDs will be displayed (as exhibited below). User will select the desired DP ID out of the list of DP IDs displayed. User will not be required to enter login credentials viz.; User ID and Password again, if it is same across the DPM set- ups.

(iii) **In case of same User ID and different passwords for multiple DPM set-ups or in case of different User ID of eDPM System for any of the DPM set-ups:**

Upon clicking on any specific DP ID where User ID or password is different, an error message would be displayed on the screen as exhibited below:

	 The existing rights allotted to the User to access eDPM System will remain unchanged.
Circular No. NSDL/POLICY/ 2012/0142 Date: December 6, 2012	***Sub: Incorporation of Rajiv Gandhi Equity Savings Scheme (RGESS) flag in the DPM System.*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2012/0104 dated September 26, 2012 regarding incorporation of Rajiv Gandhi Equity Savings Scheme (RGESS) flag in the DPM System and changes in file formats. In view of the above, a flag named 'Account for Rajiv Gandhi Equity Savings Scheme' is incorporated in the Client Maintenance Module of the DPM system to facilitate opening of depository accounts under RGESS. The detailed features introduced in the DPM system are enclosed in the Annexure. **Annexure** **Flag for identifying 'Account for Rajiv Gandhi Equity Savings Scheme' (RGESS):** (i) To facilitate opening of new depository account(s) as Rajiv Gandhi Equity Savings Scheme (RGESS), an indicator in the form of check box named 'Account for Rajiv Gandhi Equity Savings Scheme' is being provided in the Client Creation (Individual) screen under Client Maintenance Module of the Local DPM System, as exhibited below :  (ii) In case of back office batch interface with the Local DPM System, Participants will be required to enable the 'Account for RGESS' flag in the back office upload files (refer file format provided at NSDL Circular No. NSDL/POLICY/2012/0104 dated September 26, 2012). (iii) Participants will be able to enable 'Account for RGESS' flag at the time of opening depository accounts for the following Types and Subtypes:

Type	Subtype
Resident	Ordinary
	Margin Account
	Ordinary-DR
NRI	NRI-Repartriable
	NRI-NonRepartriable
	DR
	NRI-Repartriable-Promoter
	NRI-NonRepartriable-Promoter
Foreign National	DR
	FN
QFI	Individual

To view depository account(s) marked for RGESS with all updated details, Participants will be required to access at 'Client Maintenance' → 'Details View' → 'Account Holding Type' drop down in Local DPM System.

(iv) The 'Account for Rajiv Gandhi Equity Savings Scheme' flag is also incorporated in the Client Master Report in the Local DPM system as exhibited below:

Further, Participants are requested to note that, to facilitate conversion of existing eligible depository account(s) into RGESS option, similar check box named 'Accounts for RGESS' in 'Client Modification' screen and details regarding RGESS Lock-in concept will be provided shortly.

Circular No. 2012/0115 Date: October 12, 2012	***Sub: BSDA Client Search based on PAN in eDPM System*** Attention of Participants is invited to NSDL Circular no. NSDL/POLICY/2012/0106 dated September 27, 2012 regarding features of BSDA introduced in the DPM System vide Version release 4.7 of DPM system.

As informed in the aforesaid circular, PAN search to ascertain uniqueness of depository account(s) for BSDA is being made available in eDPM system. This feature is scheduled to be released on October 13, 2012. The features of the aforesaid functionality are given in the enclosed Annexure.

For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in.

'Annexure'

(i) To ascertain uniqueness of depository account(s) for BSDA go to the PAN search in eDPM System ('Client Maintenance' Module → 'BSDA Client Search') as exhibited below:

The aforesaid screen will be visible only to those functional Users of Participants who have "CMA" function rights (Query).

(ii) Enter the PAN details, as exhibited below:

(iii) The entered PAN details will be cross-verified with other depository account(s) (that are in status 'Active', 'Suspended for Debit & Credit' and 'Suspended for Debit') for ascertaining whether similar PAN details are captured against the sole/first holder in other depository account(s) held with Participants of NSDL. In case similar PAN detail exists with any Participant(s) of NSDL then an alert message will be displayed as exhibited below:

(iv) In case no matching PAN details are found then alert message as exhibited below will be displayed.

Circular No. NSDL/POLICY/ 2012/0104 Date: September 26, 2012	***Sub: Incorporation of Rajiv Gandhi Equity Savings Scheme (RGESS) flag and Aadhaar field in the DPM System and changes in file formats*** As Participants are aware, the Union Finance Minister has approved a new tax saving scheme called "Rajiv Gandhi Equity Savings Scheme" (RGESS) exclusively for the first time retail investors in securities market (*copy of notification enclosed*). In view of the above, to facilitate opening of depository accounts under RGESS, a flag named 'Account for RGESS' will be incorporated in the front end system of Client Maintenance Module. Further, field named "Aadhaar" is also incorporated in the front end system of Client Maintenance Module. The changes in the file formats in respect of the back-office batch interface with Local DPM System are highlighted and enclosed at Annexures. The detailed feature will be provided shortly.

PRESS INFORMATION BUREAU

GOVERNMENT OF INDIA

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FM APPROVES RAJIV GANDHI EQUITY SAVINGS SCHEME FOR RETAIL INVESTORS

New Delhi, Bharapada 30, 1934

September 21, 2012

The Union Finance Minister, Shri. P. Chidambaram approved a new tax saving scheme called "Rajiv Gandhi Equity Saving Scheme"(RGESS), exclusively for the first time retail investors in securities market. This Scheme would give tax benefits to new investors who invest up to Rs. 50,000 and whose annual income is below Rs. 10 lakh.

The Scheme not only encourages the flow of savings and improves the depth of domestic capital markets, but also aims to promote an 'equity culture' in India. This is also expected to widen the retail investor base in the Indian securities markets.

Salient features of the Scheme are as under:

a. Scheme is open to new retail investors, identified on the basis of their PAN numbers. This includes those who have opened the Demat account but have not made any transaction in equity and /or in derivatives till the date of notification of this Scheme and all those account holders other than the first account holder who wish to open a fresh account.

b. Those investors whose annual taxable income is ? Rs. 10 lakhs are eligible under the Scheme.

c. The maximum Investment permissible under the Scheme is Rs. 50,000 and the investor would get a 50% deduction of the amount invested from the taxable income for that year.

d. Under the Scheme, those stocks listed under the BSE 100 or CNX 100, or those of public sector undertakings which are Navratnas, Maharatnas and Miniratnas would be eligible. Follow-on Public Offers (FPOs) of the above companies would also be eligible under the Scheme. IPOs of PSUs, which are getting listed in the relevant financial year and whose annual turnover is not less than Rs. 4000 cr for each of the immediate past three years, would also be eligible.

e. In addition, considering the requests from various stakeholders, Exchange Traded Funds (ETFs) and Mutual Funds (MFs) that have RGESS eligible securities as their underlying and are listed and traded in the stock exchanges and settled through a depository mechanism have also been brought under RGESS.

f. To benefit the small investors, the investments are allowed to be made in instalments in the year in which tax claims are made.

g. The total lock-in period for investments under the Scheme would be three years including an initial blanket lock-in period of one year, commencing from the date of last purchase of securities under RGESS.

	h. After the first year, investors would be allowed to trade in the securities in furtherance of the goal of promoting an equity culture and as a provision to protect them from adverse market movements or stock specific risks as well as to give them avenues to realize profits. i. Investors would, however, be required to maintain their level of investment during these two years at the amount for which they have claimed income tax benefit or at the value of the portfolio before initiating a sale transaction, whichever is less, for at least 270 days in a year. The calculation of 270 days includes those days pursuant to the day on which the market value of the residual shares /units has automatically touched the stipulated value after the date of debit. j. The general principle under which trading is allowed is that whatever is the value of stocks / units sold by the investor from the RGESS portfolio, RGESS compliant securities of at least the same value are credited back into the account subsequently. However, the investor is allowed to take benefits of the appreciation of his RGESS portfolio, provided its value, as on the previous day of trading, remains above the investment for which they have claimed income tax benefit. k. For the purpose of valuation of shares, the closing price as on the previous day of the date of trading will be considered so that new investors are certain about their debits and credits into the account. l. In case the investor fails to meet the conditions stipulated, the tax benefit will be withdrawn. Like all financial products which have reached out substantially to the retail investors (post office savings, life insurance policies etc) through tax benefits, this tax break for direct investment in equity is expected to substantially encourage the retail participation in securities market as well as to enhance their participation in the growth of Indian industry. Entry of more retail investors are expected to further deepen the securities markets as they bring in long-term stable funds, which can counteract the volatility created by the liquidity providers of the market. The Scheme, thus, also furthers the goal of financial stability and promotes financial inclusion. Since Exchange Traded Funds and Mutual Funds have also been brought under the Scheme, the Scheme should provide encouragement and re-assurance to the first time investors. The broad provisions of the Scheme and the income tax benefits under it have already been incorporated as a new Section -80CCG- of the Income Tax Act, 1961, as amended by the Finance Act, 2012. Department of Revenue will notify the Scheme and SEBI will issue the relevant circulars to operationalize the Scheme in the next two weeks.
Circular No. NSDL/POLICY/ 2012/0098 Date: September 18, 2012	***Sub: New signing and encryption application - 'eSigner'*** As Participants are aware, currently the instruction file generated from the back office system of the Participants can be digitally signed and encrypted using the 'SignOSure' Utility or using COM objects of the 'SignOSure' utility incorporated in the back office system of the Participants. All Participants are hereby informed that NSDL has enhanced the signing and encryption utility. The new signing and encryption utility named 'eSigner' will

	facilitate Participants in digitally signing and encrypting the instruction file on similar lines available in 'SignOSure' application. The salient features of 'eSigner' application are as follow:
	1) 'eSigner' application will support back office system of Participants developed in JAVA and non JAVA language (non JAVA language viz., .NET / VB / C# /etc). 2) 'eSigner' application will be required to be installed in the back office system, which Participants will manually sign and encrypt the generated instruction file (*various type of instructions viz., demat, remat/ repurchase, account transfer, inter settlement transfer, inter-depository transfer, delivery out etc.,*) for onward upload into the eDPM System. eDPM System will decrypt and verify the digitally signed instruction file. 3) Alternatively, 'eSigner' application can also be integrated with the back office application for automatically signing and encrypting the generated instruction files. Digitally signing will ensure non-repudiation and encryption will ensure secure transmission of the instruction files during the transition i.e. transfer of instruction files from the back office till the instruction file is uploaded into the eDPM System. Participants are requested to take note of the following procedure to be followed for availing the facility of 'eSigner' application: Contact NSDL Help Desk by sending an email at helpdesk@nsdl.co.in from the Compliance Officer's email address. 1) Upon receipt of the email, NSDL Help Desk will provide the 'eSigner' application manual, which would contain the details viz., installation process, integration of 'eSigner' application with back office system of the Participant, process flow, required testing details, terms and conditions etc. Upon integrating the 'eSigner' application with the back office System, Participants will be required to inform NSDL Help Desk by sending an email at helpdesk@nsdl.co.in from the Compliance Officer's email address for enabling the signing and encryption option in the eDPM System. Further, Participants will also be required to send the original duly signed terms and conditions to NSDL-Participant Interface Department. 2) NSDL Help Desk will enable this facility and inform the same to the Participant. Subsequently, if Participant wishes to discontinue this facility then request email may be sent to NSDL Help Desk from the Compliance Officer's email address. Participants who do not wish to avail the aforesaid facility can continue with their existing operations. At present, NSDL will support both utilities in the DPM system i.e., 'SignOSure' and 'eSigner'. 'SignOSure' application will be withdrawn with effect from January 31, 2013. Hence, Participants using 'SignOSure' application will be equired to migrate to 'eSigner' application at the earliest.

Circular No. NSDL/POLICY/ 2012/0062 Date: June 13, 2012	***Sub: Utility for extracting Client Master details from DPM System for onward upload into NDML-KRA System*** Attention of Participants is invited to SEBI Circular No. MIRSD/Cir-5/2012 dated April 13, 2012 (*informed to Participants vide Circular No. NSDL/ POLICY/2012/0043 dated April 16, 2012*) regarding uploading KYC details in the KYC Registration Agency (KRA) system by the Intermediaries in respect of existing Clients registered prior to January 1, 2012, who trade / invest/deal with their intermediaries anytime during specified period starting from April 16, 2012. All Participants are hereby informed that utility is being provided to extract 'Client Master Details' from Local DPM System in respect of those Clients (*other than 'Closed' status*) who have undertaken transactions or have dealt with their Participants (*comprising transactions viz., Account Transfer, Inter-depository transfer, Client Modifications etc.*) on or after April 16, 2012, to facilitate Participants for onward upload into NDML-KRA System. In this regard, the login process and salient features of this utility are given below: Login to intranet site of NSDL i.e., https://i-assist/ (i) Click on the link named 'KRA_Utility'. (ii) The utility would be zipped. The name of the zipped file would be 'KRA_Utility.zip'. Copy the utility into 'C' drive of the Local DPM System and then unzip the same. (iii) Folder named KRA_Utility will be created on 'C' drive of the Local DPM System. Utility named 'CMAForExistingClients.exe' would be available in the folder. (iv) Double click on this utility. Upon doing so, screen with input fields viz., 'DP ID', 'From Date', and 'To Date' will be displayed. In this regard, Participants are requested to note as follows: a) The DP ID of the Participant will be displayed on the 'DP ID' field. In case of merged Local DPM Set-ups, multiple DP IDs will be displayed in the drop down menu. b) The date entered in the 'From Date' and 'To Date' can be any date on or after April 16, 2012. (v) After entering the requisite dates, click on 'Submit' button. (vi) File containing 'Client Master details' of Clients will be generated in 'txt' format in the same folder i.e.,C:\KRA_Utility\Out\INXXXXXX. The generated file would be zipped. Participants would be required to unzip it. The naming convention of the file would be as follows : <Random Number_CLNTDWLD_BookingFromDate_BookingToDate_F_DONE> Example : 10000000005411_CLNTDWLD_20120416_20120516_F_DONE (a) Random Number : 10000000005411 (b) 'From Date' : 20120416 (yyyy/mm/dd) (c) 'To Date' : 20120516 (yyyy/mm/dd) The file containing 'Client Master details' will required to be converted using the conversion utility available at NDML-KRA website (https://kra.ndml.in/) → Downloads→Utilities→Conversion Utility→Client Master Export of NSDL (Local DPM) to KRA Upload Format. (vii) The converted file will be compatible for onward upload into the NDML-KRA System. For more information / clarifications, Participants are requested to contact NDML-KRA Helpdesk at (022) 2499 4945.

Circular No. NSDL/POLICY/ 2012/0049 Date: April 23, 2012	***Sub: Release of Archival Application Version 1.0*** All Participants are hereby informed that Archival Application Version 1.0 will be released on April 28, 2012. Participants having DPM database size of more than 50 GB may install Archival Application Version 1.0 for enhancing the performance of their DPM System. Such Participants can contact NSDL Help Desk at (022) 2499 4600 and request for Compact Disc (CD) containing Archival Application Version 1.0. CD and instructions regarding installation of Archival Application Version 1.0 will be sent to such Participants by courier. CD containing Archival Application Version 1.0 must be installed on the Local DPM System or backup / standby server as the case may be. Salient features of the Archival Application Version 1.0 and User Manual for executing the same are enclosed at Annexure I and Annexure II respectively. Subsequent to release of Archival Application Version 1.0, Participants will have old (*in case archival is done in the past*) as well as new Archival database on DPM server.Utility will be provided shortly to Participants which will facilitate to merge old and new Archival database. For any information/clarifications, Participant are requested to contact NSDL Help Desk at (022) 2499 4601 to 4610 or email at helpdesk@nsdl.co.in **Annuxure I** **1. Introduction** The database size of the Local DPM System increases due to continuous additions / accumulation of data. Hence, archival of database of Local DPM System at regular intervals will enhance the performance of the Local DPM System. It is recommended for the Participants to carry out archival if the size of Local DPM database exceeds 50 GB. Participants may also note that subsequent to every archival process, Local DPM database must maintain data of at least six months to identify dormant Clients. **2. Benefits of archival** **a) Faster response time** The response time for report generation, downloads and message processing in Local DPM database will improve. **b) Ease of maintenance** Database maintenance activities like Backup and Reorg of Local DPM database will be faster subsequent to archival. Since the archival database can be hosted on the backup server, it will facilitate optimum utililization of hardware resources and hard disk space. **3. Technical Features of new archival application** **a) Hands free operations** The new archival application will be a complete hands-free operation i.e., once the archival process is commenced, no manual intervention would be required. A message would be displayed on the screen informing the completion of the archival process. **b) Ability to set archival period** Participants will have the flexibility to set the period of the data to be archived from the Local DPM System. At a time, archival period can range between one and six months. Participants will be required to obtain a confirmation from NSDL Help Desk at least one week prior to commencing the archival process to facilitate Help Desk to make necessary arrangements for support service.

c) **Automatic back-up**

Following back-ups would be automatically taken during the archival process:

(i)

(ii) Differential NSDLDPM database backup and

(iii) Full Archival database backup

d) **Automatic reorg of NSDLDPM database**

Reorg of Local DPM Database will be automatically carried out upon completion of the archival process.

e) **Facility to shrink NSDLDPM database**

Facility to shrink Local DPM database is being provided. This will facilitate to increase the free space in the Local DPM system.

f) **Utility to restore any database**

Utility to restore the latest Local DPM database (*i.e. latest backup taken prior to commencement of archival*) in case the archival process is not completed due to unforeseen circumstances. Further, utility to restore any other database such as MSDB, Archival etc. is being provided.

4. Execution of archival process

Archival process can be executed only by an admin or multi-admin User. The process to be followed is mentioned in User manual which is enclosed at Annexure II.

5. Commencement of archival

Pre-requisites prior to the commencement of archival:

a) EOD process: The EOD process for the current day must be completed on the Local DPM System.

b) Full Backup: Full backup for nsdldpm database must be taken on the Local DPM System. Further, at least one set of the full back-up must be preserved on the external device as well.

c) NSDL Services: All NSDL services must be stopped and disabled on the Local DPM System.

d) Log-off Users: All functional Users must be logged-off from the Local DPM System.

e) Version Release: Local DPM version 4.5 must be installed on the Local DPM System. In case backup or standby server is going to be used for archival, the latest Local DPM versions must be installed on this server as well.

6. Archival in-process

Participants must ensure that no activity is carried out in the Local DPM System till the entire process of archival is completed.

7. Archival on backup / standby server

In case archival is being carried out on the backup / standby server, the latest backup of the Local DPM database must be restored on the backup / standby server. Further, after the archival is completed, backup of archived Local DPM database must be restored on the Local DPM system. Participants can resume their regular operations after receiving go-ahead from the NSDL Help Desk.

8. Accessing Archival web application

a) URL

The URL for accessing the archival application will be **http:\\dpmarchival.nsdl.com**

b) Login details

The User ID and password for login into the archival web application will be 'admin' and 'Password@123' respectively. After successful login, User would be prompted to change the password.

c) User Creation and synchronization

Facility to synchronize the Users of Local DPM database with the archival application is being provided. Participants are requested to synchronize the Users on a regular basis. This facility can be used only by the admin & multi admin Users and is available under admin or multi admin login at:

System Security à **Synchronize User Profile**

Users will have to enter the Local DPM IP address and then click on synchronize button

Additionally, Participants can create Users in the archival application and grant them exclusive access to the archival application. The process for creating User IDs and allocation of functional rights in archival application would be similar to eDPM System.

A detailed security details configuration menu is provided, which will enable admin and multi admin Users to configure security parameters of the User IDs and passwords, similar to the feature available in eDPM System.

9. Functionalities of Archival application

a) Screen based searches would be similar to Local DPM System.

b) Reports: Transaction Statements / Statement of Holdings / Client Master List / Client Audit reports are being made available. Further, Statement of Holdings would be only as of the last business date as available in the Archival database.

c) Downloads: Transaction Statements / Statement of Holdings / Client Master List downloads are being made available. Further, Statement of Holdings download would be only as of the last business date available in the archival database.

d) Summary of Archival history: History of archival(s) carried out can be accessed at :

Inquiries à MIS à System Operations profile

Participants will be able to access details such as Archival ID, number of months for which archival was carried out, date range for which data was archived for that particular archival process and business date on which archival was carried out.

Annexure II

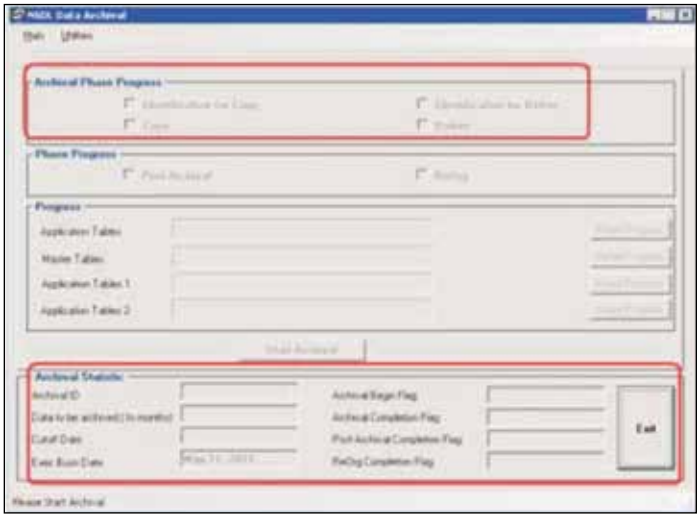
User Manual - Archival Application Version 1.0

1. Archival Login Screen :

Admin / Multi Admin User will be required to double click on the **'NSDLDataArchival.exe'** for login into archival application. This executable will be required to be copied on the desktop of the server after installation of the archival setup. Upon login, enter the User ID and password. The User ID and password for login into the archival application would be 'admin' and 'Password@123' respectively. After successful login, User would be prompted to change the password.

2. Archival Main Screen :

Upon entering correct login credentials, the main screen would be displayed. Some of the features are mentioned below and highlighted in the screen :



a) Archival Phase progress :

This will indicate the progress of the archival process.

b) **Archival ID**
Every archival process will be uniquely identified through an archival ID. The first archival process will have archival ID as '100' and it will be incremented by '1' for every subsequent archival process. This field will display the archival ID for the current archival process.

c) **Data to be archived field**
This field will display the period of data to be archived.

d) **Cut-off date**
This field will display the date till which the data will be archived. Further, the cut-off date will also be the minimum date of data that will be available in the Local DPM System after the data is archived.

e) **Execution business date**
This field will display the current business date.

f) **Archival begin flag**
The indicator in the field will be displayed as 'Y' once the archival process is commenced.

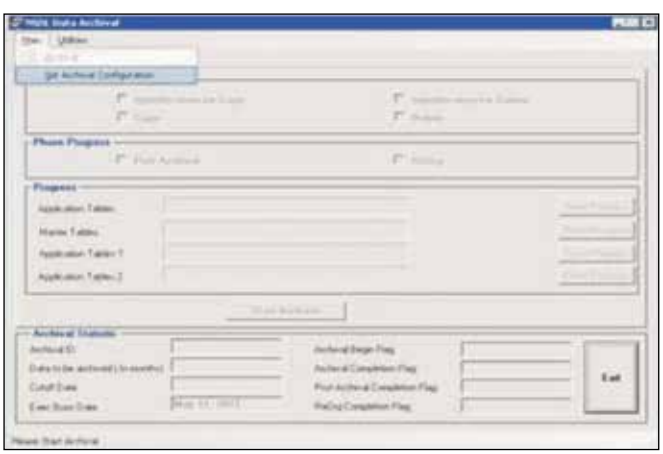
g) **Archival Completion flag**
The indicator in the field will be displayed as 'N' when the archival process has commenced. After the archival process is completed, the indicator in the field will be displayed as 'Y'.

h) **Post archival completion flag**
The indicator in the field will be displayed as 'N' when the archival process has commenced. After the post archival process is completed, the indicator in the field will be displayed as 'Y'.

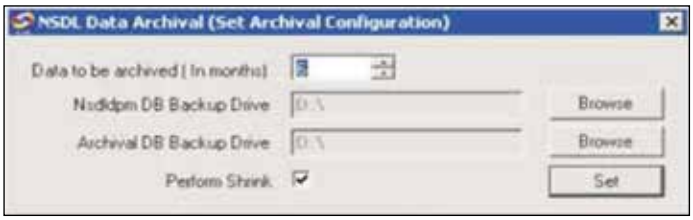
i) **Reorg completion flag**
The indicator in the field will be displayed as 'N' when the archival process has commenced. After the reorg process is completed, the indicator in the field will be displayed as 'Y'.

3. **Commencement of archival process**

(i) For commencing the archival process, click on 'Main'->'Set Archival Configuration' as exhibited below :



(ii) Upon clicking on the 'Set Archival Configuration' tab, the following screen will be displayed:



(iii) Enter the details in the configuration window:

a) Data to be archived (*in months*)

This is the period of data in months which will be archived. It may be noted that the oldest data will be archived.

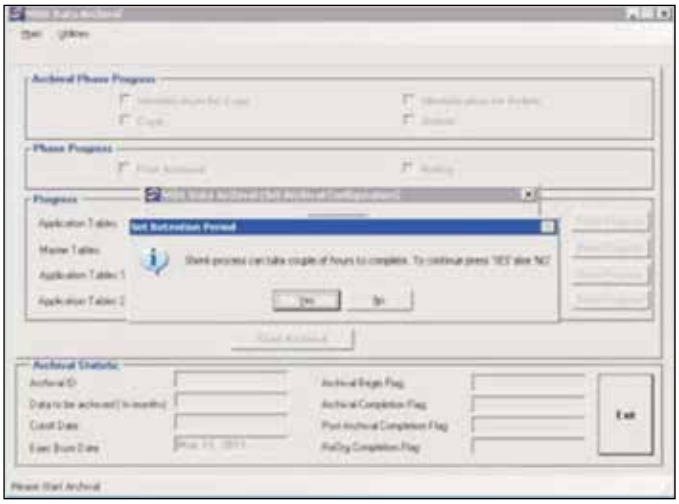
b) Nsdldpm DB Backup Drive & Archival DB Backup Drive

Backup path for taking backup of Nsdldpm and archival database respectively.

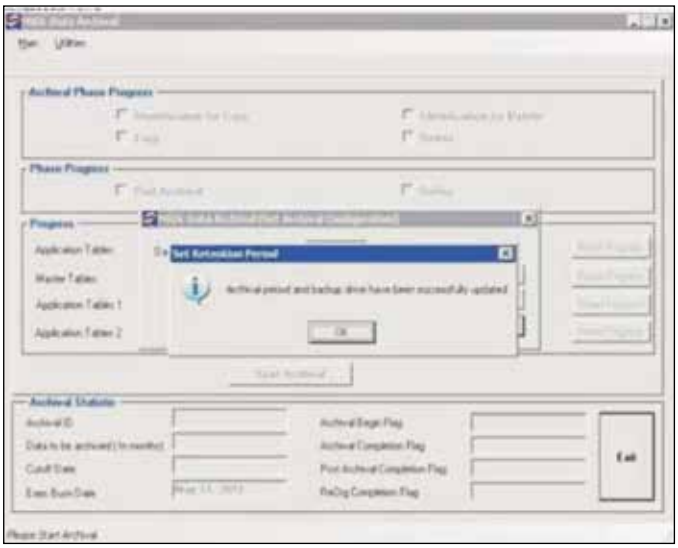
c) Perform Shrink

Participants may enable the checkbox if they wish to shrink Nsdldpm database during the archival process. Participants may note that shrink process may take some extra time for completion. Hence, Participants may decide accordingly.

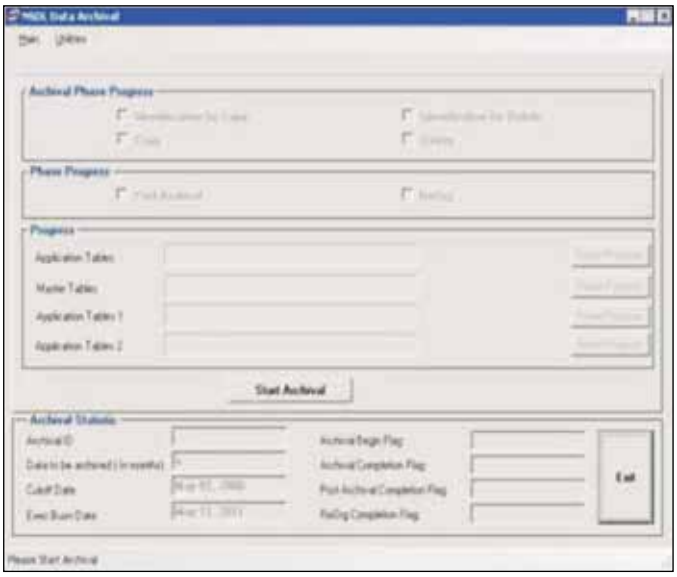
(iv) Click on the 'Set' button. Message will displayed whether Participants wish to perform the shrink process. Select 'Yes' or 'No' accordingly.



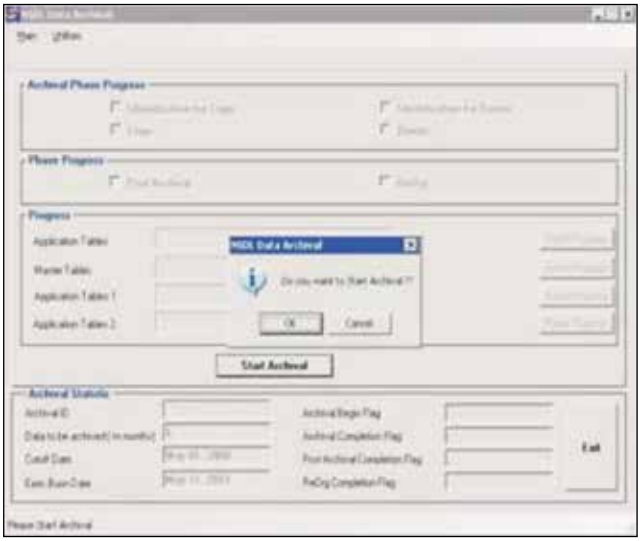
(v) A message would be displayed on the screen that the archival period and backup drive has been updated successfully. Click on the 'OK' button.



(vi) To commence archival process, click on 'Start Archival' button



(vii) After clicking on the 'Start Archival' button, a message will be displayed on the screen for commencing archival process :



(viii) Upon clicking on the 'Yes' button, the archival process will commence. The progress of the archival process will be displayed on various tabs. Further, the statistics in the 'Archival Statistics' tab will automatically get updated.

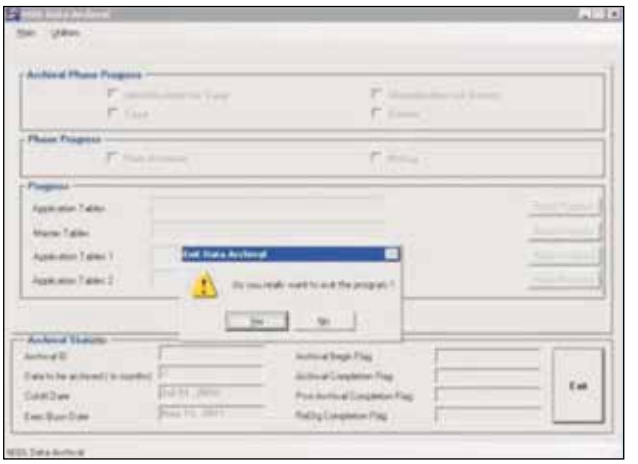
(ix) Similarly the progress of the post archival process will be displayed when post archival phase is in progress.

4. After Completion of archival and post archival process

(i) After the archival process is completed successfully, a message will be displayed as "Archival Process Completed Successfully".

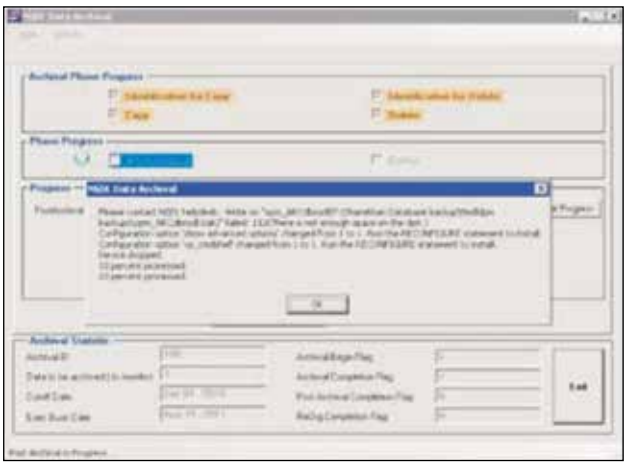
Click on the 'OK' button.

(ii) Click on the 'Yes' button to exit the archival application :



5. Reporting of error to NSDL Helpdesk

(i) In case error occurs in any of the phases during archival process, error message will be displayed on the screen.



(ii) On clicking 'OK' button, archival process will be halted and 'Resume Archival' button will be activated. In such a scenario, Participants are requested to report the error / issue to NSDL Helpdesk and obtain token number for the same. Participants are requested resume the archival process only after the error is resolved.

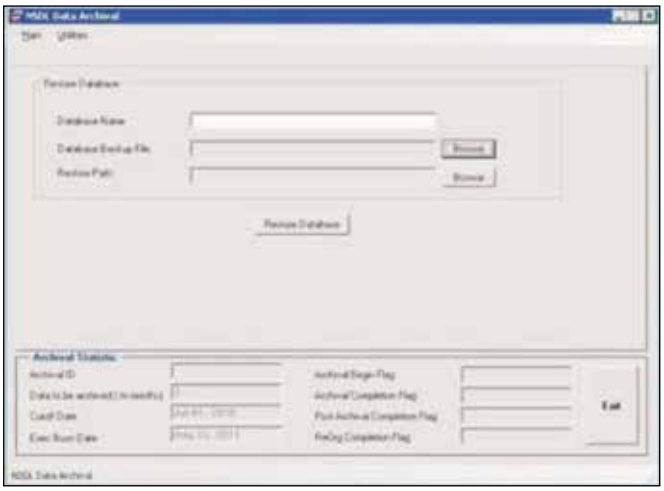
(iii) After the problem is resolved, click on 'Resume Archival' button.

6. Additional Utilities

Additional facilities such as backup and restoration of databases have also been provided. These are general purpose utilities which might prove helpful to the Participants for any server maintenance activities.

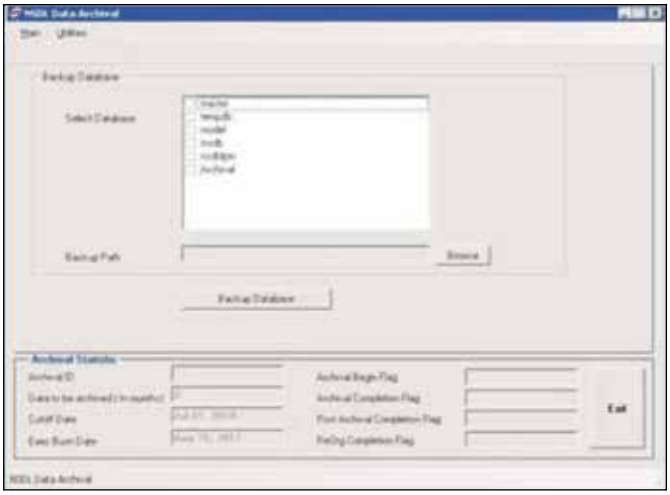
(i) Restore database:

Click on 'Utilities' tab on the home screen and select 'Restore Database' option. Enter the name of the database to be restored, select the appropriate backup file, select the location on the disk where the database files have to be restored and click on 'Restore Database' button.



(ii) Backup of database:

Click on 'Utilities' tab on the home screen and select 'Backup Database' option. List of all the databases currently available on the Local DPM system will be displayed. Select the required database, select the path where the backup file has to be stored and then click on 'Backup Database' button.



Circular No. NSDL/POLICY/ 2012/0004 Date: January 7, 2012	***Sub: NSDL's email facility - Password policy*** As all Participants are aware, an email facility is provided to all participants to enable them to receive circulars and other information from NSDL in the mailbox. These email IDs are created at the time of joining as a Participant of NSDL or establishing connectivity as a Clearing Corporation/House. The aforesaid mailbox is accessed by all Participants using the MS outlook client. As the aforesaid mailbox is accessed using browser based client, the same can be accessed using any of the client machines in the NSDL network. Currently, the password of this mailbox is set at the time of joining NSDL and cannot be changed. In order to implement the best practices, new facility is provided as below: 1) Change of password 2) Incorporate password complexity (minimum of 8 characters and having one special character) as per good practice followed for passwords, 3) Password validity limited to 90 days; i.e.it must be mandatorily changed after every 90 days and the system forcefully prompts for password change after 90 days. Participants can expect to receive email in their mailbox today itself giving a link (https:/130.1.3.101/adminbin/change_password.pl) to change the current password. All Participants will have to use the default password 'nsdl' as old password when carrying out the change first time and then select password of their choice which must be minimum of 8 characters and having one special character. To remind Participants to change the password before the expiry of password, two alert emails will be sent through helpdesk@nsdl.co.in; 20 days before password expiry and 10 days before password expiry. If Participants desire, they can also change the password earlier at anytime during the 90 days period. Participants would not be able to login to the mailbox if the correct password is not typed. For password reset requests, Participants must contact NSDL Depository HelpDesk on 022-24994600. The Manual for Password Change Procedure is posted at https://i-assist site under Manuals. All Participants are requested to take note of the above.
Circular No. NSDL/POLICY/ 2011/0100 Date: November 30, 2011	***Sub: New Client Rejection reason - Static Data Code*** All Participants are hereby informed that the following rejection reason has been incorporated in the Client Maintenance Module of Local DPM System and the static data code in respect of the back-office batch interface with the DPM System is also given below:

Holder indicator	Rejection reason	New Rejection Code
1	Client Debarred By Regulatory Order	CMA356

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with the DPM System.

Circular No. NSDL/POLICY/ 2011/0093 Date: November 4, 2011	***Sub: Connectivity to eDPM System through internet during connectivity failure/emergency*** As Participants are aware, primary connectivity with NSDL is established either through MPLS or VSAT network. Currently, during failure of primary connectivity, Participants can establish fall back connectivity using ISDN auto fall back facility provided by the MPLS Service Provider (*Ref. Circular No. NSDL/POLICY/2009/0089 dated September 29, 2009*), using ISDN or establish PPP connectivity with NSDL using PSTN dial up line. Participants are informed that henceforth during connectivity failure or in case of emergency, Participants can also establish connectivity through internet to ensure continuity of business. «The pre-requisites for accessing eDPM System through internet are as follows: **(1) Prior approval of NSDL Help Desk** a) Obtain a token number for the problem reported. b) Send email from the Compliance Officer's or Alternate Compliance Officer's email address or written request on the Participant's letterhead signed by the Compliance Officer / Alternate Compliance Officer. Format of the email/letter is enclosed at Annexure 1. **(2) Computing Resources** (a) Any of the existing Client machine that is being used to access eDPM System/ Local DPM System can be used to access internet. Further, the Client machine should have broadband connection. OR (b) A standalone computer with existing requirements and following configurations : (i) Broadband internet connection. (ii) Windows XP Professional Operating System with service pack 2 or 3. (iii) Internet Explorer version 6 with service pack 1 or 2 or Internet Explorer Version 7. (iv) e-token software : The process to install e-token is provided in a manual, which can be accessed from NSDL's intranet site (https://i-Assist) [ManualsàProcedure for generating DSCàUSB e-token Pro 72K Installation Manual (Annexure II)]. The existing e-token and digital signature certificate can be used by Users to access eDPM System. (v) Install JRE version 1.6 in the computer. This software can be downloaded from NSDL's intranet site (https://i-Assist). **(3) Facility to be disabled** As this facility can be availed only during connectivity failure or in case of emergency, after completion of the requisite activity, this facility would be disabled. Participants are requested to be ready with the aforesaid requirements as mentioned at point no. 2 (a) or 2 (b) above by Monday, November 21, 2011 and inform about the readiness by sending an email to NSDL Helpdesk at helpdesk@nsdl.co.in. A schedule would be made available at the intranet site of NSDL (i.e.https://i-Assist) by November 12, 2011 giving date and time for Participants to access eDPM System using internet connectivity at the scheduled time for testing purpose.

For any clarification / information, Participants are requested to contact NSDL Help Desk at helpdesk@nsdl.co.in / Tel: (022) 2499 4600.

Annexure 1

To Date

The Vice President
Production Monitoring Cell (NSDL Help Desk)
National Securities Depository Ltd.,
Trade World, 3rd Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013.

Dear Sir

On account of _____, we are unable to execute any instructions through the eDPM System. We are aware that the emergency facility for execution of instructions through internet is provided at the sole discretion of NSDL on best efforts basis and we continue to be responsible for timely and successful execution of all instructions.

Kindly do need the needful.

Yours faithfully
Signature of the Compliance officer :_____
Name of the Compliance officer :_____

Circular No. NSDL/POLICY/ 2011/0091
Date: November 3, 2011

Sub: Deletion of log files after specified period

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2011/ 0022 dated March 10, 2011 regarding housekeeping of log files from Local DPM System. In this regard, Participants are requested to note that a facility is provided in DPM System Version 4.0 wherein the contents from the following folders would be automatically deleted after a specified period, as given below:

Sr. No.	Name of the folder	Period
1	Received Data	7 days
2	Auto Upload	
3	Export	
4	XML File Directory	90 days
5	Recodirectory	

For improved performance of the Local DPM System, as informed in the aforesaid circular, Participants are requested to move the contents from the above folders to another drive (*where sufficient space is available*) at regular intervals (*preferably daily*), in case the contents are downloaded in 'C' drive of Local DPM System. Further, facility to choose a drive of their choice in Local DPM System, where the contents can be downloaded is also available (*refer Point no. 14 (f) of Annexure A to Circular No. NSDL/POLICY/2011/0083 dated October 14, 2011*).

As contents of the folders would be deleted after the specified period, as mentioned above, Participants if they so desire, can move the contents of the folders from the Local DPM System to back office system or any other PC before the specified period.

For any clarification / information, Participants are requested to contact NSDL Help Desk at helpdesk@nsdl.co.in / Tel: (022) 2499 4600.

Circular No. NSDL/POLICY/ 2011/0045 Date: June 4, 2011	***Sub: Installation of other software on DPM Client machines*** All Participants are hereby informed that the following software are permitted to be installed on the DPM Client machine (not DPM server) subject to certain conditions: 1. MS Office 2. Email Client application (e.g; lotus notes client) **Conditions:** 1. Only licensed software can be installed. 2. If required, upgrade the Client machine to accommodate the new software. 3. NSDL reserves the right to advise the Participant to uninstall the new software in any event including any difficulty experienced in optimal performance of the DPM software. 4. Support for such software will be Participant's responsibility.
Circular No. NSDL/POLICY/ 2011/0025 Date: March 17, 2011	***Sub: Backup guidelines for Participants*** As all Participants are aware, upon implementation of New Depository System (NDS), Participant can execute instructions directly through eDPM. Therefore, dependency on the local DPM database especially for time critical instructions is reduced. Local DPM system is used for other types of transactions like account opening, client master changes, report generation etc. Although Participants are required to take backup regularly, criticality of maintaining backup of database has reduced. Accordingly, the guidelines for taking backups are revised and are enclosed at Annexure. Some of the benefits of the new backup guidelines are given below: **(1) Inventory of backup media:** **a) Retention period reduced:** Retention period of backup of database taken on Monday, Tuesday, Wednesday, Thursday and Saturday is reduced from 15 days to 7 days. Retention period for backup taken on friday continues to be 15 days. **b) Database and transaction log on a single backup media:** Backup of database and transaction logs can now be preserved on single media. However, backups of database taken on two simultaneous days have to be preserved on separate media (i.e. backup has to be taken in odd-even format). **(2) Lesser time required to take backups:** **a) Incremental backups:** Participants can now take database backup on incremental basis irrespective of the volume of database for all working days except for Wednesday and Friday. Full backup for Wednesday and Friday is a must. **b) No remote backup – in certain cases:** If the transaction log files generated are automatically copied to the Participant's remote site, then remote site backup is not required to be taken and preserved separately. Otherwise for all other Participants backup media are to be preserved in two sets, one for Local and other for Remote Site.

Annexure A Backup Guidelines		
1	Daily Backup through GISMO	Participant to login to GISMO with Backup/ Admin ID and start the Daily Backup
2	Databases to be backed up	NSDLDPM, MSDB and MASTER
3	Retention period	Retention period of backup of database taken on Monday, Tuesday, Wednesday, Thursday and Saturday is reduced from 15 days to 7 days. Retention period for backup taken on friday is continues to be 15 days.
4	Database and transaction log on a single backup media	Backup of database and transaction logs can now be preserved on single media. However, backups of two simultaneous days have to be preserved on separate media (i.e. backup has to be taken in odd-even format).
5	Incremental backups	Participants can now take database backup on incremental basis irrespective of the volume of database for all working days except for Wednesday and Friday. Full backup for Wednesday and Friday is a must.
6	Backup Devices for Local and Remote site	DAT, USB, LTO, DLT, CD & DVD
7	ASR Backup	Once in three months or during hardware change whichever is earlier.
8	Local Site Backup Media	Backup media to be preserved in two sets, one for Local and other for Remote site
9	Remote Site Backup Media	If the transaction log files generated are automatically copied to the Participant's remote site, then remote site backup is not required to be taken and preserved separately. Otherwise, for all other Participants, backup media are to be preserved in two sets, one for Local and other for Remote Site.
10	Option to take local site backup on next day	Backup meant for local site may be taken on the next day in uncompressed mode during the course of the day at Participant's convenience
11	Compressed/ Uncompressed mode of backup on Backup Media	Local set to be taken in uncompressed mode whereas the Remote set may be taken in compressed mode

Circular No. NSDL/POLICY/ 2011/0023 Date: March 12, 2011	***Sub: NSDL's intranet site - i-Assist*** As all Participants are aware, the intranet site of NSDL (i.e. https://sqlassist hosts various reports for use by Participants such as billing details, PMLA alerts, circulars, etc. as well as enables Participants to interact for other facilities such as PAN modification requests, waiver requests, etc. This intranet site is now available with a new look and it is named as i-Assist. To access this site for the first time, Participants will have to take the following steps: 1) Go to Start Run, type 'drivers' and press enter 2) Go to etc folder, locate hosts file and open it 3) Keeping the IP address same, rename SQLASSIST to i-Assist 4) Save and close the file.

	Above mentioned process needs to be carried out from all PCs that are used to access the intranet site. The URL to be entered in the address bar of the web browser to access the site is https://i-Assist. For any further information/clarification, Participants are requested to contact NSDL Help Desk.
Circular No. NSDL/POLICY/ 2010/0108 Date: September 29, 2010	***Sub: Hardware / Software / Bandwidth Requirements for New DPM System*** All Participants are hereby informed that based on the feedback received from Participants during the mock run Phase I of the new DPM System, the following must be ensured: 1. New DPM Application software (*version 2.0*) should be installed on the DPM server. CD for the same will be provided to Participants by 2nd week of October 2010. 2. Back office system should be fully tested and ready in all respects to interface with the new DPM system. 3. Minimum configuration of DPM Server / Client Machines (desktops) / Bandwidth as specified below. For better performance, Participants may opt for the recommended configuration.

Sr. No.	Description	Configuration	Minimum	NSDL Recommendation
1	**Desktop**	OS	Windows 2000 + Service Pack 4	Windows XP + Service Pack 2
		Processor	Pentium IV	Pentium IV or higher CPU with 3 GHz or Higher
		Memory Internet Explorer	512 MB IE6 (SP1)	2 GB IE6 (SP3) or IE7 (SP 2)
2	**Server** (Refer Note Nos. 2 & 3)	Free Disk Space required for migration	Three times of existing database size	Four times of existing database size
3	**Bandwidth**	Bandwidth (*Batch size upto 5,000 instructions*)	64 kbps	64 kbps on MPLS connectivity
		Bandwidth (*Batch size from 5,001 upto 10,000 instructions*)	64 kbps	128 kbps on MPLS connectivity
		Bandwidth (*Batch size from 10,001 upto 30,000 instructions*)	128 kbps on MPLS connectivity	256 kbps on MPLS connectivity

Notes:

1. *For larger instructions batch sizes (i.e. more than 30,000 instructions), bandwidth upgradation needs to be carried out in consultation with NSDL Help Desk.*
2. *External storage disk can be used for data migration.*
3. *Refer 'Annexure' for DPM server sizing guidelines.*

Participants are advised to ensure that they are ready in all respects as mentioned above by October 20, 2010.

Annexure

Minimum Server Sizing Requirement For New DPM System

Sr. No.	Server Type	Processor Type*	Memory		No. of Client Accounts	No. of CM Accounts	No. of Transactions per day	No. of Concurrent Users
			Minimum	NSDL Recommendation				
1	"Entry Level Server (without Hardware RAID)	Single	1 GB	2 GB or Higher	< 1,00,000	50	15,000	< 5
2	Entry Level Server (with Hardware RAID)	Dual	2 GB	4 GB or Higher	1,00,000 to 5,00,000	100	22,500	10
3	High End Server	Quad	8 GB	8 GB or Higher	5,00,000 to 10,00,000	1,000	1,00,000	20

* Processor (Pentium IV/Xeon 3 GHz or Higher)

Circular No. NSDL/POLICY/ 2010/0072 Date: June 30, 2010	***Sub: Daily Price file to include NAVs for Mutual Fund Units*** As all Participants are aware, a facility is provided to Participants to download the daily price file and NAV file for mutual fund units (*security type "20"*) from the intranet site of NSDL (i.e. http://sqlassist/) [*Ref. : Circular no. NSDL/ POLICY/2009/0068 dated August 1, 2009 and NSDL/POLICY/2009/0117 dated December 5, 2009*]. From June 30, 2010 onwards, the 'daily price file' itself will contain NAVs for mutual fund units (*security type "20"*). This will facilitate the Participants to use a single file (*i.e. daily price file*) instead of referring to two separate files (*i.e. daily price file and NAV file*). There is no change in the file format for the daily price file. For ease of reference, the file format of price file is enclosed as an Annexure. The NAV file for mutual fund units will also continue to be made available separately on the SQLassist till July 31, 2010.
Circular No. NSDL/POLICY/ 2011/0097 Date: November 25, 2011	***Sub: Daily Price file to include Trade price for selected Commodity ICINs*** As all Participants are aware, a facility is provided to Participants to download the daily price file from the intranet site of NSDL (i.e. http://i-Assist/) which contains the rates of securities as provided by NSE/ BSE/ Issuer. As per an arrangement with National Spot Exchange Limited (NSEL), the daily price file will include the rates for the E-series ICINs for previous business date with effect from November 28, 2011.
Circular No. NSDL/POLICY/ 2010/0056 Date: May 21, 2010	***Sub: Capturing mobile numbers with first digit as 6 or 7.*** As all Participants are aware, Participants were advised to capture the ten digit mobile numbers given by their clients starting with "8" or "9" as the first digit. (*Ref.: Circular No. NSDL/POLICY/2008/0059 dated September 1, 2008 &* Circular No.: NSDL/POLICY/2010/0010 dated January 28, 2010). Considering that mobile companies have also started allotting mobile numbers with either "6" or "7" as the first digit, Participants are hereby informed that they can now capture in the DPM system ten digit mobile numbers starting with "6" or "7" also as the first digit. Accordingly, necessary changes made in point no. (I) (3) (d) and (11.5) of the Master Circular No. NSDL/POLICY/2009/0029 dated April 16, 2009 for account opening are highlighted and are enclosed at Annexure.

Annexure

(I) Guidelines in respect of account opening in case of individuals (Non-Body Corporates)

(1) Individuals, Karta of HUF, Partners in case of Partnership firm, Guardian in case of minor account

(3) Mode of capturing the details in the DPM System

(a) The Participant should enter the details of the Client as mentioned in the Account Opening Form, in the DPM System after verifying with the POI and Proof of Address. It may be mentioned that Participants can avail the facility of Bulk Verify and Release with respect to opening of Client accounts in the DPM System (NSDL/PI/2007/0019 dated April 4, 2007).

(b) The Participant should capture the Client's signature(s) as given in the Account Opening Form in the DPM System.

(c) For ease of data entry, the Standing Instruction indicator in the DPM System would be in an enabled status with respect to all types of Client accounts except for accounts with sub-type "DR" at the time of opening depository accounts. For those Clients who have not opted for Standing Instructions, the Participant should disable the Standing Instruction indicator in the DPM System.

(d) For ease of data entry, the SMS flag of the account holder will automatically get enabled in the DPM System after the Participant captures the mobile number (Participants are advised to strictly capture the ten digit mobile number with the first digit as "6" / "7" / "8" / "9") of the respective account holders at the time of opening of depository accounts. If the Client submits the mobile number but does not wish to opt for the SMS Alert facility, the Participant should capture the mobile number in the DPM System and disable the SMS flag either from the front end of the DPM System or through back office file import (NSDL/POLICY/2008/0059 dated September 1, 2008 & NSDL/POLICY/2010/0010 dated January 28, 2010).

(e) The Participant should save the details and enter the Client account number (Client ID) generated by DPM System in the Account Opening Form.

(f) The Participant should print the Client Master Report and give it to the Client alongwith a copy of the Agreement. Such information should be provided only after the account is in "Active" status in the DPM System. (NSDL/PI/98/583 dated November 18, 1998).

(11) Procedure for change in demographic details

(11.5) Change in SMS flag and / or mobile numbers:

(i) Participant must obtain a written request from the Client for change in mobile number and/or SMS flag.

(ii) For joint holdings, the written request must be signed by the holder whose mobile number and / or SMS flag is being changed.

(iii) Participants are advised to strictly capture the ten digit mobile number with the first digit as "6" / "7" / "8" / "9" and/or update the SMS flag, as requested by the client.

	(iv) For ease of data entry, the SMS flag gets enabled automatically upon capture / modification of mobile numbers in DPM System. Thus, Participants must take due care at the time of modifying mobile numbers in the DPM System, particularly for Clients who have not opted for SMS alert facility. If the Client submits the mobile number but does not wish to opt for the SMS Alert facility, the Participant should capture the mobile numbers in the DPM System and disable the SMS flag from front end of DPM System or through back office.
Circular No. NSDL/POLICY/ 2009/0118 Date: December 7, 2009	All Participants are hereby informed that the following Market Type Codes have been added in the CC Calendar at the request of Indian Clearing Corporation Limited (ICCL) pertaining to settlement for Indian Corporate Debt Market (ICDM): **CC ID** / **Market Type Code** / **Description** IN001133 / 03 / ICDM T+0 IN001133 / 04 / ICDM T+1 IN001133 / 05 / ICDM T+2 Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with the DPM System.
Circular No. NSDL/POLICY/ 2009/0117 Date: December 5, 2009	***Sub: NAV file of Mutual Fund ISINs*** Further to our Circular nos. NSDL/POLICY/2009/0107 dated November 14, 2009 and NSDL/POLICY/2009/0068 dated August 1, 2009, all Participants are hereby informed that in view of addition of security type code '20' Mutual Fund Units (TRASE), a separate file of daily NAV of Mutual Fund ISINs (starting from November 30, 2009 till date and of subsequent dates) alongwith the daily price file will be made available on intranet site of NSDL (i.e. http://sqlassist/) for downloading on a daily basis. The daily price file will be continued to be made available by 7.00 p.m. on the same day whereas the daily NAV file will be made available by 11.00 a.m. on the next day on intranet site of NSDL. All fields in the daily NAV file will be delimited by (# |) characters. The file format is enclosed as Annexure A. Participants are requested to take note of the above so as to make necessary arrangements in their back offices.
Circular No. NSDL/POLICY/ 2009/0107 Date: November 14, 2009	All Participants are hereby informed that the following Security Type Code has been added in the DPM System: **Security Type Code** / **Description** 20 / Mutual Fund Units (TRASE*) * Transaction processing, record keeping and settlement for mutual funds. Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with the DPM System.
Circular No. NSDL/POLICY/ 2009/0104 Date: November 9, 2009	***Sub: Up-gradation of SQL Server*** As all Participants are aware, Microsoft has stopped mainstream support for SQL Server 2000 SP4 and SQL Server 2005 SP1. Further, NSDL is also in the process of re-engineering the DPM & DM application and planning to conduct a mock test so that the Participants are familiar with the same. This new DPM application requires SQL Server 2005.

	In view of the above, all Participants are advised to procure SQL Server 2008 which has a provision to use SQL Server 2005 by November 30, 2009. Those Participants who have SQL Server 2005 or SQL Server 2008 may ignore this circular.
Circular No. NSDL/POLICY/ 2009/0103 Date: November 6, 2009	All Participants are hereby informed that the following Security Type Codes have been added in the DPM System:

Security Type Code	Description
18	Rights Entitlement
19	Indian Depository Receipts

Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with the DPM System.

Circular No. NSDL/POLICY/ 2009/0071 Date: August 21, 2009

Direct connectivity of DPM System with the Back Office System of the Participant

As all Participants are aware, for uploading of instructions / data on a batch mode basis, instructions / data are extracted from the back-office system and manually transferred through external hardware such as compact disk (CD), pen drive, floppy etc, for onward upload into the DPM System.

To facilitate ease of operations and for eliminating the manual efforts involved in transferring the instructions / data from the Back Office System for onward upload into the DPM System, Participants can, if they so desire, establish a direct connectivity between the DPM System and their Back Office System. DPM System and Back Office System may be located at the same place or at different locations (inter or intra city in India). Similarly, facility is also available for Participants to establish direct connectivity between the DPM system and Client machine if both are located at different locations (inter or intra city in India).

In this regard, Participants will be required to obtain prior approval of NSDL. For more information and documents to be submitted in this regard, Participants may contact the following officials:

Name of the Person	Contact Tel. No.	Email address
Mr. Sankalp Parlia	(022) 2499 4451	sankalpp@nsdl.co.in
Mr. Sanjay Mirchandani	(022) 2499 4454	sanjaym@nsdl.co.in
Mr. Manoj Mhatre	(022) 2499 4452	manojmh@nsdl.co.in
Mr. Joshi Antony	(022) 2499 4448	joshia@nsdl.co.in
Mr. Umesh Suvarna	(022) 2499 4459	umeshs@nsdl.co.in

Master Circular on back office file formats

Circular No. NSDL/POLICY/ 2008/0054 Date: August 9, 2008

Sub : Master Circular on back office file formats for interface with DPM System

As all Depository Participants (DPs) are aware, NSDL has been augmenting and integrating various features in the DPM System. In this regard, back office file formats relating to interface with the DPM system concerning various software version releases have been provided to DPs vide various circulars.

All the file formats issued till Version 8.2 have now been consolidated into a single one through a 'Master Circular'. An index is enclosed as Annexure I which highlights various types of back office file formats that are required to interface with the DPM System for the purpose of import/exports of data into/ from the DPM system. DPs are requested to note that the softcopy of updated back office file formats would be available for download on Intranet site of NSDL (http://sqlassist/back office file formats updated till Version 8.2) with effect from August 18, 2008.

The 'Master Circular' would facilitate DPs to design/configure back office interface with the DPM System.

For any information/clarifications, DPs are requested to contact Mr. Nilesh Pandit, Mr. Rakesh Mehta or Mr. Sharat Karnad on telephone numbers (022) 2499 4601 to 4610.

Annexure I

		Particulars
1	Master Exports	
	A	Business Partner Master Export
	B	Security ISIN Master Export
	C	Clearing Corporation Calendar Export
	D	Auto Corporate Action Export
	E	Corporate Action Master Export
2	Branch Master Import	
3	Client Master Exports and Imports	
	A	Client Master Export
	B	Client Signature Export
	C	Client Master Creation Import
	D	Bulk Verify/Release Import - Client Verify Release Import CVR Import
	E	Client Master Modification Import
	F	Bulk Verify/Release Import - Client Master Modification
4	DPM Transactions Imports	
5	Statement of Holding and Statement of Transaction Exports	
6	Change Orders for the Day Export (COD)	
7	Power of Attorney	
8	Static Data Codes	
9	***SPEED-e*** file formats	

DPs are requested to note that back office file formats would be available for download on Intranet site of NSDL (http://sqlassist/back office file formats updated till Version 8.2).

Multi Protocol Label Switching (MPLS)	
Circular No. NSDL/POLICY/ 2009/0089 Date: September 29, 2009	***Sub: Auto fallback facility for MPLS users.*** All Participants are hereby informed that those Participants who have established the Multi Protocol Label Switching (MPLS) connectivity with NSDL can avail of the ISDN auto fall back facility provided by the MPLS Service Provider. **Benefits:** 1. No charges for availing auto fallback facility. 2. If the primary MPLS connectivity fails, the ISDN would automatically dial-out to the ISDN port in some other Point of Presence (POP) of the MPLS service provider. The tariff applicable will be that of the local call charges and as per the scheme opted by the Participant for the ISDN line. While PPP based manual dial-up connectivity to NSDL datacenter still remains available to Participant as a fallback option and in case of router failure this would be the only option. Automatic ISDN dialout based fallback option does not require manual intervention and would help restore connections quickly. **Pre-requisites:** 1. ISDN line is subscribed by the Participant, preferably from the service provider other than the MPLS service provider. This is to ensure that both ISDN and MPLS are not rendered unusable if any failure is experienced at service provider's equipment. 2. ISDN BRI port on the router. 3. Those Participants who are using WAN link Ethernet and Cisco router are required to have 12.4 IOS (operating System) or SP IOS to establish ISDN auto fallback. Those Participants using Serial WAN link can use the existing IOS of Cisco Router. **Procedure to avail the facility:** 1. Participants having MPLS as primary connectivity and also has ISDN line and Router BRI port may confirm adherence to the above requirements by sending an email to form-b@nsdl.co.in . 2. Participants who have not yet subscribed for the ISDN line are required to subscribe for an ISDN line and upgrade / replace their router, if it does not have the ISDN BRI port and appropriate IOS version. Once the Participant is ready, confirm to NSDL about adherence to requirement by sending an email to form-b@nsdl.co.in 3. On receiving the confirmation, NSDL will inform the MPLS service provider and also send the configuration changes required for Participants router thereby making their set-up ready to use this facility. For VSAT users, the present modality of fallback line remains unchanged. VSAT users will have to continue to use the dial-up fallback connection through ISDN or PPP. In case of any further information/ clarification is required, Participants may contact Mr.Manoj Mhatre or Mr. Dhananjay Kolpe on 022-24994452 or 022-24994458.

Circular No. NSDL/POLICY/ 2008/0086 Date: December 29, 2008	***Sub: Early surrender charges for surrender of VSAT*** As all Participants are aware, there is a charge for early surrender of VSAT which is payable to National Stock Exchange of India Limited (NSE). In this context, NSE has agreed not to levy early surrender charges to those Participants who migrate to Multi Protocol Label Switching (MPLS) network provided the annual VSAT charges for the full financial year, as currently applicable, are paid.
Circular No. NSDL/POLICY/ Date: October 10, 2008	***Sub: Multi Protocol Label Switching (MPLS) - Connectivity*** All Participants were informed vide Circular no. NSDL/POLICY/2008/0061 dated September 6, 2008 about MPLS. The service providers selected for NSDL MPLS connectivity are TATA COMMUNICATIONS and TULIP TELECOM Ltd. Participants have a choice to avail services from either of the service providers. The Participants also have an option of selecting both the service providers to maintain redundancy. Further, the Participants have an option of Wireline or Wireless connectivity for the last mile (subject to feasibility). The Tariff for different bandwidth (64kbps to 2Mbps) is given in Annexure I. Besides offsetting the disadvantages of the existing setups, MPLS connectivity combines certain distinct benefits of both present leased line and VSAT networks. In addition, it also offers certain unique features which are not available in existing set-up. A set of such distinct advantages offered by MPLS connectivity are mentioned below: 1) Just as VSAT network, MPLS connectivity charge is distance independent and will be uniform across the country. Thus, it overcomes limitation of present leased line connectivity where Intra-city (Mumbai & by the virtue of Hierarchical network in Delhi) charges and Intercity charges are different. 2) Under MPLS network, the Participants will have a much better uptime as NSDL is entering into service level agreement (SLA) for 99.5% uptime with the service providers. 3) Unlike VSAT network and present leased line network, MPLS network offers the option to upgrade the bandwidth for a temporary period of a few days with two weeks advance notice and then revert back to original bandwidth. Under this arrangement, Participants pay for higher bandwidth only for this interim period of a few days. This facility can be very useful if Participants are considering a large scale account opening or such bandwidth intensive activity. 4) Just as existing leased line network, the Participants connecting through MPLS network will continue to have uninterrupted access to business partner email facility, direct access to SPEED-e, IDeAS, and PAN verification, NSDL hosted internet facilities which are not available for VSAT connected Participants. MPLS connectivity offers a more robust seamless diversion of traffic to NSDL Disaster Recovery site (DRS) in the event of disaster as compared to present Leased line and VSAT traffic diversion where there is some dependency on NSDL primary production site. 5) In case of MPLS primary connectivity failure, provision is available to dial out using ISDN line to the service providers POP in the same city with local call charges. This fallback is much simpler to activate as compared to the PPP based dial-up connectivity to NSDL datacenter where certain technical expertise is necessary to setup configuration. VSAT users however will only have PPP option.

Migration to IP VSAT requires Broker-Participants to procure Layer 3 switch (for dual use viz trading and depository service) and commit lock-in for a period of four years or forgo whole/part of the Rs. One lac deposit. The incremental cost to use IP VSAT for depository function (Approx. Rs. 60,000) is almost the same for entry level MPLS connectivity (Rs. 65,000). Migration to MPLS connectivity is a better option for Participants considering the benefits mentioned above.

Since MPLS connectivity provides for a seamless diversion of traffic to NSDL DRS by the service providers, NSDL will need to maintain present diversion infrastructure only for remainder IP VSAT users. IP VSAT users will now also be levied certain annual charge by NSDL for the maintenance of this infrastructure. The charge will be finalised after clarity of number of VSAT users emerges.

Since NSE has already informed that switchover to IP VSAT will be concluded by end of October 2008, those VSAT users who are desirous to opt for MPLS connectivity must send written confirmation to NSDL helpdesk latest by 25th October 2008 so that NSDL can arrange for their migration on a priority basis.

The Rollout of MPLS network will begin from first week of November 2008. The feasibility survey by MPLS service provider will be done for VSAT users who have already given their confirmation for MPLS. Participants are requested to extend necessary co-operation to the service providers in this regard.

The present IP VSAT user Participants may note that in case they plan to continue with IP VSAT for dual use, then they must procure and install Layer3 switch (as mentioned in NSDL circular NSDL/Policy/2008/0050 dated July 10, 2008) and inform NSDL of the same by filing a revised Form B by 25th October, 2008.

For any queries / clarifications, please feel free to contact Mr. Umesh Suvarna (Asst. Vice President) on 2499 4459 or Mr. Manoj Mhatre (Sr. Manager) on 2499 4452.

ANNEXURE -I

MPLS TARIFF

No	Bandwidth	Annual Charges
1	64 kbps	Rs. 65,000/-
2	128 kbps	Rs. 75,000/-
3	256 kbps	Rs. 85,000/-
4	512 kbps	Rs. 1,15,000/-
5	1 mbps	Rs. 1,65,000/-
6	2 mbps	Rs. 2,50,000/-

One Time Installation Cost :- Rs 11,000/-

All above charges inclusive of Taxes

Circular No. NSDL/POLICY/ 2008/0061
Date: September 6, 2008

Sub: Migration to Multi Protocol Label Switching (MPLS)

NSDL, vide its Circular no NSDL/POLICY/2008/0050 dated July 10, 2008 had informed all Depository Participants (DPs) about NSE initiated migration of its current X.25 VSAT network to an IP based VSAT network. Considering the possible network security threats in IP network, NSE has decided to implement stringent network controls. DPs who plan to use VSAT for both trading as well as depository operation were advised to procure CISCO layer 3 switch (Models: 3560 and 3750) to ensure segregation of DPM and trading network. NSDL has

as a measure to enable DPs to protect already made investment, decided to allow the use of layer 3 switches from manufacturers other than CISCO on case to case basis on specific representation from DP. DPs intending to use layer3 switch of other manufacturers are required to write to NSDL giving detailed technical specifications and obtain necessary permission.

At present DPs are allowed to establish primary connectivity with NSDL either through Point to Point Lease Line or NSE provided VSAT. While many DPs have opted for Point to Point Leased Line, the cost of connectivity differs from DP to DP, due to the distance factor. Intercity circuits (outside Mumbai) and Intracity circuits (local circuits) are being charged differently. In order to bring in uniform cost structure across country and to ensure high availability of Network connectivity to NSDL primary and DRS site, NSDL is in process of migrating its present Leased Line network to Multi Protocol Label Switching (MPLS) technology. Under this implementation DPs will bear same cost for connectivity irrespective of being located in Mumbai or other city. After a detailed evaluation, it is observed that MPLS option is cost effective, reliable and provides more redundancy. The migration process for the Leased Line users is expected to start from first week of November 2008. The exact schedule will be communicated after the detailed roll-out plan is finalised.

Considering that MPLS network cost is comparable to that of VSAT and affords dedicated bandwidth to DP unlike VSAT, NSDL is also extending this option to present VSAT connected DPs. If VSAT connected DP exercise MPLS option than this will also be included in this roll out plan starting November 2008.

Advantages of MPLS technology:

- Continuous availability of both Primary and Disaster recovery sites.
- Centralized manageability, single point of contact for service issues.
- Bandwidth on demand for last mile which is fully scalable.
- Uniform charges across country
- 24 hour email facility
- Network Uptime 99.5%
- In built redundancy in network connectivity.
- Highest redundancy levels to ensure no single point of failure.
- End-to-end assured network security.
- No need to procure additional Layer 3 switch if DP intends to surrender VSAT and migrate to MPLS based network.
- Temporary upgrade of Bandwidth with 15 days notice is possible.
- Direct connectivity option to NSDL's SPEED-e, STeADY and PAN verification infrastructure

NSDL is in the process of finalising two service providers for MPLS network thus providing DPs a choice. Further DP's can also choose the connectivity medium as Wired or Wireless connectivity. The charges for 64kbps MPLS VPN will be approximately Rs.65,000/- per year (inclusive of Taxes). There would be one time installation charge of approximately Rs 15,000/-. Thus overall charge structure for various mode of connectivity compares as follows.

Mode of Connectivity	Deposit charges	One time	Annual charges
Existing VSAT(X.25 network)	Rs.2,00,000/-	Rs.17,750/-	Rs.1,50,000/- for all cities
New VSAT (IP network)	Rs.1,00,000/-	___	Rs.1,00,000/- for all cities **
Point to Point 64kbps Leaseline.	___	___	Rs.75,000/- Minimum for Mumbai & Delhi hierarchical network user For other cities circuits charge is Rs.36,500/- + MTNL actual charge which is higher than 75,000/- P.A .
MPLS 64kbps	Nil	Rs.15,000/-	Rs.65,000/- for all cities

** New VSAT charge structure for broker members is as per NSE website. Clarifications for charges payable by DP is awaited from NSE.

Considering the benefits, NSDL intends to migrate mandatory all point to point lease line users to MPLS network. There will be no additional capital investment required from the DPs. The DP's will have an option for higher bandwidth such as 2 mbps. Such DPs will have to pay additional annual charge for higher bandwidth. Based on the bandwidth choice indicated by the DP, NSDL will work out the charge structure with the service providers and communicate the same to DP's.

While NSDL will continue to provide an option to connect through NSE VSAT network to DP's, it may be noted that on IP based new VSAT network of NSE demands more stringent security controls. DPs will have to segregate network through acquisition of layer3 switch (approximate cost ranges from Rs1.5Lac to Rs 2.0Lac) at its end. While NSDL helpdesk will endeavour to provide technical support for DPs DPM system problem, due to stringent security related restrictions some of the remote support techniques may have to undergo changes and flexibility available at present may not be feasible under new VSAT network. Such restriction will however not apply to MPLS network

DP's who have connected to NSDL using VSAT and who wish to now shift to MPLS connectivity are requested to send their confirmation to NSDL helpdesk latest by September 15, 2008. Such DP's then will not be required to invest in layer3 switch.

For any queries / clarifications, please feel free to contact Mr. Umesh Suvarna (Asst. Vice President) on 2499 4459 or Mr. Manoj Mhatre (Manager) on 2499 4452.

Circular No. NSDL/POLICY/ 2008/0050
Date: July 10, 2008

Sub: Migration from X.25 protocol to TCP/IP

All Depository Participants (DPs) are hereby informed that NSE vide its Circular no NSE/MEMB/10833 dated June 13, 2008 has intimated its members about enhancing its current X.25 trading network to an IP based trading network. NSE's current Trading System uses the X.25 protocol over its terrestrial and satellite based Wide Area Network (WAN). The new IP based satellite network is now being implemented. NSE will replace the Indoor unit (IDUs) located at member locations in a phased manner.

As against the earlier Indoor unit which had two ports and DPs could use Port 1 for NSE trading purposes and Port 2 for NSDL purposes, the new Indoor unit will have only one Ethernet Port. As a measure of good practice to segregate trading and depository traffic, NSDL & NSE have jointly worked out a design

	which requires common members who wishes to use VSAT for both depository and trading activity to install Layer3(L3) switch. However, DPs who are using VSAT only for depository operation need not install L3 switch. Hence, DPs who wish to continue using the same VSAT for their Trading and Depository data traffic will be required to procure L3 switch. DPs who plan to use VSAT for both trading as well as depository operation may procure any of the CISCO Layer 3 switch (Models : 3560 and 3750) for this purpose. NSDL will provide details of DP end configuration in due course. DPs are required to note the following : 1. Schedule for the migration of VSAT IDU will be undertaken as per the NSE plan for the migration. This will be informed to the DPs as soon as the plan is communicated by NSE. 2. DPs who plan to use VSAT for both trading and depository are required to have the L3 switch available at the time of migration. Unless the L3 switch is ready and configured, NSDL connectivity cannot be established. 3. Configuration of L3 switch and changes in the router configuration has to be carried out by DP in the presence of their vendor engineer or ask the vendor to do it on their behalf. Any mistake / error in doing so will lead to longer duration dis-connection of the connectivity between DPs set-up and NSDL central system. 4. Cost of the VSAT services will be as per the revised costing decided and communicated by NSE, from time to time. DPs are required to inform NSDL about the date for procurement of L3 Switch and submit Form B. For any clarifications / assistance in this regard, DPs may contact Mr. Manoj Mhatre or Mr.Dhananjay Kolpe on Tel. nos. 24994452 and 24994458.
Circular No. NSDL/POLICY/ 2008/0043 Date: June 9, 2008	***Sub : Migration from Parallel Port Dongle to USB Dongle*** NSDL DPM Setup uses Dongle for secure storage of encryption keys used for secure data transmission between NSDL DM System and DPM System. All Depository Participants are hereby informed that NSDL has planned to replace the current Parallel Port Dongle used in DPM Setup with USB Dongle. NSDL intends to migrate DPM Setup from Parallel Port dongle to USB Dongle in a phased manner in coming weeks. All DPM Setups will be migrated to USB Dongle by the end of August 2008. The USB Dongle and the CD containing Software & Installation Manual would be provided by NSDL. Installation of USB Dongle should be undertaken only after obtaining appropriate technical guidance and clearance from NSDL Helpdesk. Subsequent to the installation of USB Dongle, Depository Participants are advised to return back the Parallel Port Dongle to NSDL. For maintaining secure connectivity with NSDL, all the Depository Participants are requested to kindly make note of the following points: 1. For security reasons, it is advisable to connect the USB Dongles on to the USB ports available on the rear side of DPM Server. In case of non-availability of USB ports on the rear side of Server, the USB Dongles should be connected to the front side of Server. 2. In case of loss or faulty Dongle, the Depository Participant will not be able to establish application level connectivity with the NSDL DM System. In such an event, the Depository Participants will have to immediately contact NSDL Helpdesk and request for alternate mode of connection.

EOD timing for Participants	
Circular No. NSDL/POLICY/ 2011/0001 Date: January 1, 2011	***Sub: EOD timing for Participants extended till 9.30 pm on weekdays*** As Participants are aware, End of the Day (EOD) for Participants commences at 8.30 pm on weekdays (Monday to Friday) and 4.30 pm on Saturdays. Participants can verify/release instructions with the current execution date until such time. All Participants are hereby informed that with effect from Monday, January 3, 2011, the EOD process at the eDPM / Local DPM System will commence at 9.30 pm instead of 8.30 pm on weekdays. The GISMO (GISMO can be accessed at C:\ProgramFiles\NSDL\GISMO\GISMO.exe) will display "My business end time 9.30 pm" on weekdays. Further, the EOD at DM will commence at 10.00 pm on weekdays. Participants are requested to note that EOD for Saturday will be remain unchanged i.e. GISMO will display "My business end time 4.30 pm" and EOD at DM will commence at 5.00 pm. In case the GISMO does not display the aforesaid message i.e. "My business end time 9.30 pm" by 6.00 pm on January 3, 2011, Participants are requested to contact helpdesk
Circular No. NSDL/POLICY/ 2008/0068 Date: October 10, 2008	***Sub: EOD timing for Participants - 8.30 pm on weekdays*** As all Participants are aware, End of the Day (EOD) for Participants commences at 8.00 pm on weekdays (Monday to Friday) and 4.30 pm on Saturdays. Participants can verify/release instructions with the current execution date until such time. All Participants are hereby informed that with effect from **Monday October 13, 2008**, the EOD process at the DPM System will commence at **8.30 pm** instead of 8.00 pm on weekdays. The DPM System will display "My business end time 8.30 pm" on weekdays. Further, the EOD at DM will commence at 9.00 pm on weekdays. Participants are requested to note that EOD for Saturday will be remain **unchanged** i.e. DPM System will display "My business end time 4.30 pm" and EOD at DM will commence at 5.00 pm. **In case the DPM system does not display the aforesaid message i.e. "My business end time 8.30 pm" by 6.00 pm on October 13, 2008, Participants are requested to contact helpdesk.**
Circular No. NSDL/POLICY/ 2008/0038 Date: May 30, 2008	***Sub: EOD timing for DPs - 8.00 pm on weekdays and 4.30 pm on Saturdays*** As all Depository Participants (DPs) are aware, End of the Day (EOD) for DPs commences at 7.30 pm on weekdays (Monday to Friday) and 4.00 pm on Saturdays. DPs can verify/release instructions with the current execution date until such time. In light of the increased transaction volumes, DPs are hereby informed that with effect from **Monday June 2, 2008**, the EOD process at the DPM System will commence at **8.00 pm** instead of 7.30 pm on weekdays and at **4.30 pm** instead of 4.00 pm on Saturdays. The DPM System will display "My business end time 8.00 pm" and "My business end time 4.30 pm" on weekdays and Saturdays respectively. Further, the EOD at DM will commence at 8.30 pm on weekdays and 5.00 pm on Saturdays. In case the DPM system does not display the aforesaid message i.e. "My business end time 8.00 pm" by 6.00 pm on June 2, 2008, DPs are requested to contact helpdesk.

Version Releases and Features	
Circular No.: NSDL/ POLICY/2016/0035 Date: March 30, 2016	**Subject: Release of DPM System Version 6.0.** All Participants are hereby informed that **DPM System Version 6.0** will be released on **April 2, 2016**. Salient features of DPM System Version 6.0 are enclosed at **Annexure**. For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in.
Circular No.: NSDL/ POLICY/2016/0034 Date: March 29, 2016	***Subject: Changes in File Formats with respect to DPM Version Release 6.0.*** All Participants are hereby informed that **DPM System Version 6.0** is scheduled to be released **on April 2, 2016**. In this context, the changes in file formats in respect of the back-office interface with Local DPM system are highlighted and enclosed at **Annexure I**. Participants are advised to make necessary changes in their back office system as per the enclosed file formats in respect of DPM System Version 6.0 latest by **April 1, 2016**. The detailed feature will be provided shortly.
Circular No.: NSDL/ POLICY/2016/0031 Date: March 21, 2016	***Subject: Updation of details pertaining to Date of Birth (DOB).*** Attention of all Participants is invited to Circular No. NSDL/POLICY/2015/0074 dated August 21, 2015 regarding incorporation of a new field viz., **'Date of Birth'** (DOB) for each accountholder in depository account in the Client Maintenance Module of Local DPM and eDPM system and Circular No. NSDL/ POLICY/2015/0089 dated October 6, 2015 informing Participants that the field viz., DOB has been made **mandatory** in respect of individual clients (*except accounts opened under sub-types 'HUF' and 'HUF promoters'*) for each account holder in depository account in the Client Maintenance Module of Local DPM system. Participants have approached NSDL seeking permission to update the DOB in the DPM system as available in their back-office/trading/banking system without taking any separate request/document as proof from the client for the updation of DOB. Participants are hereby informed that in case the Participant has the details pertaining to DOB available in its back-office, trading account or in the bank account which is provided by the client, then the Participant may update the details pertaining to DOB and intimate the client about the updation. Participants must ensure that the correct details pertaining to DOB as provided by the client is updated in the DPM system. In order to capture the details in the NSDL Depository System, Participants can prepare a client modification batch file (as per the Local DPM file formats) from their Back-office system and upload the same in Local DPM system for the updation of details pertaining to DOB in the depository accounts. In case the Participant is unable to prepare the client modification file from its back-office, such a Client Modification file can be provided by NSDL to the respective Participants. For this purpose, Participants will be required to provide the client details as per the below mentioned format (in excel file) on NSDL intranet site i.e. i-Assist (upon DP User Login) under the link viz., **'Client Details for DOB Updation - Upload'** in respect of demat accounts for which DOB needs to be updated in DPM system:

<table>
<tr><td></td><td>
<table>
<tr><th rowspan="2">Sr No</th><th rowspan="2">DP ID</th><th rowspan="2">CLIENT ID</th><th colspan="2">1st Holder Details</th><th colspan="2">2nd Holder Details</th><th colspan="2">3rd Holder Details</th></tr>
<tr><th>PAN</th><th>DOB</th><th>PAN</th><th>DOB</th><th>PAN</th><th>DOB</th></tr>
<tr><td>1</td><td>INXXXXXX</td><td>XXXXXXXX</td><td>AAAAA1234A</td><td>DD/MMM/YYYY</td><td>BBBBB1234B</td><td>DD/MMM/YYYY</td><td>CCCCC1234C</td><td>DD/MMM/YYYY</td></tr>
</table>
(Upload Excel File Nomenclature: DPID_DOB_UPLOADDATE, for Example: INXXXXXX_DOB_DDMMYYYY)
Further, NSDL will provide client modification batch upload file on NSDL intranet site i.e. i-Assist (upon DP User Login) under the link viz., ‘Client Details for DOB Updation - Download’ to be uploaded on the Local DPM System by Participants for the updation of DOB in depository accounts on or before EOD of the next working day. After updation of the above in the DPM System, Participants must send a communication via letter / email / Client Master Report generated from the DPM System or client modification letter generated from DPM system or its back office or any other mode which the Participant may deem fit to all such Clients informing about changes carried out in their depository account pertaining to DOB field.
Participants are requested to take note of the above.
</td></tr>
<tr><td>Circular No.: NSDL/ POLICY/2016/0017
Date: February 17, 2016</td><td>
Subject: Release of DPM System Version 5.9.
This is with reference to NSDL Circular No. NSDL/POLICY/2016/0008 dated January 29, 2016 regarding Changes in File Formats with respect to DPM Version Release 5.9. In this regard, all Participants are hereby informed that DPM System Version 5.9 will be released on February 27, 2016. Salient features of DPM System Version 5.9 are enclosed at Annexure.
For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022)
2499 4600 or email at helpdesk@nsdl.co.in.
</td></tr>
<tr><td>Circular No.: NSDL/ POLICY/2016/0008
Date: January 29, 2016</td><td>
Subject: Changes in File Formats with respect to DPM Version Release 5.9.
All Participants are hereby informed that DPM System Version 5.9 is scheduled to be released on February 5, 2016. In this context, the changes in file formats in respect of the back-office interface with eDPM and Local DPM system are enclosed at Annexure I.
Participants are advised to make necessary changes in their back office system as per the enclosed file formats in respect of DPM System Version 5.9 latest by February 15, 2016.
</td></tr>
<tr><td>Circular No.: NSDL/ POLICY/2015/0109
Date: December 4, 2015</td><td>
Subject: Release of DPM System Version 5.8.
All Participants are hereby informed that DPM System Version 5.8 is released on December 4, 2015. Salient features of DPM System Version 5.8 are enclosed at Annexure. For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in.
</td></tr>
</table>

'Annexure'

Features released in DPM Version 5.8

(A) **Facility on NSDL CAS microsite to update Email ID and the request to receive statement of account in electronic mode.**

Attention of all Participants is invited to NSDL Circular No. NSDL/POLICY/2015/0090 dated October 9, 2015 regarding Statement of Account through Electronic Mode and registration of email ID, wherein Participants were informed about the new facility provided to Client on NSDL CAS microsite (https//:nsdlcas.nsdl.com) to submit their request(s) to receive statement of account in electronic mode (i.e., e-CAS) and also able to provide its email ID for the same.

In this regard, as mentioned in our aforesaid circular NSDL CAS microsite has been further enhanced so that the updated email ID and the request to receive statement of account in electronic mode which is recorded on NSDL CAS microsite would be updated directly in the demat account of the Client in DPM system. These details will get updated directly in the DPM system on a daily basis at the EOD from December 14, 2015. The requests received before December 12, 2015 will be processed at EOD of December 12, 2015 in the DPM system.

The following process would be followed with respect to updation of client consent for e-CAS and Email ID through NSDL CAS microsite:

(1) Client will make a request on NSDL CAS Microsite for updation of client consent for e-CAS and Email ID on the basis of PAN with OTP authentication.

(2) Based on the aforesaid request submitted by the client on NSDL CAS Microsite the relevant updations will be made in all the demat accounts on the basis of matching PAN in the DPM system. The behavior of updation will differ depending on whether the given PAN as input criteria on NSDL CAS microsite is updated at the first holder or joint holder level in the demat account(s) of DPM system.

(3) Such requests will be processed in the DPM system on the basis of matching of PAN as mentioned against PAN of the accountholder in the demat account(s) for the updation of aforesaid fields as per below logic:

PAN and Account Holder(s) Criteria	Updation Logic in Demat Account
Input PAN matches with 1st / Sole Holder PAN in demat account	(i) The updation of client consent for e-CAS will be executed in the DPM system against 1st / Sole Holder of demat account as per request received on NSDL CAS microsite. (ii) The updation of Email ID will be executed in the DPM system against 1st / Sole Holder of demat account, if it is different from existing registered Email ID.
Input PAN matches with 2nd / 3rd Holder PAN in demat account	(i) The updation of Email ID will be executed in the DPM system against 2nd / 3rd Holder of demat account, if it is different from existing registered Email ID.

(4) hereafter, an email intimation will be sent to the client for the following updations :

a) For e-CAS Flag Updation, intimation will be sent to the account holder on the Email ID updated/registered in demat account.

b) For Email ID updation, intimation will be sent to the account holder on the old as well as new Email ID updated/registered in demat account.

(5) The modification letters in respect of Updation of e-CAS Flag and Email ID will be generated on a daily basis at EOD and the same will be made available for the Participants at the path i.e. **C:\Modification_Letter** of Local DPM sever.

(6) A new modification reason viz., **"Clients request to NSDL"** with static code viz., **"05"** has been introduced in the Local DPM system for aforesaid updation received from NSDL CAS Microsite. In this regard, Participants are requested to carry out necessary changes in their back-office system.

(7) Participants can download the Client Master Export containing the details of aforesaid updations from the Local DPM system for updating their back-office system.

(B) **Renaming of field viz., 'Name of Sole Holder (i.e. Karta) to Name of Karta (i.e. Sole Holder) in respect of HUF and HUF-Promoter clients in DPM system.**

A field viz., 'Name of Sole Holder (i.e. Karta)' is currently appearing in DPM system in respect of HUF and HUF-Promoter clients has been renamed to 'Name of Karta (i.e. Sole Holder)' as exhibited below. The aforesaid changes have been made in the relevant screen viz., Client Creation, Client Modification, Client Details View and Audit Trail and in reports viz., Client Master List, Modification Letter and Audit Report in the DPM system as exhibited below:

'Annexure'

Client Details View Screen:

Client Master List Report:

Client Audit Report:

Client id 20064339 Name of Karta (i.e. Sole Holder) sdfsdf hsf prom karta Account Status Active

Sequence No.	Field Name	Old Value	New Value	Updated By	Date Time
734594	Status	Registered	Verified, Released	swapnilc	10/29/2013 2:58:03PM
734602	Activation Date		2013-10-29	dbo	10/29/2013 3:35:38PM
734603	Status	Exported	Active	dbo	10/29/2013 3:35:38PM
808926	Short name	asdfwerdfsd	NSDL	swapnilm	5/23/2014 5:02:47PM
907110	Name of Karta (i.e. Sole Holder)	sdfsdf	sdfsdf hsf prom karta	sonamc	11/26/2015 5:37:00PM
907111	Name Change Reason for First Holder		Participant error	sonamc	11/26/2015 5:37:00PM

Circular No.: NSDL/ POLICY/2015/0089
Date: October 6, 2015

Subject: Release of DPM System Version 5.7.

All Participants are hereby informed that **DPM System Version 5.7** will be released on **October 10, 2015.** Salient features of DPM System Version 5.7 are enclosed at **Annexure**.

For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022)

2499 4600 or email at helpdesk@nsdl.co.in.

'Annexure'

Index of features released in DPM Version 5.7

Sr. No.	Feature	Page no.
1	Incorporating the Date of Birth as a mandatory field in respect of Client Creation / Client Modification of Local DPM system	2
2	Enhancement of Client Modification module of Local DPM system by restricting modification of client sub type from Category III to Category I in respect of client Type Foreign Portfolio Investor (Corporate)	3

1) **Incorporating the Date of Birth as a mandatory field in respect of Client Creation / Client Modification of Local DPM system:**

Participants were informed vide Circular No. NSDL/POLICY/2015/0074 dated August 21, 2015 (*DPM Version Release 5.6*) regarding incorporation of new field viz., **'Date of Birth'** in respect of individual clients for each account holder in depository account in the Client Maintenance Module of Local DPM and eDPM system. It was also mentioned in the aforesaid circular that the aforesaid field shall be optional and will be made mandatory subsequently.

	Accordingly, Participants are hereby informed that the Date of Birth field has been made **mandatory** in respect of individual clients (*except accounts opened under sub-types 'HUF' and 'HUF promoters'*) for each account holder in depository account in the Client Maintenance Module of Local DPM system. The application of mandatory validation for new field viz., Date of Birth in respect of individual depository accounts will function in below mentioned manner: **Client Creation:** In respect of the new depository accounts opened on or after October 10, 2015, Date of Birth field will be mandatorily required to be captured for each account holder in respect of individual depository accounts in the Local DPM system. **Client Modification:** The depository accounts which have been opened before October 10, 2015 and where Date of Birth is not captured; the system will allow Participants to modify the client details (other than Date of Birth) without mandatory validation of capturing the Date of Birth field. The depository accounts, irrespective of being opened before or after October 10, 2015 and where Date of Birth field has been captured by the Participant, the system shall apply mandatory validation pertaining to Date of Birth field in respect of client modification instruction. **2) Enhancement of Client Modification module of Local DPM system by restricting modification of client sub type from Category III to Category I in respect of client Type Foreign Portfolio Investor (Corporate):** Participants were informed vide Circular No. NSDL/POLICY/2015/0074 dated August 21, 2015 (*DPM Version Release 5.6*) regarding facility being provided in the Local DPM system to modify the sub-types (i.e. Category I, II & III) of the depository accounts opened under client type viz., Foreign Portfolio Investor (FPI) to another sub-types subsequent to change in the category of FPI. In this regard, Participant are requested to note that **additional validation** has been applied in the client modification module by **dis-allowing** the modification of client sub type from **Category III** to **Category I** under client Type Foreign Portfolio Investor (Corporate).
Circular No.: NSDL/ POLICY/2015/0074 Date: August 21, 2015	**Subject: *Release of DPM System Version 5.6*.** All Participants are hereby informed that **DPM System Version 5.6** will be released on **August 22, 2015**. Salient features of DPM System Version 5.6 are enclosed at **Annexure**. For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in.

'Annexure'

Index of features released in DPM Version 5.6:

Sr. No.	Feature	Page no.
1	Incorporation of New Client Type and Sub Types in DPM system	**2**
2	Facility of conversion of existing FII and QFI accounts into FPI account	**2**
3	Facility for modification of sub types in respect of depository accounts opened under client type Foreign Portfolio Investor (FPI) (Corporate client maintenance module)	**4**
4	Additional reason viz., 'Participant Error' incorporated in respect of Name Change Reason field under client modification module	**5**
5	Facility to capture mode of sending statement of account to Client is provided in DPM system	**5**
6	Incorporation of new field viz., Date of Birth (DOB)	**6**
7	Incorporation of new reason codes in respect of client modification and client closure	**7**
8	Incorporation of 'Family Flag' for Individual depository accounts	**8**
9	Search Facility in respect of Same Mobile number / Email addresses on eDPM and Local DPM system	**11**
10	Tagging off House Margin Account	**12**
11	Search facility on the basis of Delivery Instructions Slip (DIS) serial number on Local DPM system	**13**

1) **Incorporation of New Client Type and Sub Types in DPM system:**

Following new client types and sub-types will be incorporated in the Client Maintenance Module of DPM System:

New Client type				
New Client Type	**Code of Type**	**New Client sub-type**	**Code of sub-type**	**Remark**
Alternative Investment Fund (AIF)	15	Category I	1	AIF registered under SEBI (AIF) Regulation can open account under these type & sub-type.
		Category II	2	
		Category III	3	

New Client sub-type				
Client Type	**Code of Type**	**New Client sub-type**	**Code of sub-type**	**Remark**
Foreign Portfolio Investor (Individual)	13	Category III – DR	4	To hold the securities received by FPI pursuant to conversion of Depository Receipts
Foreign Portfolio Investor (Corporate)	14	Category I – DR	4	
		Category II – DR	5	
		Category III – DR	6	
Body Corporate	5	Limited Liability Partnership (Foreign)	31	For those LLP which are incorporated outside India
		Limited Liability Partnership (Foreign) – DR	32	To hold the securities received by LLP incorporated outside India pursuant to conversion of Depository Receipts.

2) **Facility of conversion of existing FII and QFI accounts into FPI account:**

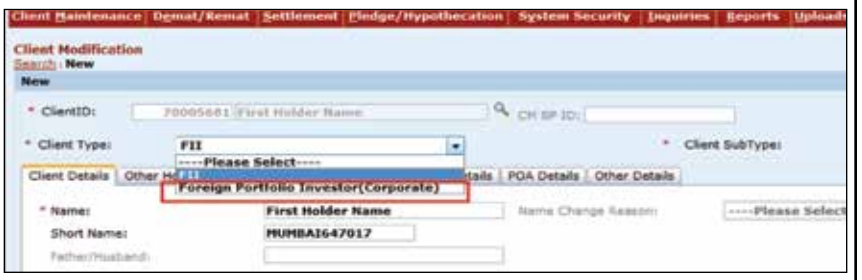
A new facility is provided in DPM system whereby Participant can convert existing FII and QFI accounts into FPI accounts. Participant can carry out the following modification in type and sub-type of Clients:

Sr. No.	Current Type	Current Sub-type	New Type (as applicable)	New sub-type (as applicable)	Remark
1	FII	Mauritius Based	FPI-Corporate	Category I Category II Category III	Participant can change type & sub-type of existing accounts only after completion of procedure of conversion of FII/QFI into FPI as specified by SEBI
		Others			
		DR	FPI - Corporate	Category I - DR Category II - DR Category III - DR	
2	QFI	Corporate	FPI-Corporate	Category I Category II Category III	
3	QFI	Individual	FPI-Individual	Category III	

Participant will be able to modify the aforesaid Client types and sub-types by following the given link:

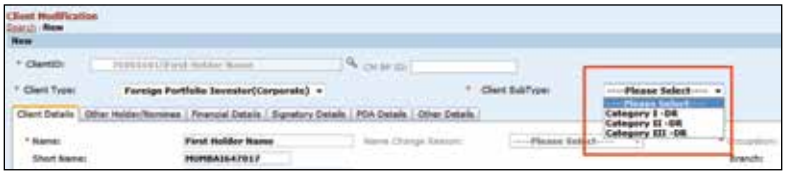
Client Maintenance → Client Modification → Primary, Address and Signatory Details Modification

Participants will be able to select client type and client sub type from the drop down option for executing the modification as exhibited below:



3) **Facility for modification of sub types in respect of depository accounts opened under client type Foreign Portfolio Investor (FPI) (Corporate client maintenance module) :**

Facility has been made available in the Local DPM system to modify the sub-types (i.e. Category I, II & III) of the depository accounts opened under client type viz., Foreign Portfolio Investor (FPI) to another sub-types subsequent to change in the category of FPI. Participants are requested to note that the depository accounts opened under 'DR' sub type in respect of client type viz., Foreign Portfolio Investor (FPI) Corporate can be modified /switched only between respective DR sub-types pursuant to change in Category by the DDP.



4) **Additional reason viz., 'Participant Error' incorporated in respect of Name Change Reason field under client modification module:**

NSDL vide circular no. NSDL/POLICY/2015/0024 dated February 18, 2015 had informed Participants regarding the procedure to be followed in case of a data entry error by the Participant while opening an account or while effecting the change in name of the account holder. In order to facilitate participant to record the reason for modification in Local DPM system in respect of aforesaid guidelines, an additional option viz., '**Participant Error**' has been incorporated in 'Name Change Reason' field in respect of Individual depository accounts under client modification module of Local DPM system.

5) **Facility to capture mode of sending statement of account to Client is provided in DPM system [New Flag: 'Client Option to receive e-Statement']:**

As Participants are aware, Client can choose to receive statement of account either in electronic mode or physical mode. In this context, NSDL has vide its Circular No. NSDL/POLICY/2015/0054 dated May 19, 2015 provided a facility to inform aforesaid preference of Client to NSDL through i-Assist. Accordingly, NSDL is sending statement of account including Consolidated Account Statement (CAS) to investors since February 2015 either in physical or electronic form based on Client preference.

In this regard, a new flag viz., **'Client Option to receive e-Statement'** (as exhibited below) has been incorporated in the Local DPM system to update the client preference to receive statement in electronic form. NSDL will enable the aforesaid Flag in the depository system for the cases where Participant has provided information on i-Assist till August 22, 2015 in respect of those clients who have given consent for receiving statement in electronic mode. Necessary updates will be reflected in client master reports and downloads.

Participants should note that the after aforesaid release i.e. from **August 22, 2015** mode of receiving statement of account including CAS must be updated on Local DPM system instead of i-assist based on the request receive from the Client.

In case any Client wish to change its mode of receiving statement of account from electronic to physical, it has to submit written request to its Participant. On receipt of request and after necessary verification Participant can disable the aforesaid flag.

6) Incorporation of new field viz., Date of Birth (DOB):

For individual Clients, a new field viz., **'Date of Birth'** for each accountholder in depository account has been incorporated in the Client Maintenance Module of Local DPM and eDPM system. It is optional to capture Date of Birth in the DPM system till **September 30, 2015**. Effective from October 1, 2015, the Date of Birth field will be mandatory in the DPM system at the time of opening depository accounts for Individual.

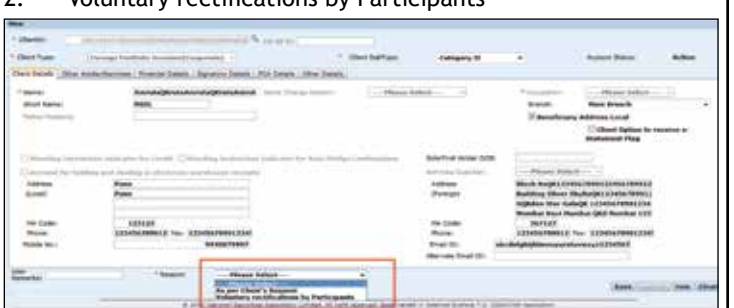
In case of accounts opened under sub-types **'HUF' and 'HUF promoters'**, date of birth is not applicable. Further, in case of accounts which are opened in the name of individual on behalf of Partnership firm, unregistered trust, unincorporated associations, etc. date of birth of the person in whose name account is opened needs to be captured in account.

7) Incorporation of new reason codes in respect of client modification and client closure :

Facility to capture below mentioned reason codes has been incorporated in Local DPM and eDPM system in respect of client modification and client closure modules:

a) Client Modification :

1. As per Client's Request
2. Voluntary rectifications by Participants



b) Client Closure:

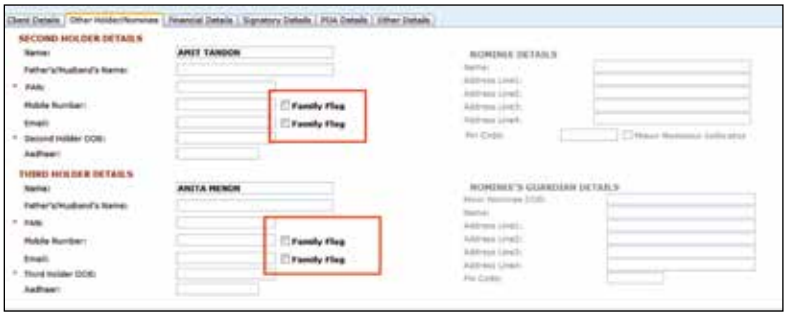
1. As per Client's Request
2. Closure Initiated by Participants

The selection of aforesaid reasons will be **mandatory** for client modification and account closure.

8) Incorporation of 'Family Flag' for Individual depository accounts:

Participants were advised vide NSDL Circular No. NSDL/POLICY/2015/0040 dated April 13, 2015 and Circular No. NSDL/POLICY/2015/0068 dated August 6, 2015 to ensure that separate mobile number and email address are uploaded for each client. Further, it was informed that in case the same mobile number or email ID is captured across multiple client account holders and the same is as per the permitted exceptions, a facility will be provided for the Participant to record such permitted exceptions in DPM system.

In order to enable Participants to record such permitted exceptions in DPM system, a new Flag viz., **'Family Flag'** in respect of mobile number and email address at each account holder level has been incorporated in the Local DPM and eDPM system in respect of individual depository accounts as exhibited below:



As advised vide our aforesaid Circular dated August 6, 2015, in case where same mobile number / email address are captured for more than one Client, Participants are required to take up the matter with Client and if it falls within the permitted exceptions, Participants are required to obtain a physical paper request from the Client or request through email or request through website of the Participant as per the prescribed procedure (*from each account holder for their mobile number/ email address*). Upon receipt of such request from the account holder where account holder informed that the mobile number/ email address is belong to him or his family, Participant must update the family flag for that account holder.

Example:

i) In case same mobile number is captured for first holder and second holder in a demat account, Participant must take up the matter with both the account holders and if it falls within the permitted exceptions (as defined under aforesaid Circular dated April 13, 2015), obtain request from the both the account holders and update family flag for both the account holders.

ii) In case same mobile number is captured for account holders of two different account, Participant must take up the matter with both the account holders and if it falls within the permitted exceptions (as defined under aforesaid Circular dated April 13, 2015), obtain request from the both the account holders and update family flag for both the account holders.

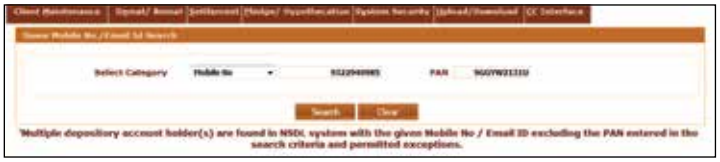
In case Client state that the mobile number / email address neither belong to him nor his family then Participant must update Client's correct mobile number/ email address based on the Client request.

Further to NSDL Circular dated August 6, 2015, an export facility viz., Duplicate Mobile number / Email address (as exhibited below) is made available under Download option on Local DPM system for Participants to identify client accounts where the same mobile number and email address are captured within same Participant (Intra DP) excluding the permitted exceptions. Participants are advised to assign functional group rights to the user for availing the aforesaid facility.

9) Search Facility in respect of Same Mobile number / Email addresses on eDPM and Local DPM system :

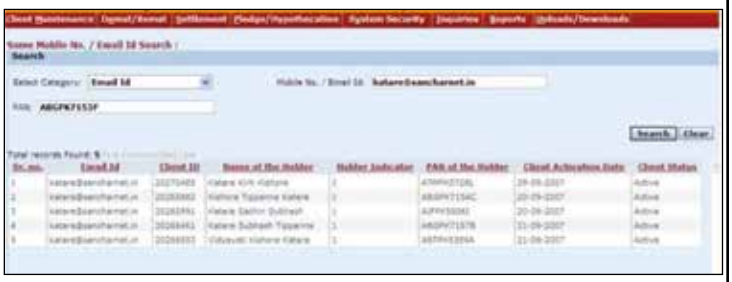
An additional search facility is made available on eDPM and Local DPM system to identify depository account holders having duplicate mobile numbers and email addresses. The user will be required to enter Mobile number / Email address along with the PAN of the client as exhibited below:

a) **Facility of eDPM to search Duplicate Mobile No / Email Address for Inter-DP:**



The eDPM system will provide a facility to find whether a particular email ID and/or mobile number is captured across NSDL system (Inter-DP search on eDPM system) excluding the given PAN entered in the search criteria and permitted exceptions.

b) **Facility of Local DPM to search Duplicate Mobile No / Email Address for Intra-DP:**



Further, Local DPM system will provide Client details of depository account holders against which the mobile number / email address has been captured within the Participant system (Intra DP search on Local DPM system) excluding the given PAN entered in the search criteria and permitted exceptions.

10) Tagging off House Margin Account:

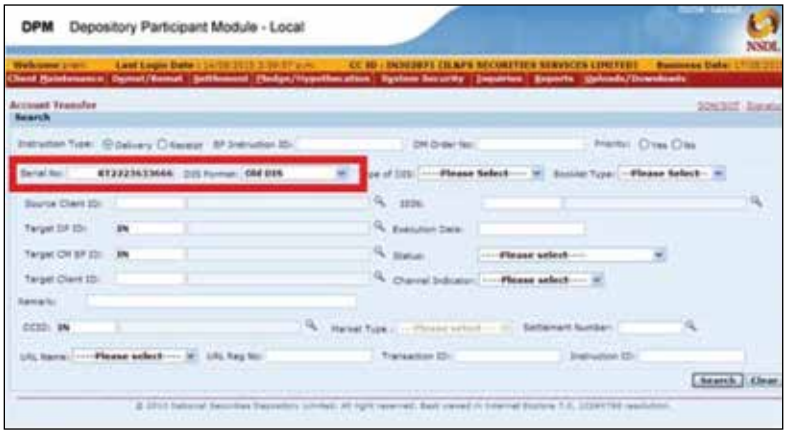
In the current DPM system, Participants are required to select the type and subtype at the time of opening first house account in its DPM system. Subsequently, Participants are not required to select type and sub type at the time of opening any other house account in its DPM system and type/sub type selected at the time of opening first house account is automatically allotted for subsequent house accounts opened by Participants. It is observed that some of the Participants have opened the first house account under sub type as "**Margin**".

As Participants are aware, house accounts opened by Participants are for holding and transacting their own securities, Participants are requested to note that subsequent to version release 5.6, Participants will not be allowed to open House account under sub type as '**Margin Account**'.

Further, if the Participants have already opened the first House Account as "Margin Account", in that case while opening the second House account Participants will be able to select the type/subtypes except as Margin Account and selected type and subtype will be applicable for the remaining house accounts opened by Participants.

11) Search facility on the basis of Delivery Instructions Slip (DIS) serial number on Local DPM system :

An additional search criterion is being made available in the search screens of settlement modules of Local DPM system to identify the instructions processed on the basis of DIS number. The user will be required to enter DIS serial number and DIS Format (Old / New) as exhibited below:



	The Local DPM system will provide instruction details matching with given search criterion as exhibited below:
Circular No.: NSDL/ POLICY/2015/0067 Date: July 31, 2015	**Subject:** ***DPM Version Release 5.6.*** Attention of Participants is invited to Circular No. NSDL/POLICY/2015/0060 dated July 13, 2015 regarding file format of DPM Version Release 5.6 to be released on August 1, 2015. In this regard, we are in receipt of request from some of the Participants to postpone the release. Accordingly, all Participants are hereby informed that the new date of aforesaid release is **August 22, 2015**. The circular containing the detailed features in respect of aforesaid version release will be provided shortly. Further, as mentioned in Circular No. NSDL/POLICY/2015/0040 dated April 13, 2015 regarding separate mobile number and e-mail address the facility to record exception will be provided with the aforesaid DPM Version Release. Meanwhile, Participants can maintain such records of exception in their internal record to ensure the implementation of the aforesaid Circular dated April 13, 2015 from August 1, 2015. Alerts for multiple mobile number and e-mail address will be provided from August 3, 2015 on i-Assist intranet site of NSDL.
Circular No.: NSDL/ POLICY/2015/0060 Date: July 13, 2015	**Sub:** ***Changes in File Formats and Static data codes with respect to DPM Version Release 5.6.*** All Participants are hereby informed that DPM System Version 5.6 is scheduled to be released on July 31, 2015. In this context, the changes in file formats and static data codes in respect of the back-office interface with eDPM and Local DPM system are enclosed at **Annexure I**. Participants are advised to make necessary changes in their back office system as per the enclosed file formats in respect of DPM System Version 5.6 latest by July 24, 2015.

Circular No.: NSDL/ POLICY/2014/0102 Date: September 29, 2014	***Subject: Release of DPM System Version 5.5.*** All Participants are hereby informed that DPM System Version 5.5 is released on **September 26, 2014**. Participants are requested to note that the features being released as a part of Version 5.5 will be made operational from **October 1, 2014**. Salient features of DPM System Version 5.5 are enclosed at **Annexure**. Participants can continue the functions in eDPM System & Local DPM System till Version 5.5 is operational from **October 1, 2014**. For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in.
	'Annexure' **Salient features of DPM system Enhancement for Incorporation of DIS issuance, execution and DIVS (DPM version release 5.5)** NSDL vide its Circular Nos. NSDL/POLICY/2014/0004 dated January 8, 2014, NSDL/POLICY/2014/0080 dated July 4, 2014, NSDL/POLICY/2014/0085 dated August 5, 2014, NSDL/POLICY/2014/0092 dated August 25, 2014 and NSDL/ POLICY/2014/0093 dated August 28, 2014 had informed Participants regarding standardization, monitoring and scanning of DIS which shall be effective from **October 1, 2014**. In this regard, to facilitate Participants to comply with aforesaid guidelines, NSDL has enhanced the DPM System as follows:
	A. **DIS Issuance:**
	1. To facilitate Participants to enter the details of DIS issued to Clients/ POA holder, a facility is being provided in eDPM system to enter the details of DIS issued to Clients/POA holder through front end screen. Participants can start entering the legacy as well as current details in respect of DIS (unused) issuance in eDPM system from the BOD of **October 1, 2014** in the given option as exhibited below: (Client Maintenance → DIS Issuance). Participants are required to enter the following details in eDPM System immediately but not later than within two days from the DIS issuance date :

a) DIS Instruction Type

b) Client/ POA Indicator

c) Client ID/ POA ID (must be in 'Active/Suspended' status)

d) Old DIS Indicator (in case of DIS is in old format irrespective of date of issuance)

e) DIS serial number range [From – To]

f) DIS Transaction Type

g) DIS Issuance Date

h) Loose Slip (in case of loose slip only)

The facility to capture details in respect of DIS issuance are being provided as exhibited below (Client Maintenance → DIS Issuance → New):

Participant must ensure that details of **new** DIS issuance are entered in eDPM system for those DIS which are issued to Client on or after **October 1, 2014** and details of DIS which are in old format are entered in eDPM system with **old** DIS indicator.

2. The option to search the details of DIS issued to Clients/POA holders is being provided to Participants under the link DIS Issuance (Client Maintenance → DIS Issuance → Search). The search can be executed on the basis of DIS details i.e. Instruction Details and Master Details as exhibited below:

3. A facility is being provided in eDPM system to enter the details of DIS issued to Clients/ POA holder through file upload option viz., DIS Master Upload is given under Uploads / Downloads in eDPM system as exhibited below : (Uploads/Downloads → DIS Master upload)

4. A facility is being provided to block the unused DIS serial number(s) in eDPM in respect of DIS(s) which has/ have been lost/misplaced/stolen or the client account in closed status. In case of any error in the DIS issuance entry by the Participant, Participant can cancel the DIS details entered/ uploaded in e-DPM and re-enter/ re-upload the same. The facility to Cancel/ Block DIS is given under DIS Issuance screen as exhibited below:

The Participants will be required to select the specific status i.e. Cancel or Block from the drop down option viz., 'Requested Status' and should provide the 'Status Change Reason' for every DIS status change. Audit trail for the same will be maintained in the e-DPM.

Back-office Impact: **Yes**. *(Refer NSDL Circular Nos. NSDL/POLICY/2014/0072 dated June 4, 2014 and NSDL/ POLICY/2014/0076 dated June 24, 2014.)*

B. **DIS Execution:** For DIS executed in the DPM System on or after October 1, 2014, Participant are required to enter DIS serial number in eDPM at the time of DIS execution irrespective of whether the DIS is in old formats or in new formats. Participants are required to enter the following DIS details in eDPM system in these module:

a) Type of DIS

b) DIS serial number

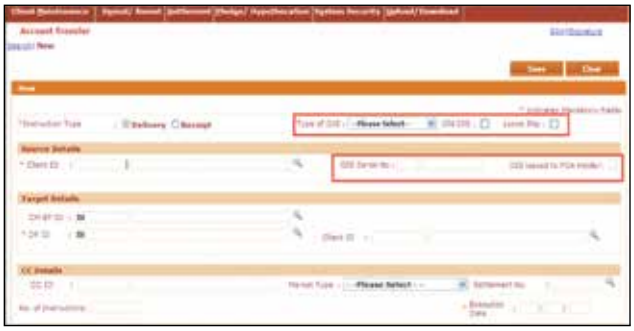
c) In case of DIS in old format, old DIS flag has to be enabled.

d) In case of loose DIS slip, Loose Slip Indicator has to be enabled.

e) In case DIS issued to Power of Attorney holder (POA), DIS issued to POA holder flag has to be enabled and POA ID has to be entered in eDPM system.

I. To facilitate Participants to enter the details of DIS at the time execution of instruction in eDPM system following modules have been enhanced:

1. **Account transfer Screen:**



a) DIS serial number can be executed for 'market' or 'off market' transfers.

b) Same DIS serial number can be used for executing multiple instructions of same execution date. The same DIS cannot be used for giving both market and off-market transfer instructions and for transfer instructions with multiple execution dates.

c) Type of instruction viz. market or off-mkt transfers and execution date for a DIS serial number is determined in the depository system on the basis of type and execution date of first instruction entered in e-DPM.

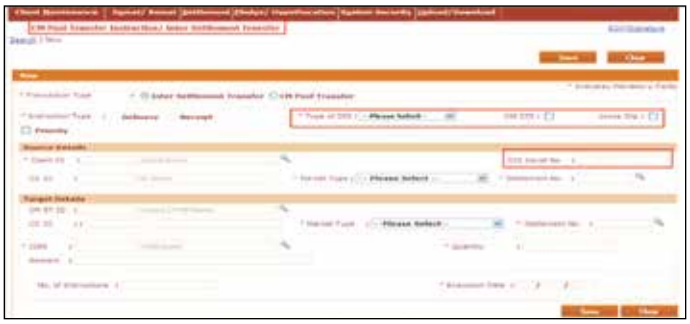
2. **Inter-Depository transfer screen:**

a) For account closure where the securities are to be transferred to an account of the same holder(s) with another Depository, for execution of inter-depository transfer instructions, Participant may capture **'CL9999999999'** against DIS serial number and execute the instruction.

b) For transmission of securities where the securities are to be transmitted to an account with another Depository, while executing the inter-depository transfer instructions, Participant may capture **'TR9999999999'** against DIS serial number and execute the instruction.

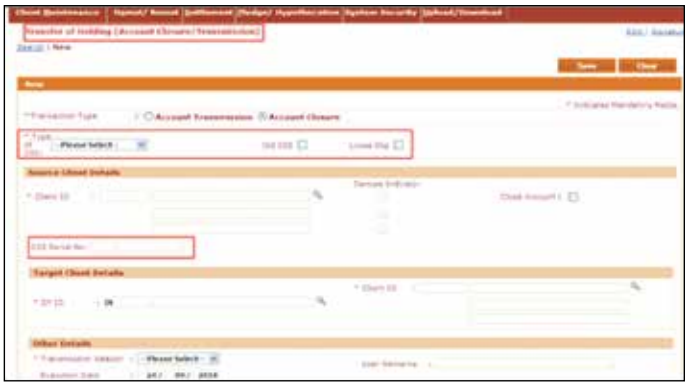
3. **Delivery out Screen :**

4. **CM Pool to Pool transfer / Inter Settlement Transfer:**



5. **Transfer of holding (Account closure):**

Participants may take a note that DIS serial number is **not** mandatory in case of account closure where the securities are to be transferred to an account of the same holder(s) or for transmission by using account closure/transmission module. The details are as exhibited below:



II. The facility has been provided to enter reason code and consideration in the eDPM for off-market and Inter-Depository transfer Instructions. Participants may take a note that the entry of reason code and consideration (wherever applicable) in the DPM will be optional till **April 1, 2015** after which it shall be mandatory to enter such reason and consideration (wherever applicable) in the DPM for off-market and Inter-Depository Transfer (IDT) Instructions. The details are as exhibited below:

III. For instructions to be executed in the DPM system based on a court or regulatory orders where no delivery instructions are available, Participant may capture **'RO9999999999'** against DIS serial number and execute the instruction.

IV. Participants should note that the DIS execution related changes will be made operational from BOD of **October 1, 2014**. Hence, Participants should continue with the existing procedure for DIS execution even after completing the version release i.e. till September 30, 2014.

Back-office Impact: **Yes**. *(Refer NSDL Circular Nos. NSDL/POLICY/2014/0072 dated June 4, 2014 and NSDL/ POLICY/2014/0076 dated June 24, 2014)*

C. **DIS Image Validation System (DIVS) :**

Participants are required to prepare a zip file containing digitally signed text file having details of all the DIS scanned images being posted alongwith all digitally signed scanned images. The aforesaid zip file containing the index file and scanned image is required to be uploaded to DIVS under the link Uploads/Downloads → Uploads → DIS Image Validation System (DIVS) as exhibited below:

1. The DIVS will validate the Participant's digital signature associated with each DIS scanned image and generate a response file.
2. The response file is a zip file containing (a) text file digitally signed by NSDL indicating successful validation or rejection by DIVS of the posted scanned images, (b) successfully validated scanned images returned after affixing NSDL's digital signature and (c) rejected scanned images returned, if any. The same is exhibited below (Uploads/Downloads → Download / Upload Status → Upload → Response For Capture and Verify Release Uploads):

	 3. The NSDL signed DIS images (i.e. aforesaid response files generated by DIVS) must be stored in a tamper proof manner as advised vide NSDL Circular No. NSDL/POLICY/2014/0093 dated August 28, 2014. 4. Participants Administrator user should provide respective functional rights to the users for using the aforesaid functionalities of the DIVS in Local DPM system. The functional rights in respect of DIVS can be provided by Admin user as exhibited below: (System Security → Function Group Rights) Back-office Impact: **Yes**. *(Refer NSDL Circular No. NSDL/POLICY/2014/0085 dated August 5, 2014).*
Circular No. NSDL/POLICY/ 2014/0032 Date: March 21, 2014	***Subject: Release of DPM System Version 5.3.*** All Participants are hereby informed that DPM System Version 5.3 will be released on March 28, 2014. Salient features of DPM System Version 5.3 are enclosed at Annexure. Utility containing Local DPM System Version 5.3 and instructions regarding upgradation will be provided at NSDL's intranet site (https://i-Assist) by EOD of March 25, 2014. Further, schedule for upgradation of Version 5.3 in the Local DPM System will be provided separately by NSDL Help Desk. Participants can continue the functions in eDPM System & Local DPM System till upgradation of Version 5.3. For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in.***Subject: Release of DPM System Version 5.3.*** All Participants are hereby informed that DPM System Version 5.3 will be released on March 28, 2014. Salient features of DPM System Version 5.3 are enclosed at Annexure. Utility containing Local DPM System Version 5.3 and instructions regarding upgradation will be provided at NSDL's intranet site (https://i-Assist) by EOD of March 25, 2014. Further, schedule for upgradation of Version 5.3 in the Local DPM System will be provided separately by NSDL Help Desk. Participants can continue the functions in eDPM System & Local DPM System till upgradation of Version 5.3.

	For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in.
Circular No. NSDL/POLICY/ 2014/0009 Date: January 28, 2014	***Sub: Release of DPM system version 5.2.8 and its features*** All Participants are hereby informed that following features have been released in eDPM/Local DPM system. The details in respect of below mentioned features are enclosed at **Annexure**. 1. Enhancement in Pledge module to capture multiple pledge initiation instructions. 2. Incorporation of new security type code in respect of Alternative Investment Fund (AIF). For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in. **'Annexure'** 1. **Facility to capture multiple pledge initiation instructions:** As Participants are aware, currently a single pledge instruction can be captured in the pledge module of eDPM system. In this regard, pledge module is now enhanced with facility to capture multiple pledge initiation instruction under pledge module in eDPM system. It will enable participants of Pledgor to initiate multiple pledge request of specific client. **Back office impact:** No The Pledge Initiation screen has been enhanced to initiate multiple pledge requests under pledge module as exhibited below: The Pledge Initiation screen has been enhanced to verify release multiple pledge initiation request under pledge module as exhibited below:

<table>
<tr><td></td><td>
<table>
<tr><td>2. Addition of new security type code:
The following Security Type Code has been added in the DPM System:</td></tr>
<tr><td>
<table>
<tr><th>Security Type Code</th><th>Description</th></tr>
<tr><td>21</td><td>Alternative Investment Fund (AIF)</td></tr>
</table>
</td></tr>
<tr><td>Participants are requested to note the aforesaid code relating to change in the static data for back-office batch interface with the DPM System.</td></tr>
</table>
</td></tr>
<tr><td>Circular No. NSDL/POLICY/ 2013/0134
Date: November 13, 2013</td><td>Sub: Release of DPM System Version 5.2
All Participants are hereby informed that DPM System Version 5.2 will be released on Friday, November 15, 2013. Salient features of DPM System Version 5.2 are enclosed at Annexure A.
Utility containing Local DPM System Version 5.2 and instructions regarding upgradation will be provided at NSDL’s intranet site (https://i-Assist) by EOD of November 13, 2013. Further, schedule for upgradation of Version 5.2 in the Local DPM System will be provided separately by NSDL Help Desk. Participants can continue the functions in eDPM System & Local DPM System till upgradation of Version 5.2.
For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in.</td></tr>
<tr><td>Circular No. NSDL/POLICY/ 2013/0122
Date: October 21, 2013</td><td>Sub: Incorporation of ‘Pledge Closure Cancellation’ in eDPM / Local DPM system and changes for the same in file formats.
As Participants are aware, the pledge created in the depository system can be closed in the following ways:
1. Request for closure of pledge by the pledgor and subsequently confirmation of closure request by the pledgee.
2. Request for unilateral closure of pledge by the pledgee.
In case the pledge closure request is given by the pledgor to its Participant and the pledgee has not given a confirmation of the pledge closure request to its Participant, it will remain in status “Pending for pledgee confirmation”. In such a case, the Participant of the pledgee cannot initiate unilateral closure of pledge, unless the pledge closure confirmation is rejected. Thus, in order to facilitate the Participant of the pledgor to cancel the pledge closure request, a facility viz., ‘Pledge Closure Cancellation’ will be incorporated in eDPM system.</td></tr>
</table>

	In view of the above, the changes in the file formats in respect of the back-office interface with eDPM and Local DPM system are enclosed at Annexure. Participants are advised to make necessary changes to their back office system by incorporating aforesaid facility as per the enclosed file formats. The aforesaid feature will be released in DPM System Version 5.2 Release scheduled in the last week of October 2013. The detailed feature will be provided shortly.
Circular No. NSDL/POLICY/ 2013/0080 Date: June 7, 2013	***Sub: Release of DPM System Version 5.1*** All Participants are hereby informed that DPM System Version 5.1 will be released on Monday, June 10, 2013. Salient features of DPM System Version 5.1 are enclosed at Annexure A. Utility containing Local DPM System Version 5.1 and instructions regarding upgradation will be provided at NSDL's intranet site (https://i-Assist) by EOD of June 7, 2013. Further, schedule for upgradation of Version 5.1 in the Local DPM System will be provided separately by NSDL Help Desk. Participants can continue the functions in eDPM System & Local DPM System till upgradation of Version 5.1. For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in
Circular No. NSDL/POLICY/ 2013/0023 Date: January 31, 2013	***Sub: Corrigendum to Circular related to release of DPM System Version 5.0*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2013/ 0020 dated January 30, 2013 regarding Release of DPM System Version 5.0. Participants are hereby informed that release date of DPM System Version 5.0 should be read as **"Friday, February 1, 2013"** instead of "Saturday, February 1, 2013".
Circular No. NSDL/POLICY/ 2013/0020 Date: January 30, 2013	***Sub: Release of DPM System Version 5.0*** All Participants are hereby informed that DPM System Version 5.0 will be released on Saturday, February 1, 2013. Salient features of DPM System Version 5.0 are enclosed at Annexure A. Utility containing Local DPM System Version 5.0 and instructions regarding upgradation will be provided at NSDL's intranet site (https://i-Assist) by EOD of January 30, 2013. Further, schedule for upgradation of Version 5.0 in the Local DPM System would be received from NSDL-Help Desk vide a circular. Participants can continue the functions in eDPM System & Local DPM System till upgradation of Version 5.0. For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in **'Annexure A'** **Index** **Sr.No. Features Page** 1 Facility to execute 'Account Closure' instruction alongwith instruction for transfer of holding (Account closure/ Transmission)' from eDPM system 1 2 Incorporation of 'ISIN Type' in the selection criteria in ISIN Master List report in Local DPM system 4 3 Generation of covering letter in Local DPM system upon Pledge initiation 5

	4	Access for 'QFI Client Search' screen to Qualified Depository Participants	6
	5	Utilities to be included in GISMO system under new tab i.e. 'DP Reports'	6
	6	Automatic download of Statement of Holding	8
	7	Provision to Generate Client Master export for Modified Clients	8
	8	Enhancement in BSDA PAN Search facility in eDPM system	9
	9	Incorporation of Change of Name facility in the Beneficial Owner (BO) Account	10
	10	Facility to download Address Master for Suspended ISINs from Local DPM system	12
	11	Facility for modification of RGESS flag in depository accounts	12
	12	Generation of separate series of Client IDs in advance from Local DPM system for Participant's Back-office system	13
	Note: *Page no. 2 to 16 of the 'Annexure A', 'Annexure B' and 'Annexure C' are posted at NSDL's intranet site (https://i-Assist) under the head* ***'Features of DPM system Version 5.0'****.*		
Circular No. NSDL/POLICY/ 2012/0106 Date: September 27, 2012	***Sub: Release of DPM Software Version 4.7***		
	All Participants are hereby informed that DPM Software Version 4.7 will be released on Saturday, September 29, 2012. Salient features of DPM Software Version 4.7 are enclosed in Annexure. Installation software containing Local DPM Software Version 4.7 and instructions regarding upgradation procedure will be available at NSDL's intranet site (https://i-Assist) on September 29, 2012. Further, schedule for upgradation of Version 4.7 in the Local DPM System would be available on i-Assist by September 27, 2012. Participants must upgrade the software on September 29, 2012 as per the schedule provided by NSDL Help desk.		
	For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in		
	Annexure		
	In light of SEBI Circular No. CIR/MRD/DP/22/2012 dated August 27, 2012 (*informed to Participants vide NSDL Circular No. NSDL/POLICY/2012/0086 dated August 28, 2012*) regarding facility for a Basic Services Demat Account (BSDA), following features are introduced in the DPM System.		
	1) **Flag for identifying 'Basic Services Demat Account'**		
	(i) To facilitate opening of new depository account(s) as 'Basic Services Demat Account', an indicator in the form of check box named 'Basic Services Demat Account' is being provided in the Client Creation (Individual) screen under Client Maintenance Module of the Local DPM System, as exhibited below:		

(ii) To facilitate conversion of existing eligible depository account(s) into BSDA, similar check box named 'Basic Services Demat Account' is being provided in 'Client Modification' screen, as exhibited below:

(iii) In case of back office batch interface with the Local DPM System, Participants will be required to enable the 'BSDA' flag in the back office upload files (*refer file format provided at NSDL Circular No. NSDL/POLICY/2012/0093 dated September 7, 2012*).

(iv) Participants will be able to enable 'BSDA' flag at the time of opening/modifying depository accounts for the following Types and Subtypes :

Type	Subtype
Resident	Ordinary
	Margin Account
	Promoter
	Ordinary-DR
NRI	NRI-Repartriable
	NRI-NonRepartriable DR
	NRI-Repartriable-Promoter
	NRI-NonRepartriable-Promoter
Foreign National	DR FN
	FN-Promoter
QFI	Individual

To view depository account(s) marked for BSDA with all updated details, Participants will be required to access at 'Client Maintenance>Details View' in Local DPM System.

2) **Intra-Depository PAN verification (*i.e.*, *within NSDL system*) for new BSDA/existing accounts marked as BSDA**

(i) After Participant has verified/released new depository account(s) as BSDA or converted existing eligible depository account(s) as BSDA by enabling the BSDA flag in the Local DPM System, PAN details captured against the sole/first holder in such BSDA marked depository account(s) will be cross-verified with other depository account(s) (*that are in status 'Active', 'Suspended for Debit & Credit' and 'Suspended for Debit'*) for ascertaining whether similar PAN details are captured against the sole/first holder in other depository account(s) held with Participants of NSDL.

(ii) In case any such depository account(s) with Participants of NSDL is found with similar PAN matching criteria (*i.e., PAN details captured against the sole/first holder*), NSDL will modify the BSDA flag at its end by disabling it in the source depository account(s) that was marked for 'BSDA'. Thus, new and modified depository account(s) verify/released with BSDA flag enabled will get activated/modified as the case may be, with BSDA flag enabled or disabled.

(iii) Participants will be able to ascertain the status of such depository accounts marked from 'BSDA' to 'regular account' by NSDL, at 'Client Creation (Individual)', 'Client Maintenance>Details View', 'Audit Client details' and 'Client Master' Download.

3) **Daily Report where regular demat accounts are opened subsequently with same PAN as in BSDA:**

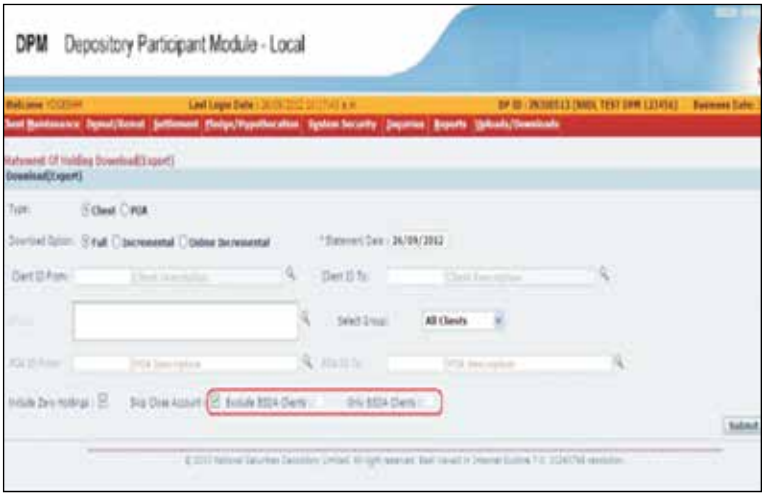
In case a new demat account is opened as a regular account having the PAN which is already available in any BSDA as sole/first holder with any Participant of NSDL, a daily report will be provided to the Participant having the BSDA. For this, in case of depository account(s) that are marked for BSDA, PAN details captured against the sole/first holder in such depository account(s) will be cross-verified with other depository account(s) in NSDL system (*that are in status 'Active', 'Suspended for Debit & Credit' and 'Suspended for Debit'*) on a daily basis. If any other depository account(s) is/are found with similar PAN matching criteria (*i.e., PAN details captured against the sole/first holder*), response file viz., 'Changes to existing BSDA – ddmmyyyy' containing the Client details in respect of existing depository account(s) marked for 'BSDA' will be made available by EOD of the next working day at NSDL's intranet site (https://i-assist).

4) **BSDA check box in Statement of Holdings / Transaction Statement - Non CM screen and downloads:**

A new check box named 'Exclude BSDA Clients' and 'Only BSDA Clients' is being provided in the 'Statement of Holdings / Transaction Statement - Non CM' input screen as well as at 'Statement of Holdings' and 'Transaction Statement' downloads. This will facilitate Participants to extract reports / downloads of Statement of Holdings and Transaction Statement by including / excluding depository accounts marked for 'BSDA'. The relevant screens are exhibited as below :

(i) 'Statement of Holdings / Transaction Statement - Non CM' report:

(ii) 'Statement of Holdings' download :



** This is applicable only for online incremental download option.

(iii) 'Transaction Statement' download :

5) **Value of holdings held in depository accounts marked for BSDA or regular account :**

To facilitate Participants to ascertain the value of holdings in respect of depository accounts that are marked for 'BSDA', file named 'DP ID_BSDA_ Valuation_ddmmyyyy' containing details viz., DP ID, Client ID, date of valuation and value of holdings (*in Rs.*) held in such depository account(s) will be provided daily at the intranet site of NSDL i.e., https://i-assist

for download by EOD (*for file formats, refer NSDL Circular No. NSDL/POLICY/2012/0097 dated September 14, 2012*).

Similarly, for depository accounts that are regular accounts viz; not marked for 'BSDA', file named 'DP ID_Non_BSDA_Valuation_ddmmyyyy' containing similar features will be provided in the valuation file with valuation of the last day of the month. The valuation file will be made available by EOD of the next working day at the intranet site of NSDL i.e., https://i-assist for download by EOD.

6) **Access to valuation files - BSDA:**

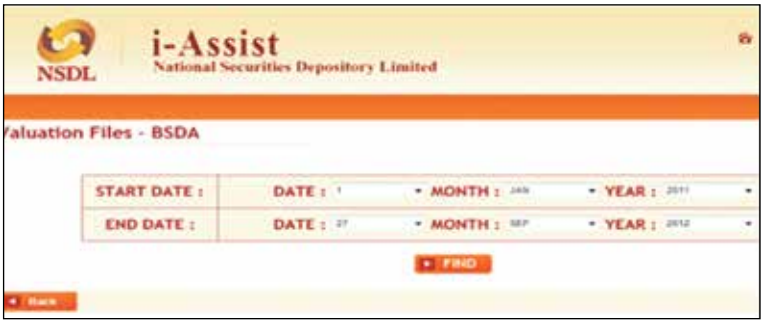
Participants can access and download the aforesaid files at NSDL's intranet site (i.e., https://i-assist) by following the procedure given below:

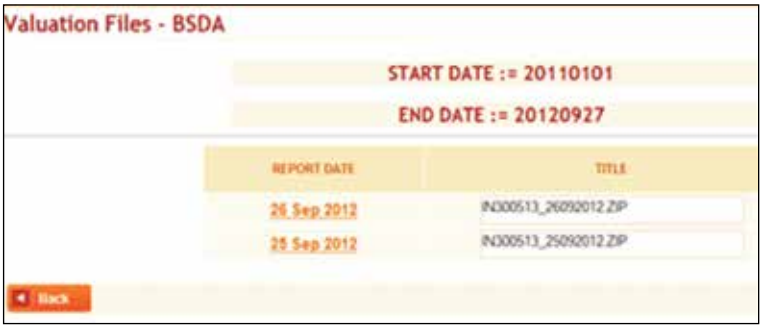
a) Login to intranet site of NSDL i.e., https://i-assist/. Login to https://i-assist/ will be available from any DPM LAN machines.

b) Enter the existing 'Maker' User ID viz., DP ID & Password.

c) Click on the link named 'BSDA Downloads'. (as exhibited below)

d) To download the files for more than a day, enter the date range and click on Find button. The date wise zip files will be available for download. (as exhibited below)





e) The BSDA related files would be zipped. Copy the files to desired folder.

These files will be available on https://i-assist/ for one month.

Further, Participants are requested to note that PAN search in eDPM System to ascertain eligibility of depository account for BSDA will be provided shortly.

Circular No. NSDL/POLICY/ 2012/0075
Date: August 9, 2012

Sub: Release of DPM System Version 4.6

All Participants are hereby informed that DPM System Version 4.6 will be released on Saturday, August 11, 2012. Salient features of DPM System Version 4.6 are enclosed at Annexure.

Utility containing Local DPM System Version 4.6 and instructions regarding upgradation will be provided at NSDL's intranet site (https://i-Assist) by EOD of August 9, 2012. Further, schedule for upgradation of Version 4.6 in the Local DPM System would be received from NSDL-Help Desk vide a circular. Participants can continue the functions in eDPM System & Local DPM System till upgradation of Version 4.6.

For any information / clarifications, Participant are requested to contact NSDL Help Desk at (022)

2499 4601 to 4610 or email at helpdesk@nsdl.co.in

Index

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4	Client Master download for activated depository accounts during given date range	4
5	Client creation and Client modifications instructions not to get captured or verify/released in case of invalid PAN structure	5
6	EOD exports/ Auto upload related log files to be deleted automatically after seven days	6
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10	Client ID to auto populate in 'To Client ID' field	9
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1) Automatic inclusion of bank details (*i.e., bank name and branch address*) at the time of upload of Client creation upload files:

Currently, at the time of uploading Client creation files, relevant bank details viz., IFSC, MICR code, bank name and branch address are required to be provided in the upload batch file. Pursuant to the version release, IFSC and MICR code details can only be provided in the Client creation upload files, as the bank name and branch address will be automatically fetched from the latest 'Bank Master' details available in the Local DPM System (*refer point no. 7 of Annexure A to NSDL Circular No. NSDL/POLICY/2011/0029 dated April 6, 2011 regarding Updation of Bank Master*) after the batch file is uploaded into the Local DPM System.

In case bank details viz., bank name & branch address along with IFSC and MICR code details are provided in Client creation upload file then bank name and branch address available in the 'Bank Master' will not be considered and the bank details provided in the Client creation upload file will get uploaded. Further, in case IFSC & MICR code provided in the Client creation upload file are not present in "Bank master", such instruction(s) will get rejected and error file will be generated accordingly.

As this feature will be Participant specific, for availing this facility, send an email to NSDL-Help Desk at helpdesk@nsdl.co.in, providing the DP ID. On receipt of the email, NSDL-Help Desk will configure the required parameters and activate this feature in the Local DPM System and send confirmation email.

Note : In case of Client modifications with respect to bank details, the above feature will not be applicable and the existing process of entering/providing all bank details in upload file will be required to be followed.

2) **POA Client Mapping Report enhanced - Client IDs mapped to POA IDs not registered for SMS alert facility**

'POA Client Mapping Report' (*Reports → Master List →POA Client Mapping Report*) is available in the Local DPM System which provides details of Client IDs mapped to POA IDs. For generating this report, POA ID range is required to be entered.

This report is enhanced to extract details of those Client IDs along with account holder details mapped to POA IDs in the Local DPM system that are not registered for SMS alert facility i.e., either mobile number is not present or mobile number is present but SMS flag is not enabled. For generating such a report, enter the requisite POA ID, enable the check box 'POA registered without SMS alert opted' and click on 'Print Preview' button, as exhibited below:

Report providing such Client details will be generated as exhibited below:

3) **Enhancement in Inquiries module to include Power of Attorney Audit details :**

'Audit POA / Corporate POA details' is being introduced in 'Inquiries' module. To access this feature, go to Local DPM System→ Inquiries → Audit Trail → Audit POA Details. To view the POA audit details, enter the requisite POA ID and click on search button as exhibited below:

The audit details for the requested/entered POA ID will be displayed as exhibited below:

4) **Client Master download for activated depository accounts during given date range**

In the version release 4.5, facility to download Client Master details (*Uploads / Downloads → Downloads → Master → Client Master*) with 'Download Option' as 'Full' for a given date range was introduced. Further, downloaded Client Master details contains depository accounts that were activated / modified (*i.e.,changes in Client demographic details etc.*) during the requested/entered date range.

This module has been further enhanced to facilitate downloading of Client Master details with respect to depository accounts that were activated during the requested/entered date range. To download only depository accounts activated during a given date range (*and not to include Client modification details*), enable the radio button 'Full', enter the date range and enable the check box 'Include only Activated Clients', as exhibited below:

5) **Client creation and Client modifications instructions not to get captured or verify/released in case of invalid PAN structure :**

(I) **Current structural validations in Client Maintenance Module (*Client Creation and PAN Modifications*)**

Currently, entering PAN details in PAN field is mandatory in Client Maintenance Module in the Local DPM system at the time of Client creation, PAN field in the Client Maintenance Module are subject to structure validation as follows :

- ✓ 1-5 characters should be Capital alphabets (A-Z)
- ✓ 6-9 characters should be Numbers
- ✓ 10th character should be a Capital alphabet (A-Z)

At the time of Client creation or Client modifications through front end application of Local DPM System, if the PAN details entered contain invalid PAN structure then an alert message is displayed on the screen as exhibited below :

Similarly, in case of back office batch file upload, 'error' file is generated. Participants can override the warning / alert / error message and continue to capture / verify & release the account opening / modification instructions in the Local DPM System.

(II) **Changes in the Client Maintenance Module post version release (*DP specific configurable*)**

Post Version release, if the requisite details entered or batch files uploaded in respect of Client creation and modifications contains invalid PAN structure (*structural validations as mentioned above in point no. 5 (I) and* error message is displayed on the screen (screenshot given below) or error file is generated (*as the case may be*), such Client creation and Client modification instructions will not get verify/released.

Note : The structural validations will not be carried out in respect of depository accounts opened for exempt category where prescribed PAN details are entered like SIKKIMCATG, EXEMPTCATG, TRANSMISIN, etc.,

6) **EOD exports/ Auto upload related log files to be deleted automatically after seven days**

In Local DPM System, EOD export related files (*viz., COD / SOT / SOH etc*) and Auto upload related log files are downloaded in the 'C' drive or at a pre-defined drive. These files are generally of large size. These files are required to be manually deleted. Post version release, these files will get automatically deleted after seven days (*i.e., on the eighth day*) from the date of generation. Example; files generated on August 1, 2012 will get automatically deleted on August 8, 2012. Similarly, files generated on August 2, 2012 will get automatically deleted on August 9, 2012.

For changing the periodicity, viz., seven days criteria, send an email to NSDL-Help Desk at helpdesk@nsdl.co.in, providing the DP ID. On receipt of the email, NSDL- Help Desk will configure the required parameters viz., no. of days for retaining the log files in the Local DPM System and send confirmation email.

7) **Browser configuration and operating system for accessing eDPM and Local DPM System**

Post version release, the browser configuration for accessing eDPM and Local DPM System will be Microsoft Internet Explorer (IE) version 7.0 or 8.0. In case Microsoft IE version 6.0 is currently being used then ensure to upgrade to Microsoft IE version 7.0 or 8.0 by September 1, 2012. Further, it may be noted that Microsoft IE version 6.0 will be applicable or can be used to access eDPM and Local DPM till September 1, 2012.

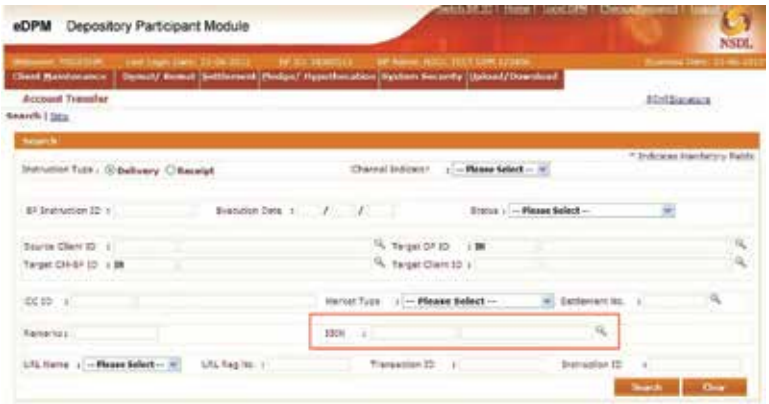
Further, Windows 7 operating system is qualified for accessing eDPM and Local DPM System through Client Machine. Thus, eDPM and Local DPM System can be accessed through current applicable operating system or operating system Windows 7 can be installed in Client machine.

8) **Facility to enhance signature details in Local DPM System**

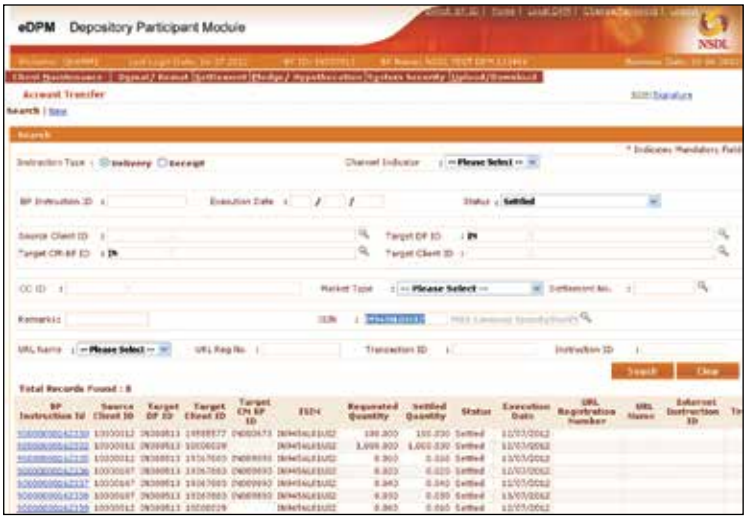
Facility to enhance (*i.e., zoom*) signature details in various screens in client maintenance module in Local DPM System is being made available. Click on (+) button to enhance the signature, as exhibited below:

9) **Instruction(s) search based on ISIN as input criteria:**

Facility to search and view instruction(s) details based on ISIN as input criteria is being made available in the eDPM system. For this purpose, enter the ISIN and click on 'Search' button.



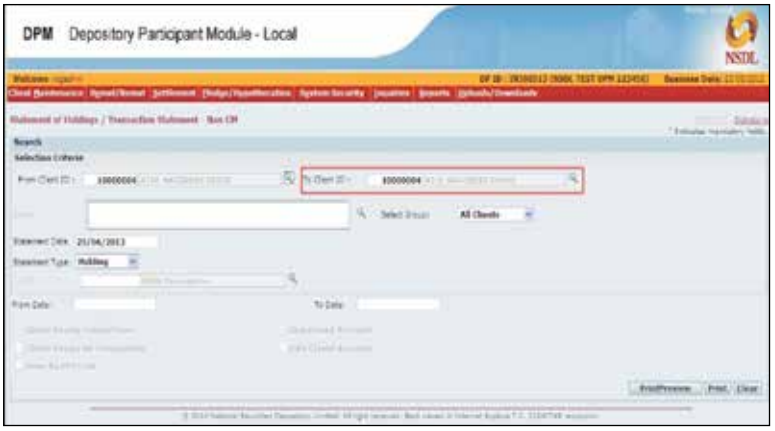
The relevant instruction(s) executed for the specified ISIN will be displayed on the screen as displayed below :



It is suggested that additional details be provided like execution date, status etc along with ISIN as search criteria. This facility will be available in Account Transfer, Delivery Out and Inter Depository Transfers screens under settlement module.

10) **Client ID to auto populate in 'To Client ID' field:**

At the time of generating Statement of Holding / Transaction -Non CM report from Local DPM System, when a Client ID is entered in the 'From Client ID' field, the same Client ID will get automatically populated in the 'To Client ID' field as well, as exhibited below:

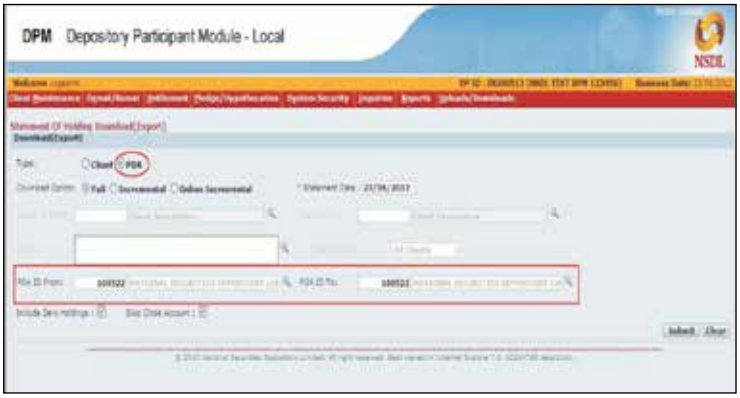


Note : Auto population will be only with respect to beneficiary accounts and will be not applicable for Client IDs of Clearing Member accounts.

11) **Facility to download Statement of Holdings (SOH) based on POA ID as input criteria:**

Facility to download SOH for depository accounts mapped to POA IDs in the Local DPM System is being introduced. To download SOH of such depository accounts, go to Statement of Holdings Download (Export) (*Uploads / Downloads → Downloads → DPM Downloads → Statement of Holding*) in the Local DPM System, enter the requisite POA ID (*other than 'Closed' status*) in the 'POA ID from' and 'POA ID To' field (*details*

entered in the 'POA ID from' field will be automatically populated in 'POA ID To' field as well) and click on 'Submit' button.



Statement of Holdings in respect of depository accounts mapped to the requested/entered POA IDs will get downloaded.

12) **Facility to generate Pledge Master Report based on Pledge Instruction ID as input criteria :**

Facility to generate Pledge Master Report (*Local DPM System→ Reports → Pledging → Instruction Details*) based on Pledge 'Instruction ID' as input criteria is being introduced in the Local DPM System, as exhibited below:

13) **Auto synchronization of User IDs for accessing eDPM and Local DPM System :**

Currently, if the functional User wishes to access both eDPM System and Local DPM System, then the Admin or Multi Admin User is required to synchronise the User ID of such functional User in the eDPM System under System Security module for providing such access.

Post version release, when Admin / Multi Admin User creates new functional User ID in eDPM System with Local DPM User check box flag enabled, the functional User ID will automatically get synchronized and such User will get access to both eDPM and Local DPM System. Thereafter, Admin / Multi Admin User would be required to allot required functional rights to such Users in Local DPM System. In case such User changes the password in eDPM System, the new password will be automatically synchronised in Local DPM System as well.

In respect of existing functional Users IDs who are not synchronised for accessing both eDPM and Local DPM System, Admin / Multi Admin User would be required to carry out one-time activity of synchronizing such Users in the eDPM System→System Security→Syncronize Users, as exhibited below:

There will no impact on the NSDL Back office file formats for all abovementioned facilities / features.

Circular No. NSDL/POLICY/ 2012/0026
Date: February 29, 2012

Sub: Release of DPM System Version 4.5

All Participants are hereby informed that DPM System Version 4.5 will be released in 1st week of March 2012. Salient features of DPM System Version 4.5 are enclosed at Annexure A.

Participants would receive a Compact Disc (CD) containing Local DPM System Version 4.5 and instructions regarding upgradation by courier by March 2, 2012. Further, schedule for upgradation of Version 4.5 in the Local DPM System would be received from NSDL Help Desk vide a circular. Participants can continue the functions in eDPM System & Local DPM System till upgradation of Version 4.5.

For any information / clarifications, Participant are requested to contact NSDL Help Desk at (022) 2499 4601 to 4610 or email at helpdesk@nsdl.co.in.

Annexure A

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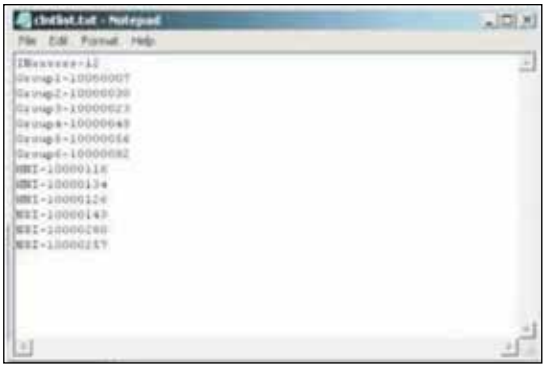
1) Facility to generate Statement of Holdings (SOH) for specific group

Facility to download (*export*) Statement of Holdings by including / excluding specified Clients IDs is being provided in the Local DPM system. To avail this service, follow the below given procedure:

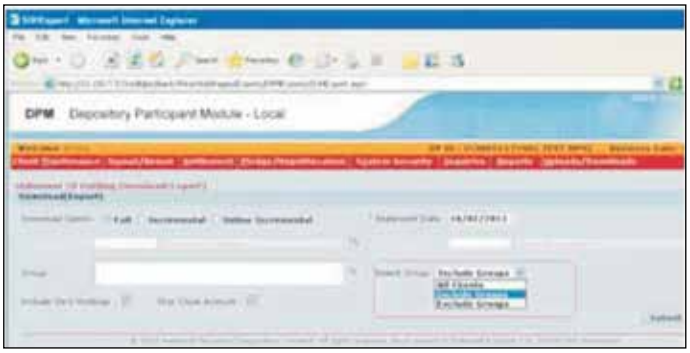
(i) After DPM System Version 4.5 compact disc is installed on the Local DPM System, a folder named 'BackOfficesotsohnew' would be created in 'C' drive of the Local DPM System.

(ii) Create group names and corresponding Client IDs in a notepad. The notepad containing the group names and the Client IDs should be separated using tilde (~). The header details of the notepad should contain the DP ID and number of records that are being uploaded. File format in this regard, is enclosed at Annexure I. Sample notepad is exhibited below for your reference:

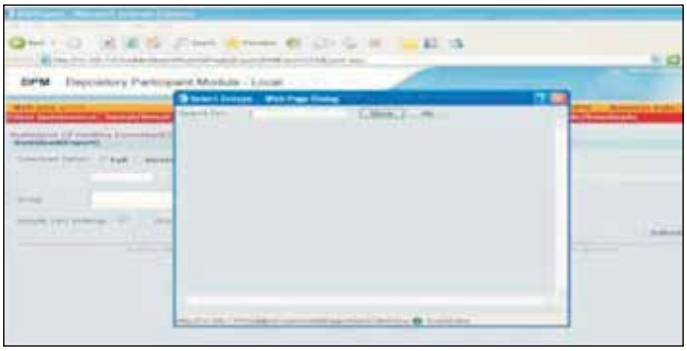


(iii) Save the notepad in the 'BackOfficesotsohnew' folder. The name of the notepad should be **Clntlist.txt** .Double click on the 'ImportSOHData.bat'. Upon doing so, requisite Client details will get uploaded in the Local DPM System.

(iv) For downloading SOH of specified Client IDs, select the option 'Include Groups' or 'Exclude Groups' from the head 'Select Group' as the case may be:



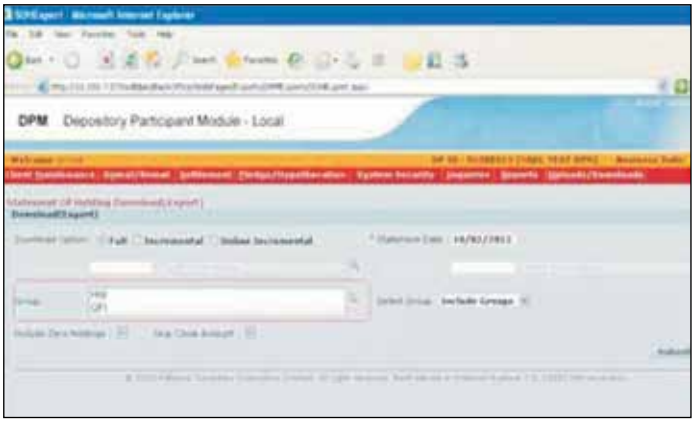
(v) Upon clicking on the 'Search' button from the field 'Group', the following screen would be displayed to facilitate entering the 'Group name' :



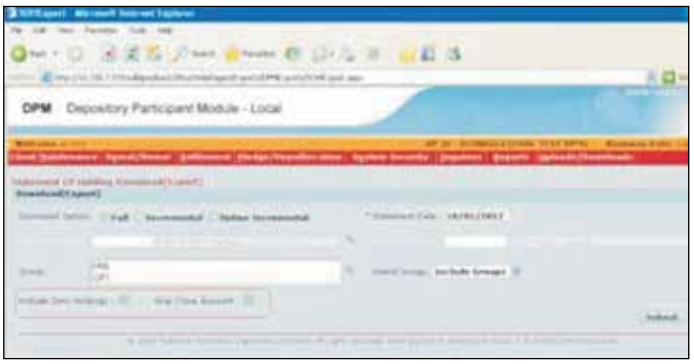
(vi) Enter the 'Group name' or click on the 'Show' button to view the 'Group name' details:

(vii) Enable the check box against the required group name(s) and click on 'Ok' button.

(viii) The groups name(s) that are enabled would be displayed in the box under the head 'Group', as exhibited below :



(ix) Other selection criteria viz., 'Include Zero Holdings' and 'Skip Close Account', as exhibited below, can be used at the time of downloading the SOH:



The existing notepad must be used to append / delete the records, in case fresh records are required to be created or existing records are to be deleted, as subsequent records uploaded would overwrite the existing details in the notepad. Alternatively, prepare a notepad that retains the existing records *(that wished to be retained)* and add / delete the records of choice in the same notepad. Thereafter, follow the procedure mentioned in point no. 1 (iii) above.

Impact on NSDL file formats : No.

2) Automatic download of Changed Orders for the Day (COD) / Transaction Statement (SOT)

Facility to download COD / SOT automatically in a pre-defined folder at periodic interval is being provided. For availing this facility, send an email to NSDL Help Desk at helpdesk@nsdl.co.in, providing the DP ID, period / interval of download (*i.e., every 15 minutes / 30 minutes / one hour / two hours etc*) and the requisite folder where the COD/SOT should get downloaded. The minimum period that can set for download is 15 minutes. Upon receipt of the email, NSDL Help Desk will configure the required parameters in the Local DPM System and send confirmation email. Upon configuring the required parameters, new service viz., 'NSDL AutoCod Service' as exhibited below, will be displayed at 'Services':

COD / SOT will be downloaded after specific (*set*) period / interval provided there is a change in the status of instruction already executed or generation of new instruction and subject to availability of sufficient space in the requisite drive of the Local DPM System. The file naming convention of the COD file would remain unchanged. As time (*including last updated time*) is also mentioned in the file naming convention, it will be easy to identify the time at which these files were downloaded in the pre-defined folder.

Impact on NSDL file formats : No.

3) Automatic downloads at EOD enhanced

Currently, Security Master (ISIN) and Business Partner details are required to be manually downloaded from Local DPM System. In addition to this usual/regular process, facility is being provided where Security Master (ISIN) and Business Partner details would be automatically downloaded at a pre-defined folder of the Local DPM System at EOD on **incremental** basis. The downloaded files would be available at the path viz., EODExports → <DP ID> (*multiple folders would be created for merged set-ups*)→ <YYYYMMDD> (*date on which the files were downloaded*). The naming convention of these files would remain unchanged. The process of automatic download will commence after EOD message is processed in the Local DPM System and the status is displayed as 'Business Ended' as exhibited below :

The aforesaid files would be downloaded subject to availability of sufficient space in the drive. For any reason, if the files are not downloaded on that business date, the same can be downloaded at any time after completion of EOD of that date from the following link;

Uploads / Downloads → Download/Upload Status →Download.

Thereafter, select the 'Download Type' as 'Security Master (ISIN)' or 'BP Master', select the option 'EOD' under head 'Download Sub Type', enter the requisite date and click on 'Search' button. The required file will be available for download.

Further, ability to specify pre-defined drive i.e., 'C' or 'D' etc in Local DPM System for receiving aforesaid automatic downloads is also being made available. For availing this facility, send an email to NSDL Help Desk at helpdesk@nsdl.co.in, providing the DP ID and the requisite folder where the aforesaid file is required to be downloaded. Upon receipt of the email, NSDL Help Desk will configure the required parameters in the Local DPM System and send confirmation email.

Impact on NSDL file formats : No.

4) Date wise 'Full' download of Client Master

Facility to download Client Master (Uploads / Downloads →Downloads àMasteràClient Master) with 'Download Option' as 'Full', based on a date range is being provided as exhibited below:

Depository accounts activated and modifications carried out in the existing depository accounts for the given date range would be available for download.

Impact on NSDL file formats : No.

5) Hashing of Client account opening / modifications file in Local DPM System

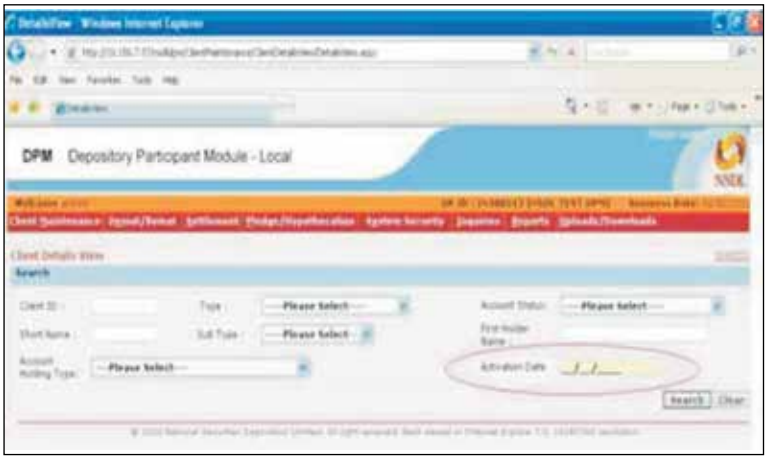
After Participants have verify/released the account opening / modifications related details in the Local DPM System, the same would be encrypted in the Local DPM Server before being transmitted to the DM. This will facilitate non-tampering of these file(s) in the Local DPM Server.

In case the file(s) are tampered before being transmitted from Local DPM server to DM, an alert message displaying the requisite file(s) name will be displayed on the screen of Local DPM Server as exhibited below. In such a case, Participants would be required to immediately contact NSDL Help Desk.

Impact on NSDL file formats : No.

6) Activation date field made available in 'Client Details View' screen

The search parameters on the 'Client Details View' screen in Local DPM system has been enhanced by including 'Activation Date' as one of the search criteria, as exhibited below:



Impact on NSDL file formats : No.

7) Demise indicator

Transfer of Holding (Account Closure/Transmission) module is being enhanced wherein a demise indicator field is being provided next to the name of the account holder(s). Participants must ensure to enable the demise indicator provided against the concerned account holder(s) who has demised, at the time of transferring securities to the survivor(s) depository account through Transfer of Holding (Account Closure / Transmission) Module.

Impact on NSDL file formats : Refer NSDL Circular No. NSDL/ POLICY/2012/0014 dated January 27, 2012 for file formats with respect to uploads and COD downloads.

8) Target Client validation in case of future dated instructions

In case of future dated account transfer instruction in respect of inter DP transfer (*i.e., transfers between two beneficiary accounts, where the target account is with any other Participant of NSDL*), the details (*i.e., frozen, Invalid Client ID etc*) of the target beneficiary account will be validated only on the date of execution of the instruction.

Example : Future dated instruction is executed by a Participant on February 24, 2012 with execution date as February 28, 2012. At the time of capture/verify-release of future dated instruction, the aforesaid details of the target beneficiary account will not be validated. These details of the target beneficiary account will be validated only on the date of execution of the instruction i.e., February 28, 2012. In case the status of the beneficiary account is frozen i.e., Suspended for Debit and Credit, Closed etc., on February 28, 2012, the instruction will get rejected only on February 28, 2012.

Impact on NSDL file formats : No.

9) Time format for export downloaded from eDPM System

The time format in the header record of CM Obligation report downloaded from eDPM System would be available in '24 hours format' (HHMMSS).

Impact on NSDL file formats : No, unless the Participant has built validations in the back office system with respect to the time format for the aforesaid export.

10) Operation of depository accounts of Qualified Foreign Investors (QFI)

Pursuant SEBI Circular No. CIR/ IMD/FII&C/3/2012 dated January 13, 2012 regarding Investment by Qualified Foreign Investors (QFI) in Indian equity (*SEBI Circular informed to Participants vide NSDL Circular No. NSDL/POLICY/2012/0008 dated January 14, 2012*), following types of transactions in respect of equity ISINs would be allowed/not allowed in the depository accounts of QFIs:

Sr. No	Transaction Type	Allowed - YesNot allowed - No
1	Dematerialisation of Securities	No
2	Remat / Repurchase of Securities	No
3	Corporate Action	Yes
4	Auto Corporate Action	Yes
5	Account Transfer	
	(i) Client to CM Pool Account Transfer	Yes
	(ii) CM Pool Account Transfer to Client Account	Yes
	(iii) Client to Client Account Transfer	Yes
6	Inter Depository Transfer	Yes
7	Transfer of Holding (Account Closure/Transmission)	Yes
8	Pledge / Hypothecation	No
9	Freeze / Unfreeze	Yes

Impact on NSDL file formats : No.

11) Pledge Master Report download

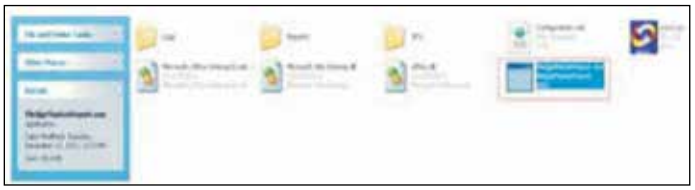
Pledge Master Report (ReportsàPledgingàInstructions DetailàPledge Master Report) is being made available in a horizontal form in 'xls' format. For this purpose, MS Excel should be loaded in the Client Machine from where the report is being accessed. In this regard, Participants are requested refer NSDL Circular No. NSDL/POLICY/2011/0045 dated June 4, 2011 regarding installation of software on DPM Client machines.

Installation of the Utility

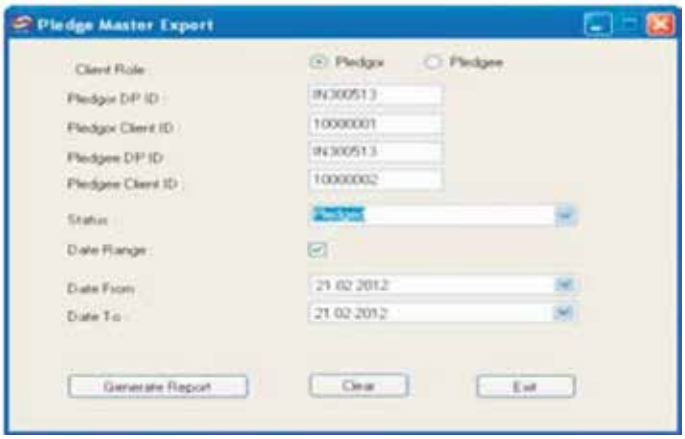
(i) Copy the utility named "PMR_Utility" on a drive of your choice.

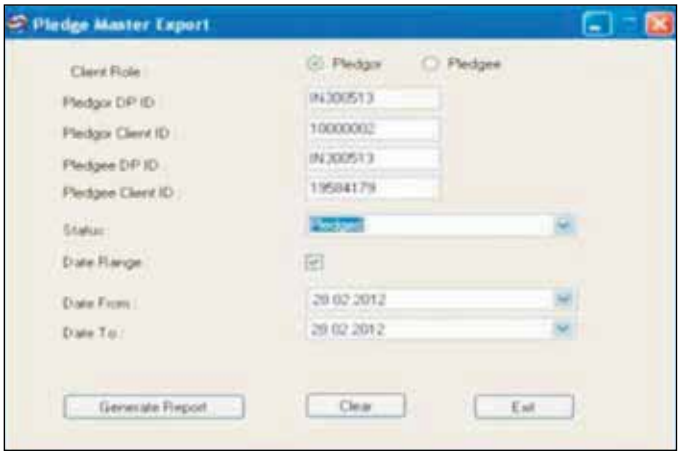
(ii) Right click on "Configuration.xml" file and click on edit. Ensure that IP address in the ''Configuration.xml" should be of your Local DPM Server.

(iii) For generating the pledge master report, double click on the utility 'PledgeMasterReport.exe' as exhibited below :



(iv) Upon clicking on the utility, a template would be displayed. Enter the required details and click on 'Generate Report' button :





Pledge Master Report in 'xls' format would be generated. Sample file is enclosed at Annexure III.
Impact on NSDL file formats : No.

12) Display of DM time on eDPM System

The DM time would be displayed on eDPM System, as exhibited below :

For latest time stamp, eDPM user will be required to click on "Refresh" link available on the screen.

Impact on NSDL file formats : No.

13) No download of email IDs to Issuer / RTA

In case Client wishes that email details mentioned in its depository account should not be downloaded to the Issuer / RTA, a flag is being provided in the Client Maintenance Module to facilitate Participants to ensure the same.

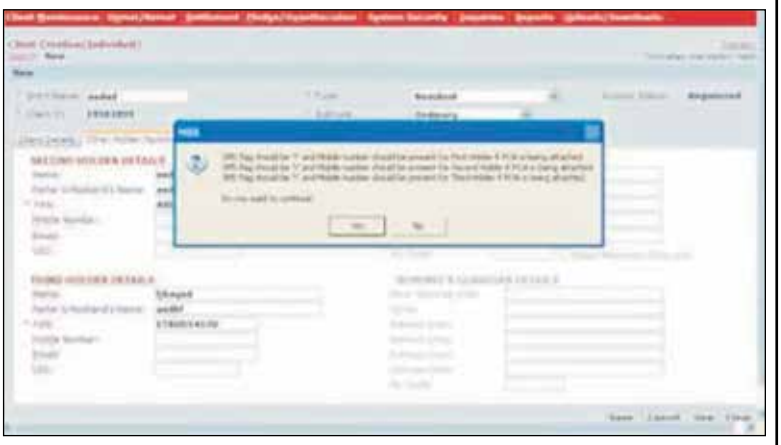
Further, this flag is also being provided in the back office file formats, which is enclosed at Annexure IV. Further, the error codes are enclosed at Annexure II. This field will be optional for back office batch interface with DPM System.

Impact on NSDL file formats : Yes. Refer file formats enclosed at Annexure II & IV.

14) Alerts for availing SMS alert facility for depository accounts operated through Power of Attorney

As Participants are aware that SMS Alert facility is mandatory for depository accounts operated through Power of Attorney. In this regard, at the time of activating new depository account (*through front end application of DPM System or back office file upload*) which is mapped to POA ID(s) or mapping the Client ID to POA ID(s) in the existing account, if mobile number is not present or SMS flag is not enabled in the depository account then DPM System would display / generate warning or an alert message. Alert would be displayed on the screen in case the depository account is activated from the front end application of Local DPM System. Further, in case of back office file upload, '.err' file would be generated. Similarly, alert / message would be displayed / generated at the time of carrying out modification i.e., mapping a Client ID to POA ID in an existing depository account, where mobile number is not present or SMS flag is not enabled.

Participants can override the warning /alert message and continue to capture / verify & release the account opening / modification instructions as mentioned above.



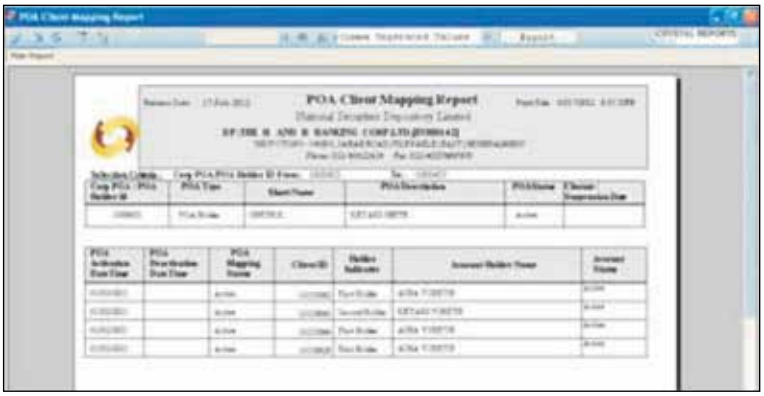
Impact on NSDL file formats : Yes. Error codes enclosed at Annexure II.

15) Reports enhanced – Report on Client IDs mapped to POA ID

A report is being provided containing the Client accounts mapped to POA ID on following path :

Reports → Master List →POA Client Mapping Report

POA-Client mapping report can be generated by providing the POA ID range :

	 Impact on NSDL file formats : No.
Circular No.: NSDL/POLICY/ 2012/0024 Date: February 17, 2012	***Sub: Release of DPM System Version 5.0 – Single file upload containing instructions of additional DP IDs for Participants with multiple DPM set-ups*** Currently, Participants having multiple DPM set-ups are required to upload DP ID wise instruction files on eDPM System. Based on the representation received from such Participants, DPM System has been enhanced to facilitate upload of single file containing instructions of their multiple DPM set-ups (*i.e, additional/ multiple DP IDs*). For this purpose, all DPM set-ups of such Participants must have been consolidated in eDPM System. The salient features of this facility are given below: 1) Instruction file : Only transaction related instructions can be uploaded through this facility viz., demat / remat / pledge / account transfer / Delivery Out / Inter-Depository etc. 2) At the time of upload, the DP ID of main DPM set-up should be mentioned in the header record of the instruction file. Further, the detail record(s) should have the DP ID of the additional DPM Set-up or main DPM Set-up, as the case may be. 3) Response file : eDPM System will provide single response file. Each record will indicate the DP ID. 4) This facility is optional. Participants having multiple and consolidated DPM set-ups at eDPM System, if they so desire, can continue with their existing practice i.e., continue uploading DP ID wise instruction files. In case of Account Closure / Account transmission module, DP ID wise file will be required to be uploaded on eDPM System. Upload file formats in respect of the back-office batch interface with eDPM system are enclosed. The release date of DPM System Version 5.0 will be informed shortly. After the back office application is ready to interface with eDPM System, for availing this facility, Participants are requested to send an email to NSDL Help Desk at helpdesk@nsdl.co.in, providing details of main DP ID and additional DP IDs. Upon receipt of the email, NSDL Help Desk will enable this facility and send confirmation email to the Participant. Further, there will be no change in the file formats for Participants with single DPM Set-up i.e., having single DP ID.

Annexure I

DPM System Transactions Upload

Upload Input Criteria

Field Name	Valid Values
Input File Name	File Name containing the instruction details to be uploaded in DPM System.

Upload Output

Field Name	Valid Values
File Reference Id	The unique file reference id generated for the uploaded file which can be used to search for the File Status, Response File Details and Error File Details (if applicable)

Processing logic

Upload File Processing logic at Central DPM

(1) In first parse, the entire batch would be validated for the format level conformity. In case of errors found, the entire batch would be rejected generating **.ERR** file under **Error** column containing the appropriate error codes and description.

(2) In case the batch is valid at format level, the data level validations would be carried out in next parse for each record in the batch file. If the validations are successful, the instruction would be captured in DPM system with appropriate instruction number. If the validation fails, the instruction would be rejected and would not be captured in DPM application.

(3) A response file **.OUT** would be generated under **Response** column giving the details of each instruction in the input batch. This would mainly contain the line no; the status of the corresponding instruction (**A** – accepted and **R**- Error) and the instruction number if the instruction is captured in DPM System.

(4) In case, the batch contains the erroneous records, a **.ERR** file would also be generated giving the details of rejected records, such as line no, error code and error description.

(5) DPs would be required to create new batch for the rejected records bearing new batch ID. The batch would be rejected if the same batch id were used.

(6) The batch acceptance flag in the header record would contain the value as "A", if **All** or **Partial Records** in the batch are accepted.

If all the records were **Rejected**, the flag would be shown as "R".

Note:

Record Level Rejection Upload utility can be used only from the Central DPM side. It can be used from client machine only if the "Admin" rights have been given to the user.

Function right for both the utilities are common in system security module.

While uploading the file, DP needs to take care of the following salient points:

(1) In the Header record for every batch upload the Batch Number and Branch Code combination should be unique.

(2) The total number of records will corresponds to the number of detail records.

(3) The DP's role is always expected to be '01'.

(4) The transactions are differentiated with the three digit transaction type, in the detail record as given in the file format. The transaction flag is expected as 'A' for all transactions (Currently all transactions are uploaded only in the Captured status. 'A' corresponds to this status).

(5) In the trailer record, each transaction's total quantity, as well as the grand total is expected for control.

(6) All character fields are expected to be in upper case.

(7) The fillers in the format for one transaction are actually redefined and used as a field in another transaction thus accommodating all types of transactions in a single record format.

(8) If the same batch number is uploaded then the entire batch would be rejected by the upload utility on account of "Duplicate Batch id".

(9) Instruction file : Only transaction related instructions can be uploaded through this facility viz., demat / remat / pledge / account transfer / Delivery Out / Inter-Depository etc.

(10) At the time of upload, the DP ID of main DPM set-up should be mentioned in the header record of the instruction file. Further, the detail record(s) should have the DP ID of the additional DPM Set-up or main DPM Set-up, as the case may be.

(11) Response file : eDPM System will provide single response file. Each record will indicate the DP ID.

(12) This facility is optional. Participants having multiple and consolidated DPM set-ups at eDPM System, if they so desire, can continue with their existing practice i.e., continue uploading DP ID wise instruction files.

File Format

The file formats of input batch are same for both the levels of upload utilities.

Record Type	Record Identifier	Record length	Remarks
Header	'01'	50	One (First) record per file
Detail	'02'	350	Second record onwards, multiple per file.
Trailer	'99'	493	Last record in the file

Each detail record will be further identified with a transaction type

Transaction type	Transaction
801	Pool - Pool Account transfer (valid only from CC's CM Pool)
900	Repurchase Instruction
901	Dematerialization Instruction
902	Rematerialization Instruction
904	Delivery Free of Payment (Inter DP) Instruction
905	Receipt Free of Payment (Inter DP) Instruction
906	Delivery Out Instruction
907	Inter Settlement Transfer Instruction
908	Pledging Instruction
909	Hypothecation Instruction

910	Pledge invocation instruction
911	Pledge closure instruction
912	Irreversible Delivery Out Instruction
925	Inter Depository Transfer Instruction (DFP/Delivery)
926	Inter Depository Transfer Instruction (RFP/Receipt)
930	Deferred Delivery Order(DFP/Delivery)
934	CM Pool Delivery Instruction
935	CM Pool Receipt Instruction
936	Account Freezing
937	Account UnFreezing
916	Pledge Confirmation
919	Pledge Closure Confirmation
917	Pledge Invocation Confirmation

Record Format

Header Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Header Record (01)
Branch Code	Character	6	16	M	Default '000000'
DP ID	Character	8	24	M	DP ID of main DPM set-up
DP Role	Integer	2	26	M	
Total number of Detail Records	Integer	6	32	M	
Sender Date	Date	8	40	M	
Sender User Id	Character	8	48	O	
Filler	Character	2	50	O	

Trailer Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Trailer Record (99)
Branch Code	Character	6	16	M	Default '000000'
Demat Instruction/ /Conversion of Units Instruction - <Total Quantity> of both instructions	Decimal	18	34	O	15+3 without decimal point. This field will contain sum of the Requested Quantity mentioned in Demat and Conversion of Units instructions.
Remat / Recon-version of units into SOA - <Total Quantity> of both instructions	Decimal	18	52	O	15+3 without decimal point. This field will contain sum of the Requested Quantity mentioned in Remat and Reconversion of Units into SOA instructions.
Filler	Character	15	67	O	
DFP Instruction Total Qty	Decimal	18	85	O	15+3 without decimal point

Trailer Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
RFP Instruction Total Qty	Decimal	18	103	O	15+3 without decimal point
Delivery Out Instruction Total Qty	Decimal	18	121	O	15+3 without decimal point
Inter Settlement Instruction Total Qty	Decimal	18	139	O	15+3 without decimal point
Pledge Instruction Total Qty	Decimal	18	157	O	15+3 without decimal point
Hypothecation Instruction Total Qty	Decimal	18	175	O	15+3 without decimal point
Pledge Invocation Instruction Total Qty	Decimal	18	193	O	15+3 without decimal point
Pledge Closure Instruction Total Qty	Decimal	18	211	O	15+3 without decimal point
Irreversible Delivery Out Total Qty	Decimal	18	229	O	15+3 without decimal point
Pool-Pool Account Transfer Total Qty	Decimal	18	247	O	15+3 without decimal point
Inter Depository Delivery Qty	Decimal	18	265	O	15+3 without decimal point
Inter Depository Receipt Qty	Decimal	18	283	O	15+3 without decimal point
CM pool Delivery Qty	Decimal	18	301	O	15+3 without decimal point
CM pool Receipt Qty	Decimal	18	319	O	15+3 without decimal point
Qty (For future use)	Decimal	18	337	O	15+3 without decimal point
Repurchase / MF Redemption	Decimal	18	355	O	15+3 without decimal point. This field will contain
Instruction - <Total (Quantity and Amount)>					sum of the 'Quantity' mentioned in Repurchase instruction and 'Quantity / Amount' mentioned in Redemption instructions.
Freeze Instruction Total Qty	Decimal	18	373	O	15+3 without decimal point
Unfreeze Instruction Total Qty	Decimal	18	391	O	15+3 without decimal point
Pledge Confirmation	Decimal	18	409	O	15+3 without decimal point
Hypothecation Invocation Confirmation	Decimal	18	427	O	15+3 without decimal point
Pledge Closure Confirmation	Decimal	18	445	O	15+3 without decimal point
Filler	Character	30	475	O	

Trailer Record					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Grand Total <Quantity and Amount> of all instructions	Decimal	18	493	M	15+3 without decimal point. This field should contain sum of <Quantity> in case of all instructions and <Amount> in case of MF Redemption instruction with option 'Amount'.

Pool-Pool Account Transfer Instruction (801)

This transaction is only for CC

Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record – 02
Line Number	Integer	6	16	M	
Transaction Type	Integer	3	19	M	
Transaction Flag	Character	1	20	M	Always 'A'
Filler	Character	22	42	O	
ISIN	Character	12	54	M	
Quantity	Decimal	18	72	M	
Filler	Character	10	82	O	
Market Type	Integer	2	84	M	
Settlement Number	Character	7	91	M	
Filler	Character	7	98		
Execution Date	Character	8	106	M	
Filler	Character	6	112	O	
CC - CM Id	Character	16	128	M	
Filler	Character	27	155	O	
Internal	Character	35	190	O	Used by DPM
Reference					
Sender Reference 1	Character	50	240	O	DPM database
Sender Reference 2	Character	50	290	O	DPM database
Filler	Character	35	325	O	
Priority Flag	Integer	1	326	M	1' for high priority and '0' for low priority
Filler	Character	16	342	O	
Source DP ID	Character	8	350	M	'DP ID' of Source Client

Demat Instruction (901)

Sr. No.	**Description**	**Data Type**	**Size**	**End**	**Status**	**Remarks**
1	Batch Number	Integer	8	8	M	
2	Record Type	Integer	2	10	M	Detail Record (02)

	3	Line Number	Integer	6	16	M	
	4	Transaction Type	Integer	3	19	M	List given below
	5	Transaction Flag	Character	1	20	M	It should be 'A' for all orders
	6	Filler	Character	14	34	O	
	7	Client Id	Integer	8	42	M	
	8	ISIN	Character	12	54	M	
	9	Quantity	Decimal	18	72	M	15+3 without decimal point.1) In case the instruction is initiated with 'ALL Units' option, this field should have 'Zero' quantity and "All Units Indicator" field (sr. no. 17) should have 'A'. 2)In case the instruction is initiated for Demat /Conversion of Units with specific quantity, this field should have 'Requested Quantity' and "All Units Indicator" field (sr. no. 17) should have 'Space'.
	10	Filler	Character	83	155	O	
	11	Internal Reference Number/ Remarks	Character	35	190	O	Remarks
	12	Sender Reference Number 1	Character	50	240	O	
	13	Sender Reference Number 2	Character	50	290	O	
	14	Folio Number	Character	20	310		Mandatory only when MF indicator is M. Space otherwise.
	15	Mutual Fund Indicator	Character	1	311		'M' or space.M for MF ISINSpace for other ISINs
	16	Number of SOA	Character	3	314		Mandatory only when MF indicator is M. Space otherwise
	17	All Units Indicator	Character	1	315	O	(I) If Mutual Fund Indicator is 'M' (Sr.No.15)i) 'A' - in case Conversion of Units request is initiated with option 'All Units'. ii) 'Space' - in case Conversion of Units request is initiated with specific Quantilty.(II) If Mutual Fund Indicator has 'Space' (in case of non-MF ISINs), then this field should have space.

18	Filler	Character	27	342	O	
19	Source DP ID	Character	8	350	M	'DP ID' of Source Client
Repurchase Instruction /Remat Instruction (900/902)						
6	Filler	Character	14	34	O	
Sr. No.	**Description**	**Data Type**	**Size**	**End**	**Status**	**Remarks**
1	Batch Number	Integer	8	8	M	
2	Record Type	Integer	2	10	M	Detail Record (02)
3	Line Number	Integer	6	16	M	
4	Transaction Type	Integer	3	19	M	
5	Transaction Flag	Character	1	20	M	It should be 'A' for all orders
6	Filler	Character	14	34	O	
7	Client Id	Integer	8	42	M	
8	ISIN	Character	12	54	M	
9	Quantity	Decimal	18	72	M	15+3 without decimal point.1) In case the instruction type is 902 (Remat / Reconversion of Units) / 900 (Repurchase) with specific quantity, this field should have 'Requested Quantity' and "All Units/ Amount Indicator" field (sr. no. 21) should have 'Space'.2) In case the instruction type is 900 (MF Redemption) with option 'All Units', this field should have 'Zero' quantity and "All Units/Amount Indicator" field (sr. no. 21) should have 'A'. 3) In case the instruction type is 900 (MF Redemption) with option 'Amount', this field should have the 'Amount' and "All Units/Amount Indicator" field (sr. no. 21) should have 'N'.
10	Lock-in Reason Code	Integer	2	74	O	
11	Lock-in Release Date	Date	8	82	O	It should be future date
12	Filler	Character	38	120	O	
13	No. Of certificates	Integer	8	128	O	Mandatory for Remat Instruction only, otherwise zero.
14	Filler	Character	27	155	O	

15	Internal Reference Number/ Remarks	Character	35	190	O	Remarks
16	Sender Reference Number 1	Character	50	240	O	
17	Sender Reference Number 2	Character	50	290	O	
18	Filler	Character	20	310	O	
19	Mutual Fund Indicator	Character	1	311	O	M' or space.M for MF ISINSpace for other ISINs
20	Filler	Character	3	314		
21	All Units/ Amount Indicator	Character	1	315	O	(I) If Mutual Fund Indicator is 'M' (Sr.No.19)i) 'A' - in case MF Redemption request is initiated with option 'All Units'.ii) 'N' - in case MF Redemption request is initiated with option 'Amount'.iii) 'Space' - in case MF Redemption request is initiated with specific Quantilty.(II) If Mutual Fund Indicator has 'Space' (in case of non-MF ISINs), then this field should have space.
22	Filler	Character	27	342	O	
23	Source DP ID Character	8	350	M		'DP ID' of Source Client

Inter Transfer Instruction (DFP/RFP) (904/905)

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record (02)
Line Number	Integer	6	16	M	
Transaction Type	Integer	3	19	M	
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
Filler	Character	14	34	O	
Client Id	Integer	8	42	M	
ISIN	Character	12	54	M	
Quantity	Decimal	18	72	M	15+3 without decimal pointIt will be '0' (i.e., zero) in case Client to CM Pool Account transfer instruction is initiated with 'ALL' units.Otherwise, specify quantity for account transfer instructions initiated with specific quantity.

Filler	Character	10	82	O	
Market Type	Integer	2	84	O	
Settlement Number	Character	7	91	O	
Filler	Character	7	98		
Execution Date	Date	8	106	M	
Filler	Character	6	112	O	
Other DP Id	Character	8	120	M	
Other Client Id	Integer	8	128	O	Required only if target client is House/NonHouse i.e. CM BP Id is not present
Filler	Character	2	130	O	
Other CM BP Id	Character	8	138	O	Required only if target is a CM
Filler	Character	17	155	O	
Internal Reference Number/Remarks	Character	35	190	O	Remarks
Sender Reference Number 1	Character	50	240	O	
Sender Reference Number 2	Character	50	290	O	
Filler	Character	24	314	O	
All Units Indicator	Character	1	315	O	'A' for Client to CM Pool Account transfer instructions initiated with 'ALL' units. Otherwise,'Space' for account transfer instructions initiated with specific quantity.
Filler	Character	10	325	O	
Priority Flag	Integer	1	326	M	1' for high priority and '0' for low priority
Filler	Character	16	342	O	
Source DP ID	Character	8	350	M	'DP ID' of Source Client
Delivery Out Instruction (906)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record (02)
Line Number	Integer	6	16	M	
Transaction Type	Integer	3	19	M	
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
Filler	Character	14	34	O	Used for pledge closure/ invocation
Client Id	Integer	8	42	M	
ISIN	Character	12	54	M	
Quantity	Decimal	18	72	M	15+3 without decimal point
Filler	Character	10	82	O	

	Market Type	Integer	2	84	M	
	Settlement Number	Character	7	91	M	
	Filler	Character	7	98		
	Execution Date	Date	8	106	M	
	Filler	Character	49	155	O	
	Internal Reference Number/Remarks	Character	35	190	O	Remarks
	Sender Reference Number 1	Character	50	240	O	
	Sender Reference Number 2	Character	50	290	O	
	Filler	Character	35	325	O	
	Priority Flag	Integer	1	326	M	1' for high priority and '0' for low priority
	Filler	Character	16	342	O	
	Source DP ID	Character	8	350	M	'DP ID' of Source Client
	Inter Settlement Transfer Instruction (907)					
	Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
	Batch Number	Integer	8	8	M	
	Record Type	Integer	2	10	M	Detail Record (02)
	Line Number	Integer	6	16	M	
	Transaction Type	Integer	3	19	M	
	Transaction Flag	Character	1	20	M	It should be 'A' for all orders
	Filler	Character	14	34	O	
	Client Id	Integer	8	42	M	
	ISIN	Character	12	54	M	
	Quantity	Decimal	18	72	M	15+3 without decimal point
	Filler	Character	10	82	O	
	Market Type	Integer	2	84	M	
	Settlement Number	Character	7	91	M	
	Filler	Character	7	98	O	
	Execution Date	Date	8	106	M	
	Filler	Character	40	146	O	
	Other Market Type	Integer	2	148	M	
	Other Settlement Number	Character	7	155	M	
	Internal Reference Number/Remarks	Character	35	190	O	Remarks
	Sender Reference Number 1	Character	50	240	O	
	Sender Reference Number 2	Character	50	290	O	
	Filler	Character	35	325	O	

Priority Flag	Integer	1	326	M	
Filler	Character	16	342	O	
Source DP ID	Character	8	350	M	'DP ID' of Source Client
Pledging/Hypothecation (908/909)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	8	8	M	Batch Number
Record Type	Integer	2	10	M	Record Type
Line Number	Integer	6	16	M	Line Number
Transaction Type	Integer	3	19	M	Transaction Type
Transaction Flag	Character	1	20	M	Transaction Flag
Filler	Character	14	34	O	Filler
Client Id	Integer	8	42	M	Client Id
ISIN	Character	12	54	M	ISIN
Quantity	Decimal	18	72	M	Quantity
Lock-in Reason Code	Integer	2	74	O	Lock-in Reason Code
Lock-in Release Date	Date	8	82	O	Lock-in Release Date
Filler	Character	16	98	O	Filler
Execution Date	Date	8	106	M	Execution Date
Filler	Character	6	112	O	Filler
Other DP Id	Character	8	120	M	Other DP Id
Other Client Id	Integer	8	128	M	Other Client Id
Filler	Character	2	130	O	Filler
Closure Date	Date	8	138	M	Closure Date
Filler	Character	17	155	O	Filler
Internal Reference Number/Remarks	Character	35	190	O	Internal Reference Number/ Remarks
Sender Reference Number 1	Character	50	240	O	Sender Reference Number 1
Sender Reference Number 2	Character	50	290	O	Sender Reference Number 2
Agreement No.	Character	20	310	M	Agreement No.
Filler	Character	15	325	O	Filler
Priority Flag	Integer	1	326	M	Priority Flag
Filler	Character	16	342	O	Filler
Source DP ID	Character	8	350	M	'DP ID' of Source Client
Pledge Invocation Instruction (910)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record (02)

Line Number	Integer	6	16	M	
Transaction Type	Integer	3	19	M	
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
Original Order Reference Number	Integer	14	34	M	BP Instruction ID of the Pledge Initiation. For ACA generated pledge instructions New BP Instruction ID will be required i.e. (10 digit ID).This ID will be provided as BP Instruction ID in the COD
Client Id	Integer	8	42	M	
ISIN	Character	12	54	M	
Quantity	Decimal	18	72	M	15+3 without decimal point
Filler	Character	26	98	O	
Execution Date	Date	8	106	M	
Filler	Character	6	112	O	
Other DP Id	Character	8	120	M	
Other Client Id	Integer	8	128	M	
Filler	Character	27	155	O	
Internal Reference Number/Remarks	Character	35	190	O	Remarks
Sender Reference Number 1	Character	50	240	O	
Sender Reference Number 2	Character	50	290	O	
Filler	Character	35	325	O	
Priority Flag	Integer	1	326	M	1' for high priority and '0' for low priority
Channel Indicator	Integer	2	328	M	
Filler	Character	14	342	O	
Source DP ID	Character	8	350	M	'DP ID' of Source Client
Pledge Closure Instruction (911)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record (02)
Line Number	Integer	6	16	M	
Transaction Type	Integer	3	19	M	
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
Original Order Reference Number	Integer	14	34	M	BP Instruction ID of the Pledge Initiation. For ACA generated pledge instructions New BP Instruction ID will be required i.e. (10 digit ID).This ID will be provided as BP Instruction ID in the COD
Client Id	Integer	8	42	M	
ISIN	Character	12	54	M	
Quantity	Decimal	18	72	M	15+3 without decimal point
Closure type	Character	1	73	M	'N' for normal 'U' for unilateral

	Filler	Character	25	98	O	
	Execution Date	Date	8	106	M	
	Filler	Character	6	112	O	
	Other DP Id	Character	8	120	M	
	Other Client Id	Integer	8	128	M	
	Filler	Integer	27	155	O	
	Internal Reference Number/Remarks	Character	35	190	O	Remarks
	Sender Reference Number 1	Character	50	240	O	
	Sender Reference Number 2	Character	50	290	O	
	Filler	Character	35	325	O	
	Priority Flag	Character	1	326	M	1' for high priority and '0' for low priority
	Channel Indicator	Integer	2	328	M	
	Filler	Character	14	342		
	Source DP ID	Character	8	350	M	'DP ID' of Source Client
	Irreversible Delivery Out Instruction (912)					
	Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
	Batch Number	Integer	8	8	M	
	Record Type	Integer	2	10	M	Detail Record (02)
	Line Number	Integer	6	16	M	
	Transaction Type	Integer	3	19	M	
	Transaction Flag	Character	1	20	M	It should be 'A' for all orders
	Filler	Character	14	34	O	Used for pledge closure/ invocation
	Client Id	Integer	8	42	M	
	ISIN	Character	12	54	M	
	Quantity	Decimal	18	72	M	15+3 without decimal point
	Filler	Character	10	82	O	
	Market Type	Integer	2	84	M	
	Settlement Number	Character	7	91	M	
	Filler	Character	7	98		
	Execution Date	Date	8	106	M	
	Filler	Character	6	112	O	
	Irreversible Reason Code 1	Integer	4	116	O	
	Irreversible Reason Code 2	Integer	4	120	O	
	Irreversible Reason Code 3	Integer	4	124	O	
	Irreversible Reason Code 4	Integer	4	128	O	
	Filler	Character	27	155	O	
	Internal Reference Number/Remarks	Character	35	190	O	Remarks

Sender Reference Number 1	Character	50	240	O	
Sender Reference Number 2	Character	50	290	O	
Filler	Character	35	325		
Priority Flag	Integer	1	326	M	1' for high priority and '0' for low priority
Filler	Character	16	342	O	
Source DP ID	Character	8	350	M	'DP ID' of Source Client
Pledge Confirmation (916), Pledge Closure Confirmation (919), Hypothecation invocation confirmation (917)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	02 – Detail Record
Line Number	Integer	6	16	M	
Transaction type	Integer	3	19	M	
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
Transaction Id	Integer	14	34	M	BP instruction ID of the Pledge Initiation. Optional in case of Pledge Closure / Invocation Confirmation
Client Id	Integer	8	42	M	
Isin	Character	12	54	M	
Quantity	Decimal	18	72	M	
Accepted Flag/ Rejected Flag	Character	1	73	M	For Accepting ='A',For Rejecting ='R'
Filler	Character	11	84	O	
Transaction Unique Id	Integer	14	98	O	Bp Instruction ID of Normal Closure Initiation in case of Closure confirmation and Invocation BP instruction Id in case of invocation confirmation. Optinal in case of Pledge Confirmation (916)
Execution Date	Date	8	106	M	
Filler	Character	6	112	O	
Other DP Id	Character	8	120	M	Other Dp Id
Other Client Id	Integer	8	128	M	
Rejection Reason Code1	Integer	4	132	O	Mandatory in case of Rejection of Quantity
Rejection Reason Code2	Integer	4	136	O	Mandatory in case of Rejection of Quantity
Rejection Reason Code3	Integer	4	140	O	Mandatory in case of Rejection of Quantity
Rejection Reason Code4	Integer	4	144	O	Mandatory in case of Rejection of Quantity
Filler	Character	11	155	O	
Internal Reference Number	Character	35	190	O	

Sender Reference Number 1	Character	50	240	O	
Sender Reference Number 2	Character	50	290	O	
Filler	Character	35	325		
Priority Flag	Integer	1	326	M	1' for high priority and '0' for low priority
Channel Indicator	Integer	2	328	M	Parent Channel indicator,0 and 1
Filler	Character	14	342	O	
Source DP ID	Character	8	350	M	'DP ID' of Source Client
Inter Depository Transfer Instruction(DFP/RFP) (925/926)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record (02)
Line Number	Integer	6	16	M	
Transaction Type	Integer	3	19	M	
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
Filler	Character	14	34	O	
Client Id	Integer	8	42	M	
ISIN	Character	12	54	M	
Quantity	Decimal	18	72	M	15+3 without decimal point
Filler	Character	10	82	O	
Market Type	Integer	2	84	O	
Settlement Number	Character	7	91	O	
Filler	Character	7	98	O	
Execution Date	Date	8	106	M	
Filler	Character	6	112	O	
Other Client Code	Character	16	128	M	
Filler	Integer	2	130	O	
Other Depository Id	Character	8	138	M	
Filler	Character	17	155	O	
Internal Reference Number/Remarks	Character	35	190	O	Remarks
Sender Reference Number 1	Character	50	240	O	
Sender Reference Number 2	Character	50	290	O	
Other Settlement Details	Integer	13	303	O	
Filler	Character	22	325	O	
Priority Flag	Character	1	326	M	
Filler	Character	16	342	O	
Source DP ID	Character	8	350	M	'DP ID' of Source Client
CM Pool to CM Pool Transfer (934 delivery- 935 receipt)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record (02)
Line Number	Integer	6	16	M	

Transaction Type	Integer	3	19	M	934/935
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
Filler	Character	14	34	O	
Client Id	Integer	8	42	M	
ISIN	Character	12	54	M	
Quantity	Decimal	18	72	M	15+3 without decimal point
Filler	Character	10	82	O	
Market Type	Integer	2	84	M	
Settlement Number	Character	7	91	M	
Filler	Character	7	98		
Execution Date	Date	8	106	M	
Filler	Character	24	130	O	
Other CM BP Id	Character	8	138	M	
Other Market Type	Integer	2	140	M	
Other Settlement Number	Character	7	147	M	
Filler	Character	8	155	O	
Internal Reference Number/Remarks	Character	35	190	O	Remarks
Sender Reference Number 1	Character	50	240	O	
Sender Reference Number 2	Character	50	290	O	
Filler	Character	35	325		
Priority Flag	Integer	1	326	M	1' for high priority and '0' for low priority
Filler	Character	16	342		
Source DP ID	Character	8	350	M	'DP ID' of Source Client
Account Freezing/Unfreezing (936/937)					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record (02)
Line Number	Integer	6	16	M	
Transaction Type	Integer	3	19	M	
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
Freeze Instruction Id	Integer	14	34	O	Mandatory for 937. BP Instruction ID of the Freeze Instruction. For ACA generated freeze instructions New BP Instruction ID will be required i.e. (10 digit ID). This ID will be provided as BP Instruction ID in the COD
Client Id	Integer	8	42	M	
ISIN	Character	12	54	O	Mandatory if ISIN or Quantity level freeze
Quantity	Decimal	18	72	O	15+3 without decimal point, Mandatory if Quantity level freeze
Freeze level	Integer	2	74	M	

Filler	Character	8	82	O	It should be future date
Freeze Reason Code	Integer	2	84	M	
Filler	Character	14	98	O	
Execution Date	Date	8	106	M	
Filler	Character	6	112	O	
Filler	Character	8	120	O	
Filler	Character	8	128	O	
Filler	Character	27	155		
Internal Reference Number/Remarks	Character	35	190	O	Remarks
Sender Reference Number 1	Character	50	240	O	
Sender Reference Number 2	Character	50	290	O	
Freeze Reason Description	Character	35	325	O	
Priority Flag	Integer	1	326	M	1' for high priority and '0' for low priority
Filler	Character	16	342		
Source DP ID	Character	8	350	M	'DP ID' of Source Client
OUT file Format -Header					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Header Record (01)
Branch Code	Character	6	16	O	Default = Spaces
DP Id	Character	8	24	M	
DP Role	Integer	2	26	M	
Batch Acceptance Status	Character	1	27	M	A-Successful ,R- Failure
Total number of Detail Records	Integer	6	33	M	
Total number of Accepted Records	Integer	6	39	M	
Business Date	Date	8	47	M	YYYYMMDD
Sender User Id	Character	8	55	O	
Filler	Character	9	64	O	
OUT file Format -Trailer					
Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Detail Record (02)
Line Number	Integer	6	16	M	
Transaction Type	Character	3	19	M	
Transaction Flag	Character	1	20	M	A – Successful, R – Error
Instruction Id	Integer	14	34	M	For 919 and 917 Unique Id otherwise Pledge Order No.Error code in the case of erroneous detail record.

Internal Reference Number	Character	35	69	O	
Sender Reference Number 1	Character	50	119	O	
Sender Reference Number 2	Character	50	169	O	
ISIN	Character	12	181	M	
Accepted Flag/ Rejected Flag	Character	1	182	O	Mandatory for 916,917,918 Accepted ='A' and Rejected ='R'
Closure no / confirmation no	Integer	14	196	O	
Priority Flag	Integer	1	197	O	1' for high priority and '0' for low priority
Filler	Character	11	208	O	For future use
Source DP ID	Character	8	216	M	'DP ID' of Source Client

DPM Transaction Bulk Verify / Release Upload

Overview

After an Instruction is captured, either online on the screen or in the bulk mode using Upload of Transactions in a Batch, an authorised officer visually verifies the electronic instruction against its paper counterpart and releases the Instruction for processing at NSDL (DM). This facility is available in the online/screen mode – a single Instruction is displayed on the screen and verified and, then, released before displaying another Instruction.

The requirement is to provide a facility to selected DPs to verify and release all Instructions during Upload of Transactions in a Batch.

Response File Structure (Data Format - VR Upload)

File Format

Record Type	Record Identifier	Record length	Remarks
Header	'01'	64	One (First) record per file
Detail	'02'	216	Second record onwards, multiple per file.

Record Format

Header Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Header Record (01)
Branch Code	Character	6	16	O	Default = Spaces
DP Id	Character	8	24	M	
DP Role	Integer	2	26	M	
Batch Acceptance Status	Character	1	27	M	A-Successful ,R- Failure
Total number of Detail Records	Integer	6	33	M	
Total number of Accepted Records	Integer	6	39	M	
Business Date	Date	8	47	M	YYYYMMDD

	Sender User Id	Character	8	55	O	
	Filler	Character	9	64	O	
	Detail Record					
	Description	**Data Type**	**Size**	**End**	**Status**	**Remarks**
	Batch Number	Integer	8	8	M	
	Record Type	Integer	2	10	M	Detail Record (02)
	Line Number	Integer	6	16	M	
	Transaction Type	Character	3	19	M	
	Transaction Flag	Character	1	20	M	A – Successful, R – Error
	Instruction Id	Integer	14	34	M	For 919 and 917 Unique Id otherwise Pledge Order No.Error code in the case of erroneous detail record.
	Internal Reference Number	Character	35	69	O	
	Sender Reference Number 1	Character	50	119	O	
	Sender Reference Number 2	Character	50	169	O	
	Isin	Character	12	181	M	
	Accepted Flag/ Rejected Flag	Character	1	182	O	Mandatory for 916,917,918 Accepted ='A' and Rejected ='R'
	Closure no / confirmation no	Integer	14	196	O	
	Priority Flag	Integer	1	197	O	1' for high priority and '0' for low priority
	Filler	Character	11	208	O	For future use
	Source DP ID	Character	8	216	M	'DP ID' of Source Client

Circular No: NSDL/POLICY/ 2012/0014 Date: January 27, 2012	***Sub: Release of DPM System Version 4.5 – File formats*** All Participants are hereby informed that eDPM System Version 4.5 will be released in the second week of February 2012. In this version release, Account Closure/Transmission module is being enhanced wherein a demise indicator field will be provided next to the name of the account holder(s) to facilitate marking of the same in case of demise of account holder(s), at the time of transferring of securities to the survivor(s). It will be mandatory for Participants to mention/ provide the demise indicator against the requisite demised account holder(s) when the securities are transferred to the survivor(s) through Account Closure / Transmission Module. In this regard, file formats in respect of the back-office batch interface with Local DPM system are enclosed at Annexure I & II. The release date of DPM System Version 4.5 and detailed feature will be informed shortly.

Annexure I

Account Transmission (940) / Account Closure (941)

Header Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	8	8	M	
Record Type	Integer	2	10	M	Header Record (01)
Branch Code	Character	6	16	M	Default '000000'
DP Id	Character	8	24	M	
DP Role	Integer	2	26	M	
Total number of	Integer	6	32	M	
Detail Records					
Sender Date	Date	8	40	M	
Sender User Id	Character	8	48	O	
Filler	Character	2	50	O	Not in use

Detail Record

Description	Data Type	Size	End	Status	Remarks
Batch Number	Integer	8	8	M	
Record Type		2	10	M	Detail Record (02)
Line Number	Integer	6	16	M	
Transaction Type	Integer	3	19	M	940 – Account Transmission, 941 – Account Closure
Transaction Flag	Character	1	20	M	It should be 'A' for all orders
Filler	Character	14	34	O	
Client Id	Integer	8	42	M	Source Client ID
Execution Date	Date	8	50	M	Business date (Only Business date will be accepted)
Other DP Id	Character	8	58	M	Target DP ID
Other Client Id	Integer	8	66	M	Target Client ID
Transmission ReasonReason	Integer	2	68	M	**For 940** 01 : Transmission - To Survivor(s)02 : Transmission - To Nominee03 : Transmission - Court Order / Legal Heirs**For 941**05 : Account closure

Demise Indicator Flag	**Character**	**3**	71	**O**	**Mandatory for Transaction Type 940 [Reason: 01 - Transmission - To Survivor(s)] Mention 'Y' against the demised account holder and 'N' against non-demised account holder. Provide space in case there are no holders. Example; In case of a beneficiary account with two account holders, provide space against third account holder.**
Filler	Character	23	94	O	
Internal Reference Number/Remarks	Character	35	129	O	Remarks
Sender Reference Number 1	Character	50	179	O	
Sender Reference Number 2	Character	50	229	O	
Filler	Integer	31	260	O	

Annexure II

Change Order for the Day File Format

File Format For Account Transmission (Transaction Type=940)

Description	Data Type	Size	End	Status	Remarks
Record Type	Integer	2	2	M	Detail Record (02)
Line Number	Integer	9	11	M	
Branch Code	Character	6	17	M	
Transaction Type	Integer	3	20	M	
BP Instruction ID	Integer	14	34	M	Transaction number of DPM.
Order Status from	Integer	2	36	M	
Order Status to	Integer	2	38	M	
Status change user	Character	8	46	M	Login id of user
Cancellation Status from	Integer	2	48	M	Not Applicable
Cancellation Status to	Integer	2	50	M	Not Applicable
Status change date time	Date time	14	64	M	System date time (YYYYMMDDHHMMSS)
Original BP Instruction ID	Integer	14	78	O	Not applicable
Source Client Id	Integer	8	86	M	Source client id for account transmission
ISIN	Character	12	98	O	Not applicable

	Requested Quantity	Decimal	18	116	O	Not applicable for account transmission
	Lock-in Reason Code/Block Code	Integer	2	118	O	
	Lock-in Release Date	Date	8	126	O	
	Market Type	Integer	2	128	O	Not applicable for account transmission
	Settlement Number	Character	7	135	O	Not applicable for account transmission
	Execution Date	Date	8	143	O	Execution date for account transmission (YYYYMMDD)
	Other Branch Code	Character	6	149	O	Not in Use
	Other DP Id / Related DP Id	Character	8	157	M	Target DP ID
	Other Client Id	Integer	8	165	M	Target Client ID for account transmission
	Beneficiary Account Category	Integer	2	167	O	Not applicable For account Transmission
	Other CM BP Id	Character	8	175	O	Not applicable
	Transmission Reasons	Integer	2	177	M	01-Transmission – Survivor(s) 02 – Transmission – Nominee 03- Transmission – Court Order/Legal heirs
	Other Settlement Number	Character	7	184	O	Not applicable
	Internal Reference Number/Remarks	Character	35	219	O	User Remarks.
	Agreement No.	Character	20	239	O	Not applicable
	Settled Quantity / Delivered Quantity	Integer	18	257	O	Not applicable
	Rejection Reason Code 1	Character	6	263	O	
	Rejection Reason Code 2	Character	6	269	O	
	Rejection Reason Code 3	Character	6	275	O	
	Rejection Reason Code 4	Character	6	281	O	
	Closure Type	Character	1	282	O	Not applicable
	Closure Date	Date	8	290	M	Not applicable
	Filler	Character	115	405	O	
	Filler	Character	223	628	O	

	Channel Indicator	Integer	2	630	M	Channel Indicator Values : 01 BP Web
	Target Client Name	Character	135	765	O	This will be provided only for first transition of Account Transfer Instruction.
	Filler	Character	115	880	O	
	Priority Flag	Character	1	881	O	Not applicable
	Back Office reference details	Character	32	913	O	
	Sender Reference No 1	Character	50	963	O	
	Sender Reference No 2	Character	50	1013	O	
	File Reference Id	Character	20	1033	O	
	Filler	Integer	10	1043	O	
	Filler	Integer	10	1053	O	
	Filler	Integer	8	1061	O	
	Demise Indicator	Character	3	1064	O	**Mandatory for Transaction Type 940 [Reason: 01 - Transmission – To Survivor(s)]Mention 'Y' against the demised account holder and 'N' against non-demised account holder. Provide space in case there are no holders. Example; In case of a beneficiary account having two account holders, provide space against the third account holder.**
	Filler	Character	16	1080	O	

PAN Import Utility to upload PAN details

Circular No. NSDL/POLICY/ 2006/0029 Date: July 21, 2006	***Sub : PAN Import Utility on DPM System to upload PAN details of the Beneficial Owner(s)*** Attention of Participants is invited to our circular no. NSDL/POLICY/2006/0007 dated March 3, 2006 wherein Participants were informed about the SEBI directive on Permanent Account Number (PAN) and subsequent circular no. NSDL/POLICY/2006/0018 dated June 9, 2006 regarding utility to extract details from DPM Application Software (DPMAS) server in respect of PAN details of Beneficial Owners. NSDL will be providing a **PAN import utility** that would enable the Participants to update PAN and PAN Flag pertaining to Clients [Beneficial Owner(s)] in the DPMAS, in bulk. Present bulk verify release facility for Client modification would be used to Verify Release such records. The file format for PAN import utility is enclosed (Annexure I). Upon importing the file using the utility, one/two/three output file(s) may be generated. The details of the utility are described hereunder.

(I) Features of the PAN import Utility

PAN import utility would enable the Participants to update 'PAN and/or PAN flag' for the account holder(s) of a beneficiary account.

Salient features of the utility :

1) Holder indicator is mandatory. Permitted values are indicated in the file format.

2) PAN and/or PAN flag can be updated for one or more holders of an account in a single record. Fields of PAN / PAN flag for a holder should be kept blank if data for that holder is not required to be updated. For such fields, existing values in DPMAS would be retained as is.

3) Account holders whose PAN is to be updated must have PAN flag as 'Y', which implies that only valid PAN, after due verification, are being imported through the utility.

4) The input file should **not** contain records in respect of those Clients whose Client modification is/are pending in DPMAS.

5) In case of modification through the utility whose PAN flag is already 'Y' in DPMAS, entire record will be rejected. Such modifications can be carried out manually directly through DPMAS.

6) Each file can have a maximum of **5000** records and Participants should not upload more than **three** files in a day. However, in order to expedite the process, Participants would be allowed to upload more than **three** files on Saturdays and bank holidays. For this purpose, Participants are advised to get in touch with NSDL helpdesk. Participants should ensure that time critical instructions are executed well before starting the upload of PAN details.

7) The functional user availing the rights for Client Modification import, shall by default get the rights to import PAN details through PAN import utility.

8) Participants who do not have back-office may prepare required data in excel format as per the prescribed template (format enclosed as Annexure II). NSDL will provide a utility to convert this excel worksheet into an importable file which can then be imported using PAN import utility. Detailed procedure to use this utility would be provided along with the release.

(II) Features of OUTPUT files

Upon successfully importing of a file through PAN import utility, the following output files may be generated:

(1) **Report File :** On successful upload of PAN details, report file giving the Client details of those clients whose PAN details have been successfully captured shall be generated (format provided in Annexure III).

(2) **Error File :** Records rejected for the reason of not fulfilling the pre-requisites listed above shall be reported in this file (format provided in Annexure IV).

(3) **Response File :** This file will contain the Client information required for bulk, verify and release. Response file should be used as input to the bulk verify release executable for client modification of DPMAS (format provided in Annexure V)

	Participants who are availing the facility of bulk verify & release for Client Modifications by default shall get the rights to carry out bulk verify and release for modifications imported through PAN import utility. However, Participants who do not currently have the facility of bulk verify and release but wish to avail the facility, may request NSDL to enable this facility for this limited function through their Compliance Officer with a declaration that adequate maker/checker control has been exercised for updation of PAN & PAN flag. **(III) Process** Participants are expected to follow the process as given below 1. Import PAN and PAN flag in the required format, through PAN import utility 2. Check the error file for rejections. Participants may update such rejected PAN and PAN flags, if required, through a separate file. 3. Confirm details provided in report file with those submitted in import file. 4. If verification is successful, i.e. all the imported values match the intended modification values, use response file to carry out bulk verify and release of modifications imported through PAN import utility. Further, Participants are requested to verify the updated PAN details via Client Master Report or incremental Client Master Export. **(IV) Scheduled date for Release of PAN utility :** The utility is scheduled to be released to Participants in the second week of August 2006. The scheduled date for release will be sent to the Participants by NSDL Help Desk (PMC Department). Participants are advised to strictly follow the guidelines issued by NSDL vide various circular on PAN and ensure that the PAN details are captured in the DPMAS only after they are duly verified with the Income Tax Department website.
Report on bounced / undelivered email addresses for registration for IDeAS facility through DIRECT	
Circular No. NSDL/POLICY/ 2010/0089 Date: August 4, 2010	***Sub: Report on bounced / undelivered email addresses for registration for IDeAS facility through DIRECT*** As all Participants are aware, **DIRECT** (**D**irect **I**deas **RE**gistration of **C**lient accoun**T**) facilitates registration of depository accounts activated under the individual category for ***IDeAS*** facility directly at NSDL. For this purpose, registration details are sent at the email address of the Client that is captured by the Participant in the DPM System. Some of these emails do not reach the intended recipient and are returned undelivered / bounced. One of the reasons for bouncing / non-delivery of email is that Client may not have provided the correct email address or it is not properly captured by the Participant. In this regard, a report is being made available at intranet site of NSDL (i.e. http://sqlassist/) with effect from August 4, 2010 for emails that have bounced / returned undelivered. Login process to access the report are as follows: (i) Login to intranet site of NSDL i.e., https://sqlassist (ii) Enter the existing 'Maker' User ID viz., DP ID & Password. (iii) Click on the link named **'Report for Bounced Emails – *IDeAS* registration thru DIRECT'.** (iv) Provide the date range. At a given point, datewise report of past 30 days will be made available.

	(v) Click on the weblink displaying the report date. (vi) The report would be provided in an excel format which would be zipped. After unzipping it, extract the report to the desired folder. (vii) The file name would display the DP ID and the date of the report. (viii) The report would contain details of the demat account viz., DP ID, Client ID and email address *(considered for **IDeAS** registration)* which has bounced / returned undelivered. For further information / clarification, Participants are requested to contact Mr. Sandeep Kumar Tel : (022) 2499 4361 (email : sandeepk@nsdl.co.in) / Mr. Rahul Gupta Tel : (022) 2499 4372 (email : rahulg@nsdl.co.in) / Mr. Narayan Venkat Tel : (022) 2499 4479 (email : narayanv@nsdl.co.in).
Software utilities for making queries in DPM system	
Circular No. NSDL/POLICY/ 2006/0057 Date: November 24, 2006	***Sub : Software utilities for making queries in DPM system*** This is in continuation with NSDL circular no. NSDL/POLICY/2006/0042 dated September 23, 2006 and circular no. NSDL/POLICY/2006/0047 dated October 16, 2006 wherein utilities (consisting of various queries) were provided to Depository Participants (DPs). The circular further stated that the incremental utility would be released to the DPs later. This remaining utility (consisting of incremental queries) is being issued on November 24, 2006 by NSDL Helpdesk (PMC Department) along with the operating procedure for running the utility. This utility will give an output of probable data entry errors made during specified time period. DPs are advised to run the 'incremental' utility at periodic intervals but not later than a monthly basis. The output of the queries will be only for the specified time period provided by DPs at the time of running the utility. The output generated will have the list of clients which are in the status 'Active', 'Suspended for debit' or 'Suspended for debit and credit'. DPs are advised to preserve the printout of the output of the queries and necessary remarks with respect to action taken by them. DPs are also advised to make suitable remarks with respect to the date on which change was made in the system and the name and initials of the person who has made such changes. Internal Auditors of the DPs are advised to verify the action initiated by the DPs and make suitable comments in the quarterly internal audit reports submitted by them including the periodicity of running the utility. Internal auditors may also request DPs to run the query while conducting the audit and satisfy themselves with respect to the output as well as the action taken by the DPs. 'The logic for the queries in the utilities will remain the same as stated in the above mentioned circulars .The list of queries (incremental) and the ouput thereof is given below : **1. Incorrect Pin codes in Client Address details:** The output will provide the list of client accounts opened during the specified time period where incorrect pincode in client address was entered. In addition, the output will also provide all such client accounts where incorrect pincode was entered in client address while making changes in the client master details during the specified time period. **2. Incorrect Pin codes in bank address details:**

	3. The output will provide the list of client accounts opened during the specified time period where incorrect pincode in bank address was entered. In addition, the output will also provide all such client accounts where incorrect pincode was entered in bank address while making changes in the client master details during the specified time period. **Client accounts with standing instruction (SI) disabled :** The output provides list of all such client accounts opened during the specified time period where SI is disabled (not ticked in DPM). In addition the output will also provide all such client accounts where SI has been disabled while making changes in the client master details during the specified time period. Further, the outputs have been bifurcated as under: a) Client accounts opened in 'resident' category with standing instruction disabled. b) Client accounts opened in 'non-resident' category with standing instruction disabled. **4. List of Client accounts which are opened in the name of "And Sons":** The output will provide the list of client accounts opened during the specified time period where the client account have been opened in the name of "And Sons". **5. List of Client accounts opened for more than three Holders :** The output will provide the list of client accounts opened for more than three Holders during the specified time period. **6. List of Client accounts opened for more than three Holders and SI enabled:** The output will provide the list of client accounts opened for more than three Holders with SI enabled during the specified time period. In addition, the output will also provide all such client accounts where SI was enabled while making changes in the client master details during the specified time period. **7. Bank address details not entered as per NSDL requirements:** The output will provide the list of client accounts opened during the specified time period for which fourth row in bank address line was left blank. In addition, the output will also provide all such client accounts where fourth row in bank address line was left blank while making changes in the client master details during the specified time period. **8. List of client accounts where the first holder is a Minor and the account is opened with a Joint holder :** The output will provide the list of client accounts opened during the specified time period where the first holder is a Minor and the account is opened with a Joint holder. In addition, the output will also provide all such client accounts with joint holding where the option 'guardian' instaed of nominee has been chosen while making changes in the client master details during the specified time period. **9. List of 'HUF' accounts opened under a different type-subtype:** The output will provide the list of client accounts opened during the specified time period with suffix 'HUF' in the name of the account holder, but the account has been opened in any sub-type other than 'HUF' in DPM.

	10. List of demat accounts opened in the 'corporate' category in joint holder: The output will provide the list of client accounts opened in corporate category in joint holder during the specified time period. **11. List of corporate Accounts opened which are probably not corporate accounts:** The output will provide the list of client accounts opened during the specified time period where the word 'limited' or its variants are not found in the First Holder Name.
Circular No. NSDL/POLICY/ 2006/0047 Date: October 16, 2006	***Sub : Software utilities for making queries in DPM system*** This is in continuation with NSDL circular no. NSDL/POLICY/2006/0042 dated September 23, 2006 wherein three utilities were provided to Depository Participants (DPs). The circular further stated that other utilities will be released to the DPs later. These remaining nine utilities are being issued on October 17, 2006 by NSDL Helpdesk (PMC Department). These utilities (consisting of queries) will give an output of probable data entry errors made in the past. The utilities to run the queries and generate the output on incremental basis will be released to DPs later. DPs are advised to run 'full' utility for the first time and then run the 'incremental' utility at periodic intervals, say each month. The operating procedure for running the utility will be sent by NSDL Helpdesk (PMC Department). The output generated will have the list of Clients which are in the status 'Active', 'Suspended for debit' or 'Suspended for debit and credit'. DPs are advised to preserve the printout of the output of the queries and necessary remarks with respect to action taken by them. DPs are also advised to make suitable remarks with respect to the date on which change was made in the system and the name and initials of the person who has made such changes. Internal Auditors of the DPs are advised to verify the action initiated by the DPs and make suitable comments in the quarterly internal audit reports submitted by them. Internal auditors may also request DPs to run the query while conducting the audit and satisfy themselves with respect to the output as well as the action taken by the DPs. A list of utilities, their usefulness and the manner in which these utilities should be used is given below: **1. Client accounts with standing instruction (SI) disabled :** Standing instruction is a facility which ensures the credit of securities through account transfer instructions (including inter depository transfer instructions) in the Client's accounts without specifically giving a receipt instruction to the DP. It is found that in some cases, the SI is found to be disabled. This query will give a list of all such accounts where SI is disabled (not ticked in DPM). Further, the query has been bifurcated into two sub-queries for ease of the DPs. The details are given below. a) Client accounts opened in 'resident' category with standing instruction disabled : Generally, it is found that the SI is enabled in DPM. The output of the query will give the list of all such Clients which have been opened in 'resident' category where SI is disabled. After getting the output, DPs should verify the same from account opening forms/Clients and make necessary corrections in the DPM system, if necessary, after requisite documentation.

b) Client accounts opened in 'non-resident' category with standing instruction disabled:

It has been observed that in some cases, DPs disable SI indicator for NRI Client accounts. The output of the query will give the list of all such Clients which have been opened in 'non-resident' category where SI is disabled. After getting the output, DPs should verify the same from account opening forms/Clients and make necessary corrections in the DPM system, if necessary, after requisite documentation.

2. List of Client accounts which are opened in the name of "And Sons":

As all DPs are aware, a demat account cannot be opened in the name of proprietorship firm / partnership firms. E.g. a demat account cannot be opened in the name of XYZ & Sons. The output of the query will give the list of all Client accounts, other than Clearing Member accounts, where the word "SONS" appears in the First Holder's Name. However, this list will also give the names of Clients like 'Mother'sons' Sumi Ltd' where word 'sons' appear. Further, a demat account holding 'commodities' is permitted to be opened in the names of proprietorship firm / partnership firms. The names of such Clients would also appear in the output. Therefore, after getting the output, DPs should verify the same from account opening forms and initiate necessary action with respect to closure of account, wherever applicable.

3. List of Client accounts opened for more than three Holders :

NSDL, vide its circular no. NSDL/PI/99/231 dated April 08, 1999 issued clarification with respect to the manner in which the demat account for more than three holders need to be opened. The output of this query will give list of all such demat accounts where the account has been opened for more than three holders. DPs should verify the same from account opening forms and ascertain whether the account opened is indeed for more than three holders.

4. List of Client accounts opened for more than three Holders and SI enabled:

NSDL, vide its circular no. NSDL/PI/99/231 dated April 08, 1999 advised DPs that in case of such accounts, SI should not be enabled. The output of this query will give list of all such demat accounts where the account has been opened for more than three holders with SI enabled. DPs should verify the same from account opening forms in order to verify whether the account opened is indeed for more than three holders and initiate necessary action with respect to disabling the SI.

5. Bank address details not entered as per NSDL requirements :

NSDL, vide, its circular no. NSDL/PI/2000/2295 dated December 20, 2000 advised DPs to enter the bank details in the manner specified in the circular. The circular stated that the city name should be entered in the row 4 of the bank address details. However, it is observed that in many cases DPs do not capture the city name in fourth row and leave the same blank. The query will list all such Client accounts for which fourth row in bank address line is left blank. DPs should ensure that the city name is captured in the fourth row by deleting the same if it has been entered in any other row.

	6. List of Client accounts where the first Holder is a Minor and the account is opened with a Joint Holder : As all DPs are aware, a demat account for a minor needs to be opened as a single holder and to be operated by guardian. However, many instances are observed where an account of minor is opened alongwith the joint holder. While generating the output, a query will run where DP has selected an option of 'guardian' and is a joint holder account. However, is some cases, it is observed that if the nominee is minor, DPs select 'guardian' and enter minor's date of birth in the relevant column giving the wrong picture that it is a minor with joint holding account. Therefore, DPs should verify the account opening forms before taking an action. 7. List of 'HUF' accounts opened under a different type-subtype : The output of this query will give all such accounts with suffix 'HUF' in the name of the account holder, but the account has been opened in any sub-type other than 'HUF' in DPM. The list will also give the names of Clients like 'HUFfrish Cyril Pinto' where word 'HUF' appears. In such cases, based on the output and after verification of account opening forms, DPs should initiate to close the accounts and open the accounts under correct sub-type without any suffix after the name of the Karta. 8. List of demat accounts opened in the 'corporate' category in joint holder: Generally, a account in the category of 'corporate' is found to be opened as a single holder though demat accounts are permitted to be opened in joint holder capacity. The output of this query will give the list of all such Clients where accounts which are opened in corporate category in joint holder. DPs are advised to verify the same from account opening forms as it has been observed that sometimes, the corporate accounts are opened where the names of authorized signatories are erroneously entered as the joint holders instead of entering the names in 'signatories' panel in DPM. In such cases, based on the output and after verification of account opening forms, DPs should initiate the closure of such accounts where the names of 'authorized signatories' have been entered as joint holders and open the accounts in name of the Corporate. 9. List of corporate Accounts opened which are probably not corporate accounts : It is observed that in most of the cases, an account opened in 'corporate' category will have a word 'Limited' (and its various variants like 'Ltd.', 'L. T. D.' etc.) in the name. However, sometimes, it is observed that an account opened in the corporate category are opened without having a word 'limited' or its variants. The output of this query will give list of all such 'corporate' Client accounts where the word 'limited' or its variants are not found in the First Holder Name. Therefore, the output generated needs to be verified with the account opening forms and necessary action, if any to be initiated with respect to closure of this account and opening the account in correct category.
Circular No. NSDL/POLICY/ 2006/0042 Date: September 23, 2006	***Sub : Software utilities for making queries in DPM system*** As all Depository Participants (DPs) are aware, NSDL officials visit DPs' offices twice a year. During these visits, NSDL officers provide to the DP a list of data entry errors which can be rectified by DPs.

As these visits are conducted twice a year, it is felt that DPs should be enabled to monitor such errors through relevant software utility (consisting of various queries) and rectify the same, wherever necessary. For this purpose, based on experience gained during visits at DPs' offices, NSDL has compiled a list of such utilities.

One such utility (consisting of three queries) will be released to the DPs for usage on September 23, 2006 by NSDL Helpdesk (PMC Department). Other utilities (consisting of some more queries) will be released to the DPs later. The utility being released alongwith this circular will give an output of probable data entry errors of the past. It is also proposed to provide utilities to run queries and generate output on incremental basis.

DPs are advised to run 'full' utility for the first time and then run the 'incremental' utility at periodic intervals, say each month. The operating procedure for running the utility is enclosed as Annexure I. The output generated will have the list of Clients which are in the status 'Active', 'Suspended for debit' or 'Suspended for debit and credit'. DPs are advised to preserve the printout of the output of the queries and necessary remarks with respect to action taken by them. DPs are also advised to make suitable remarks with respect to the date on which change was made in the system and the name and initials of the person who made such changes.

Internal Auditors of the DPs are advised to verify the action initiated by the DPs and make suitable comments in the quarterly internal audit reports submitted by them. Internal auditors may also request DPs to run the query while conducting the audit and satisfy themselves with respect to the output as well as the action taken by the DPs.

A list of utilities being provided with this circular, their usefulness and the manner in which these utilities should be used is given below:

1. **Hindu Undivided Family (HUF) demat accounts with joint holdings:**

   As DPs are aware, a demat account for holding shares of HUF can be opened only in the name of Karta and it cannot be a joint account. (Circular no. NSDL/PI/2002/1346 dated August 12, 2002). Accordingly, DPM system restricts entry of joint holder names in HUF category of accounts from October 13, 2001. However, it has been observed that in the demat accounts opened prior to that date, a few HUF accounts were opened in joint names. These accounts are still in active status.

   This query will give a list of all such HUF accounts opened with joint holdings. DPs are advised to close these accounts and open new accounts as stated in the above-mentioned circular. **This utility needs to be run only once and based on such report, action should be taken by DPs.**

2. **Incorrect Pin codes in Client Address details:**

   The output of this query will identify incorrect pin codes. For this purpose, all pin codes which are less than 100000 and/or greater than 880000 will be listed. Further, the output will not generate the names of Clients where category is 'Non Resident Indian (NRI)/Foreign National'. After getting the output, DPs should verify correct pincodes from account opening forms/Clients and make necessary corrections in the DPM system.

3. **Incorrect Pin codes in bank address details:**

   The output of this query will identify incorrect pin codes in bank details. For this purpose, all the pin codes which are less than 100000 and/or

	greater than 880000 will be listed. Further, the output will not generate the names of Clients where category is 'NRI/Foreign National'. After getting the output, DPs should verify correct pincodes from account opening forms/Clients and make necessary corrections in the DPM system. **Annexure I** Operating Procedure for running the utility Please follow the procedure given below to install the utility on the DPM server. 1. Zipped File "DP_Reports_For_DPs" is to be placed on the C drive of the server 2. Unzip the file 3. On Unzipping the file DP_Reports folder will be created in C drive of the server 4. Inside DP_Reports folder two folders will be present Batch_Files Reports 5. To create the above mentioned reports at any time, Double_Click.bat file should be double clicked. 6. Both the above reports would appear in the Reports folder 7. The naming convention of the files are as given below: "query_name(fixed)_date(variable).txt e.g: Bank_Addr_Invld_Pincode_Aug1020062.19PM.txt Clnt_Addr_Invld_Pincode_Aug1020062.19PM.txt HUF_Acct_with_sec_thrd_hldr_Aug1020062.19PM.txt .
Caution to be exercised while executing freeze in Client accounts using Freeze Utilities	
Circular No. NSDL/POLICY/ 2006/0062 Date: December 20, 2006	***Sub : Caution to be exercised by DPs at the time of executing freeze in Client accounts using Freeze Utilities*** As all Depository Participants (DPs) are aware, ***"in case the demat account holder(s) fail(s) to submit the PAN details to the DPs by December 31, 2006 or there are discrepancies in the PAN details that are not resolved by December 31, 2006 such accounts should be 'Suspended for Debit' until PAN details are verified and updated at the DPM Application Software (DPMAS)"***. DPs are requested to refer NSDL Circular No.NSDL/POLICY/2006/0043 dated September 27, 2006 and various other circulars issued, in this regard. Attention of DPs is also invited to Circular No. NSDL/POLICY/2006/0051 dated October 19, 2006 wherein general features to operate the freeze utilities were informed to the DPs. NSDL Help Desk (PMC Department) will shortly release the freeze utilities as well the operational manual containing instructions to operate the freeze utilities. **Details of Freeze generated by the two Utilities - Bulk Account Freeze and File Converter:** (a) Freeze level will be for **"Suspended for Debit"** (b) Freeze reason will be **"Request by Statutory Authority"** (c) Freeze description will be **"PAN Pending-SEBI Cir"** (d) User remark field will be **"Through Freeze Import"** (e) Execution date of the freeze will be **"January 1, 2007"**.

The guidelines for executing freeze instructions is broadly divided into three parts viz. system, operational and general guidelines & obligations. DPs are advised to strictly follow the guidelines as given below :

(I) System Guidelines :

1) The response file generated by the two utilities i.e. Bulk Freeze and File Converter will carry the batch id in sequence to the last batch id uploaded in respect to the instructions/client modification/ client closure etc, in the DPMAS. In view of this, DPs should ensure that the batches generated from the back-office are uploaded in the DPMAS before using these utilities otherwise the batch file(s) generated out of the utilities will be rejected by the DPMAS transaction import utility on account of **"Duplicate Batch Id"**. Further, DPs should also update the batch id utilized by these utilities in the back-office so as to generate the batch ids in sequence thereafter.

2) Upon DPs giving confirmation to generate freeze for Bulk Account Freeze and File Converter utilities, multiple files will be generated with a maximum of 50,000 Client accounts (if the freeze executable accounts are equal or more than 50,000 Client accounts) in each file. These multiple files are the response files in case of Bulk Account Freeze for the purpose of bulk verify & release and batch files in case of File Converter to import into transaction import utility. Criteria for identifying freeze executable accounts is given in our earlier Circular no. NSDL/ POLICY/2006/0051 dated October 19, 2006. DPs are advised to keep track of these files that are generated and ensure that the generated files are uploaded in the DPMAS.

3) DPs should stop the **Receive Service** of the DPMAS at the time of executing freeze instructions.

4) Ensure that minimum free disk space of 500 MB on 'c' drive as well as 500 MB or 10% of database size on database drive **whichever is higher** is available on the DPMAS server before generating the freeze request.

5) DPs should ensure that they stay connected on **December 30, 2006 (Saturday)** and **January 1, 2007 (Monday)** failing which, DPs may receive a **delayed BOD** as of **January 2, 2007** on their DPMAS and any failure in pay-in will be the responsibility of the DPs. The status in the Systems Operations profile should show **"Business Ended"** as on December 30, 2006 and **"Regular Operations"** as on January 1, 2007. **It is once again advised that, DPs have to be connected to NSDL for two days as mentioned.**

6) During the process of executing freeze instructions, DPs should ensure that **no** other process such as execution of settlement instructions, creation, modification, closure of Client accounts and other DPM related activities etc are executed in the DPMAS.

(II) Operational Guidlelines :

1) Client accounts in statii "On Hold", "Intransit" and "Closed" will not be frozen by the freeze utilities. DPs should execute freeze instructions for Clients accounts with statii **"On Hold"**, **"Intransit"** as and when they are activated in the DPMAS and do not comply with Circular No. NSDL/POLICY/2006/0007 dated March 3, 2006.

2) If the Client account is already frozen **("Suspended for Debit")** through DPMAS or ***SPEED-e***, the utilities will still allow the DP to initiate the freeze instructions for such accounts but such instructions will fail in the **BOD of January 1, 2007**.

3) If DPs wish to freeze Client accounts for a large number say **10,000** or more, DPs are advised to :

(a) Ensure that all the **time critical instructions** with the same execution date and future execution date (next day) are executed in the DPMAS on the same day well before 7.30 p.m.;

(b) Inform Help Desk before releasing the freeze instructions and on completion as well.

(c) Execute **freeze instructions** after regular operations end i.e. **after 7.30 pm**.

4) On receipt of the freeze utilities from the helpdesk, DPs should start identifying the Client accounts that are not in compliance with PAN requirements and start releasing the future dated freeze instructions for such accounts well before the stipulated deadline, **(December 30, 2006)**, in order to avoid last moment message congestions in the DPMAS.

5) Client accounts that are already frozen (**"Suspended for Debit")** through DPMAS or SPEED-e) as on December 31, 2006, DPs should ensure that such frozen accounts are in compliance with Circular No. NSDL/POLICY/2006/0007 dated March 3, 2006. If such Client accounts gets unfreezed and do not comply with PAN requirements, DPs are advised to freeze the accounts until the Client submits the PAN card and the DP duly verifies the same as mentioned in various NSDL circulars on PAN.

6) DPs having back office are also advised to ensure readiness in its back office to process large COD exports / incremental client master export files arising out of these exercise. Two set of large COD export file may be expected :

(i) due to future dated freeze order (before December 31, 2006);

(ii) due to actual account freeze (on January 1, 2007).

(III) General Guidelines and Obligations:

1) DPs should note that in case of joint holdings, an account will be frozen, if the PAN details are missing for one or more holders of an account.

2) Client accounts that do not comply with Circular No. NSDL/POLICY/2006/0007 dated March 3, 2006 and not frozen by DPs as on January 1, 2007, will be treated as violation to SEBI directive.

3) While the utilities will enable the DPs to identify Client accounts without the PAN flag 'Y' and accounts having no PANs at all, DPs should note that failure to set an appropriate flag or failure to update the Client account with appropriate details will render DPs liable to claims by Clients.

	4) DPs are advised to only unfreeze the Client accounts, upon the Client(s) submitting the PAN card details and DPs verifying the PAN details as per the laid down procedure in circular no. NSDL/POLICY/2006/0007 dated March 3, 2006. In this regard, on compliance with PAN requirements, it may be possible that Clients may submit settlement related instruction alongwith unfreeze instruction. In such a situation, DPs should first unfreeze the Client account and ensure that the status of the unfreeze instruction is **'Closed,Settled'** prior to executing the settlement related instructions for such Client account. 5) DP can cancel future dated freeze instructions executed before December 31, 2006 for those clients who complete PAN requirement as before that date (December 31, 2006). Utilities for cancellation will also be provided along with freeze utilities. 6) A special schedule will be drawn up to facilitate setting up freeze in a staggered manner for DPs requiring to freeze more than 50,000 accounts and the same will be communicated to DPs by PMC department.
DPM Software - Modification only with prior permission of NSDL	
Circular No. NSDL/PI/99/106 Date : February 18, 1999	All Participants are hereby advised that any upgradation of the DPM Hardware should be undertaken only after obtaining prior permission from NSDL. Participants are advised to ensure the following before proceeding with any upgradation : (i) Inform NSDL atleast a week in advance about the details of the proposed upgradation of hardware. (ii) Time schedule for upgradation shall be fixed in consultation with NSDL. (iii) All requisite steps as may be specified by NSDL for this purposes shall be carried out. (iv) Revised Form 'B' must be submitted to NSDL. Participants are cautioned that any unilateral upgradation of the DPM hardware may result in the failure of the system, seriously jeopardising their day-to-day depository operations causing losses to their clients.
Circular No. NSDL/PI/187 Date : September 13, 1997	It has come to our notice that a few Business Partners have attempted changes on their DPM systems without intimation and/or prior permission of NSDL. In course of doing so, on several occasions, DPM system became in-operational and they had to obtain necessary help from NSDL help-desk. NSDL help-desk solved the problem either by remote log-in or by visiting their site. In view of the same, it is advised that the Participant should consult NSDL help-desk prior to undertaking any change on DPM system, as mentioned below. Explicit permission must be obtained from NSDL help-desk. Subsequently, a revised Form B should be submitted indicating the change implemented. The circular will apply to all the changes listed below : 1) DPM Hardware replacement/upgrade/change/removal 2) Re-installation of WINDOWS NT system software on server, Windows-95 system software on client, SQL Server RDBMS, DPM database, NSDL's application software on server/client and Anti Virus software.

	3) Upgrade/replacement of NSDL permitted version of WINDOWS NT system software, SQL Server RDBMS and Anti Virus Software. (including the upgrades suggested by NSDL for which software and procedure for upgrade are provided by NSDL) 4) Change in settings of Windows-NT OS and SQL Server RDBMS (including settings for security, database mirroring/replication, table sizes etc.) 5) Installing any additional software and utilities on client/server (e.g. Microsoft office/Exchange, Lotus Notes etc.). 6) Creating shortcuts or relocating/duplicating NSDL supplied software files in other directories/path (e.g. Copying EXE into Briefcase). 7) Inter-connection of DPM system to internal LAN, or additional node/ server or any other hardware device not specified by NSDL (Please note that inter-connection of DPM system to any other WAN is prohibited by DOT). In regard to point nos. 4,5,6 and 7, NSDL reserves right to deny permission if the request is in violation of general guideline issued by NSDL, software licensing or any other statutory policy/guideline or the proposed change is likely to create performance problem in the opinion of NSDL. Any change being carried out, after obtaining the permission from NSDL help-desk should be done in accordance with procedure stipulated by NSDL. The first time upgrade/replacement of DPM application software with new release may be carried out in accordance with the prescribed procedure as per the current practice without additional permission from NSDL. If changes undertaken at your end are in violation of this circular and results in a problem, then the Participant may be charged as follows : a) Rs.1000/- per man hour of NSDL time used on rectifying the problem, subject to a minimum of Rs.2000/- b) Travel charges, if any, at actuals. c) Lodging and Boarding charges, if any, at actuals. The charges will be without prejudice to any other action, NSDL may initiate considering the seriousness of the violation. As NSDL has supplied SQL Server and application software, NSDL help-desk will be responsible for support of SQL Server and application software. However in respect of problems related to Windows NT/Windows 95, additional support from your hardware vendor may be required.
Additional Software permitted on DPM System	
Circular No. NSDL/PI/2002/1519 Date : September 7, 2002	As Participants are aware, NSDL is sending circulars/price files via e-mail in a compressed form. NSDL has provided two licenses of CEDS 10 utility to the Participants for their use on the DPM Server and on the Client machine, for the purpose of reading the circulars/price files sent by NSDL. In this regard, some Participants have requested NSDL for an additional license of CEDS 10 utility for the purpose of reading circulars/price files received by them on their internet e-mail Ids. In this context, Participants may note that they may use one additional license of CEDS 10 utility, only for the purpose of reading the circulars/price files received from NSDL on their internet e-mail Ids. Any use of the CEDS 10 utility for purposes other than what is stated above will amount to violation of the terms of license and may invite action.

Circular No. NSDL/PI/2002/0405 Date : March 8, 2002	A list of additional software permitted to be installed on the DPM System is enclosed. Participants must ensure that no other additional software is installed on the DPM System. **List of additional software permitted to be installed on the DPM System** 1. 3 Com NIC diagnostic Direct X Drivers 2. Acrob Reader V 2.1 3. Adaptec UDF Reader 4. Adobe acrobat reader 5. Adobe Page Maker 6. Adobe Pagemill 3.0 7. Adobe Photo Deluxe 2.0 8. Adobe Photo Deluxe Business Edition 1.1 9. Adobe Type Manager 10. ATI Match 64 Display Driver 11. Caere Scan Manager 12. Compaq Diagnostic for Windows 13. Compaq Insight Management Agents 14. Compaq Integration Maintenance Utility 15. Compaq Net Agents 16. Compaq Server Utility 17. DCOM for Windows 95 (allowed with Operating System - Windows 95) 18. Direct Drivers 19. Direct X Drivers 20. HP Laserjet Pro Uni Installer 21. HP Library & Tape Tools Version 2.7 22. IBM Registration 23. Logitech ScanMan Color 2000 24. Matrax Powerdesk 4.10.0070 System Policy Editor 25. Matrox Power Desk 4.18.026 26. Microsoft Internet Information Server 27. Microsoft Outlook Express 28. MS Active Server Pages (only on server) 29. MS Windows 95 starts here update edition (allowed with Operating System -Windows 95) 30. PC Care V 1.01 31. PC Doctors for Windows 32. Photo Finish 33. RPADLL Photofinish 34. S3 Refresh 35. S3 Video Colour Control 36. Umax Vistascan Shuttle 37. USB Supplement OSR2 38. USB Update to OSR2

DPM System - General operating instructions	
Circular No. NSDL/PI/003 Date: December 28, 1997	All the Participants are hereby informed that for the purpose of depository operations, they should strictly adhere to the schedules and the general operating instructions as laid down in Annexure 'A'. In case of any clarification or further information, the Participant may contact our 'Help Desk' at NSDL on 4976341, 4976348, 4975243, 4945177, 4937026, 4937031, 4972970 Extn 4630 - 4636. **Annexure 'A'** **General Operating Instructions for all Business Partners*** **Backup** • BPs should ensure that adequate number of DATs (atleast 10 per week) are available for taking Backups. • The systems person must take backup daily, 30 minutes after confirming the `Business Ended' message in system operation profile. • BPs should maintain a Remote Backup. • BPs should send in Backup DATs when asked by NSDL. This will help NSDL to confirm the correctness of Backup procedure carried out by the Participants and also check integrity of the data backed up. • Backup should be taken every day, even if there are no business transactions. • In case of BPs working on Saturdays & Sundays, backup should be taken on separate DATs reserved for Saturdays & Sundays. • Do not recycle the tapes in the same week. • Do not select the Replace option while taking hourly Transaction Log backup (except when the tape is used for the first time or when it is recycled) **Windows NT·** • Ensure that you should have Windows NT Setup Boot Diskettes. • Prepare the Emergency Repair disk after Windows NT installation. • Ensure that you should have \Windows NT35 Directory Backup with Registry. **Router** • Keep the Router on until 30 minutes past receipt of 'Business Ended Message'. The router can be switched off then, just before taking backup. • Do not change any of the Router configuration unless specifically instructed by the NSDL Networking Group. **Modem/IDU** • Keep the IDU/MODEM on until 30 minutes past receipt of 'Business Ended Message' . The router can be switched off then, just before taking backup. **UPS Protection** • Should have UPS to protect Server + Router + Modem + IDU. The UPS should have atleast 30 Minutes backup. • In case of power failure, ensure that system is gracefully shutdown (through File/Shutdown" option of Windows NT menu) before UPS trips. Before starting operations please ensure that the UPS battery is fully charged.

Training / Staffing

- Train adequate staff for operating the DPM software and administering the system for minimum 2 shift operations.
- BPs should ensure that the system administrator is trained by NSDL on use of Application Software as well as other application related system administration procedures, like taking backup, starting and shutting communication and interface process etc.
- BPs shall ensure that trained WIN NT and MS SQL staff is available for administrating the DPM system. This is applicable for DBA functions also.
- The system administrator should posses skills on Windows NT and SQL Server. Required skills on Windows NT and SQL Server are listed below
- Familiarity with Windows NT and Windows 95 environment
- Basic concept of domains and IP addressing
- Creating user accounts
- Implementing security on files and resources
- Interpreting event log and taking backup of event log
- Preventive measures against system breakdown
- Backup and restoring data
- Basic RDBMS concepts
- Familiarity with SQL server tools like SQL enterprise manager, isql/w
- Monitoring SQL activity using performance monitor
- Backup and Restore of SSQL databases using enterprise manager
- Interpreting SQL server error log

Kindly note that the BPs can avail the training facilities provided by Authorized Training Centers of Microsoft.

- It is mandatory for the BPs to arrange for systems administrator to remain available
  - during the crucial time of Business Operation on production environment
  - during power on and power off of system
  - on call (round the clock) while not present at the BP site

Power On / Off

- While powering down the server ensure that on all client terminals have quit out of the DPM application .Then on the server select **'File/ Shutdown'** and select option 'Shutdown'. Only when the message is displayed "It is now safe to turn of the computer", server should be powered Off.
- Do not allow the operations staff to start operating the DPM software unless the systems Administrator ensures that all the communication processes are started.

Help Desk Calls

- All Help Desk calls should be directed on Number- 4945177, in case this number is busy you should call up on 4972950- 59 Ext. 407/408.

Operational Schedule

- The BPs should ensure that the communication process be shut off at 9.30 a.m. every day from Monday to Friday. If there are any changes, they will be communicated separately.
- Participants and Registrars should start the communication process only after 3.30 p.m. daily. (6:00 p.m. on settlement day, which is generally Wednesday)
- Thus communication process should be compulsorily shut off between 9.30 a.m. to 3.30 p.m. (9:30 a.m. to 6:00 p.m. on settlement day, which is generally Wednesday)
- From 9:30 am to 3.30 p.m. (6:00 p.m. on settlement day, which is generally Wednesday) BPs can function in Capture Mode.
- BPs will not be able to "Verify and Release" after the scheduled time of EOD ie. 6.00 PM (8:00 PM on settlement day, which is generally Wednesday) onwards. From this time onwards the BPs will be working in Capture mode. The BPs will start working in "Verify and Release" mode after getting the next BOD message.
- The BP can again start the communication process after the backup is over. However "Verify and Release" will not be possible if the BOD for the next day is not sent by NSDL.
- If the Communication process is on at the BP's server and BOD is received, the DPs can "Verify and Release", but only upto 9.30 a.m. next day (provided next day is not Saturday or Sunday).
- Even if there are no business transactions, the BP's server should be kept on every day, starting from 3.30 p.m. (6.00 p.m. on settlement day, which is generally Wednesday), until 30 minutes past receipt of `Business Ended' message.
- EOD time can be extended in case of bulk master data entry being carried out at NSDL. In this case the BPs will be required to arrange for adequate staff to take the Backup and shut the system.

Summary

- Transaction "Verify and Release" operations between 3.30 p.m. to 6.30 p.m. on Monday, Tuesday, Thursday, Friday and 6.00 p.m. to 8.00 p.m. on Wednesday

- Registrars and Participants connected to Depository through Leased lines will be allowed Transaction "Verify and Release" operations between 9.30 a.m. to 6.30 p.m. on Monday, Tuesday, Thursday, Friday and 9.30 to 8.00 p.m. on Wednesday

Note : It should be noted that in case settlement is not carried out on a Wednesday (non working day), it is generally carried out on the following working day. This implies that operation time on this day can be modified, which will be communicated to the all BPs.

EOD/BOD

- Depository will certainly broadcast BOD message to all participants and Registrars before 9.30 a.m. of the working day. Depository will endeavor to broadcast the same preferably by midnight of the previous working day.

	• It should be noted that BOD message broadcast at Friday midnight/ Saturday early morning will be for BOD of Monday or the first working day of coming week. • Thus all the transaction "Verified and Released" on Saturday and Sunday will be booked for Monday. **Security** • It is mandatory for the system administrator, at BP, to assign specific roles to the operators. • Each operator should have different Login Name and Password on Windows NT, SQL Server and Application. • All users should not be given System Administrator privilege. **Server Booting** • On booting the server a message is flashed on the screen "Do you want to boot from the Last Known Good Menu, Press Spacebar to do so". Do not select this option. Using this option is very Dangerous as it is quite possible that the registry entries maintained by Windows NT may be lost. This may also lead to reinstallation of Windows NT, as a result of which all the data on the server cannot be recovered. **General** • Do not experiment with the installed system configuration. • Check System Operation Profile everyday at 3.30 and check that the Current Business Date is updated. In case of discrepancy contact Help Desk. • Report any error to help-desk immediately. • Check whether all processes are running in Administrative tools/ Performance Monitor. • The system on which the DPM software is loaded should not be put to any other use i.e. no other application software should be installed • Do not delete or load any file on the system unless specifically directed by NSDL IT staff. • Do not change Date/Time or any other configuration, unless specifically directed by NSDL IT staff • Do not connect DPM system's clients machines to any other WAN • Do not change the System Administrator password without a formal communication to NSDL. • Do not access SQL database externally unless specifically directed by NSDL Systems staff.
DPM system - Guidelines for monitoring hard-disk space	
Circular No. NSDL/PI/98/372 Date :August 13,1998	All Participants are advised to follow and strictly adhere to the guidelines for monitoring hard disk space given in the enclosed annexure to ensure proper functioning of DPM Application Software and smooth conduct of your business operations. **Guidelines for monitoring hard disk space** The System Administrator of the Participant should carry out the activities mentioned below on the DPM Server regularly :

The free space available on the DPM Server should be monitored regularly and it should be ensured that at any given point of time sufficient free space (around 400 MB) is available on the DPM Server. In order to achieve this, the following unwanted files residing on the server must be deleted:

Sr. No	Name of files	What to check before deleting	When to delete
(i)	Files generated after successful installation/ upgradation of DPM Application Software. The names of these files are mentioned in the installation/ upgradation manual	Ensure that the software is running smoothly for a week. The clientdisk directory should not be deleted.	A week after installation / upgradation of the DPM Application Software
(ii)	System-generated transaction log (Transnsdlxxxxxxxx.dat) residing at c:\mssql\ backup directory	Ensure that all the files are backed up on two DATs (local and remote backup DAT)	At the end of every week, all files which are more than three days old
(iii)	Temporary files (*.tmp) residing on the server	Nothing	At the end of every week
(iv)	Back office related files residing on the Server	A copy, if required, is stored in the back-office	At the end of every day.

The following must also be ensured :

- Ensure that your "Recycle Bin" is empty.
- Ensure that no software other than Windows NT 4.0, DPM Application software, MS SQL 6.5 is installed on the server.

In case there is no sufficient space on the hard disk even after removing the unwanted files, the Participant must upgrade its hard disk in consultation with NSDL.

DPM system - Monitoring hard-disk failure

Circular No. NSDL/PI/2002/1262
Date: July 29, 2002

Participants may note that there have been instances where the DPM server of Participants stopped functioning on account of Registry corruption in the Windows NT server Operating System (OS). In order to rectify the problem, Windows NT server OS was required to be re-installed, which takes a long time. This results in disruption of the operations of the Participants for a long

time. In this context, Participants may note that Windows NT / Windows 2000 server OS allows creation of Emergency Repair Disk (ERD) with which majority of Registry corruption incidences in the OS can be rectified without a need to re-install the OS and DPM System can start functioning in a short time.

Further, there have been instances where DPM server of Participants stopped functioning due to failure of RAID controller card. In such an event, Participants are required to source an identical RAID controller card and also apply the latest RAID controller configuration backup. In case the latest RAID controller configuration backup is not available, then the RAID implementation of the DPM server needs to be re-configured afresh with the result that all the information stored on the disk including the database is lost. In such an event, the database has to be recreated from the last available backup.

In view of the aforesaid, Participants are advised as follows:

	(1) Create fresh copy of ERD of DPM server atleast on a fortnightly basis as well as immediately after any changes are effected to Hardware/Software configuration of the server. (2) Take backup of RAID controller configuration of DPM sever atleast on a monthly basis as well as immediately after disk/RAID controller repairs/ upgrade. It may also be mentioned that RAID controller configuration backup can be taken only through RAID monitoring utility, which is available at no extra charge. Participants are therefore advised to source the utility from their vendor if not already installed on their DPM server. Further, Participants are advised to maintain a record of the backup of ERD and RAID configuration, in their Backup Register. Participants may contact NSDL Help Desk in case of difficulty in creating ERD and in taking backup of RAID configuration.
Circular No. NSDL/PI/2001/678 Date : May 18, 2001	NSDL has mandated use of RAID (Redundant Array of Inexpensive Disk) hard disk for housing of DPM database on DPM Server. RAID implementation provides for redundancy and thus first failure of disk does not lead to loss of data but just the redundancy. However, it is important to become aware of this first failure so that Participants can call hardware engineer and get the problem fixed. If the problem is not fixed promptly and the second hard disk fails, then this will result in loss of data. Windows NT Operating System does not detect the first hard disk failure. However, the failure of the disk can be easily discovered through visual inspection of the activity lights on the hard disk. Each disk has a separate activity light, which flickers with a level of activity and bears either green or amber/red colour as explained below: If disk drive is functioning normally, its activity light will flicker in green colour. All activity lights flickering in green colour indicate that disks subsystem is functioning normally. The activity light of a disk drive will turn amber or red in colour if the drive is in-operational. The activity lights of other normal disks will continue to flicker in green. Thus finding one of the activity light in red/amber colour indicate that a drive has developed a problem. Participants are advised that their system staff visually inspect the condition of activity lights of DPM Server disk sub-system once in a day and confirm that all drives are operating normally. In case they notice one of the activity light flickering in red/amber colour then they must report the problem to NSDL help desk and seek guidance. Participants are advised not to attempt resolution of this hardware problem through their vendor until it is cleared by informing NSDL help desk. Participants are further advised to maintain safe copy of RAID configuration backup and also Emergency Repair Disk (ERD) to deal with Operating System related problem. Participants should also ensure that log file replication is ON and ensure that all required backups are taken in accordance with the procedures prescribed by NSDL.
DPM system - Monitoring messages & Releasing instructions	
Circular No. NSDL/PI/2002/1004 Date: June 22, 2002	It has been observed that Participants do not execute (verify/release) the instructions if Beginning of Day (BOD) message is not received by the DPM System. Participants may note that instructions such as account transfers, inter-settlement transfers, CM Pool to CM Pool transfers, Delivery Outs, Deferred Delivery Orders and Inter Depository transfers can be captured and verified/ released even if BOD has not been received by the DPM System.

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

Further, NSDL Help Desk has been receiving calls about instructions remaining in status "In transit to NSDL". In this context, Participants are advised that the "Message Control Panel" under GISMO allows the Participants to view the status of incoming and out-going messages. The outgoing messages can be viewed in the "Transmit" queue. Participants should monitor the status of the messages, especially the messages which are in status "To be Transmitted" or " In Transmission ", at regular intervals. In order to find the latest status, Participant should query repeatedly since message control panel does not refresh automatically. The messages in the transmit queue undergoes the following status changes which are highlighted with the following colours:

Status	Reason	Colour
To be Transmitted	Message is waiting in queue to be transmitted to NSDL.	Red
In Transmission	Message has been picked by comms service for delivering to NSDL but waiting for acknowledgment from NSDL.	Yellow
Transmitted	The message has received acknowledgment from NSDL.	White
Others	When there is a message format mismatch between the DPM and NSDL systems. In such case an error number will be indicated in the status field.	Blue
Transmitted by DAT	In case of network failure when the messages have been sent to NSDL via Magnetic media instead of online link	Grey

Participants are also advised to note the following:

1) The status of the messages will change from "To be Transmitted" to "In Transmission" and finally to "Transmitted", provided NSDL Interface Transmit, NSDL Interface Receive and Comms services are running without any application errors.

2) In case the messages remain in status "To be Transmitted" or "In Transmission" for a long time or in status "Others", Participant should inform NSDL Help Desk immediately.

3) Participants must ensure through GISMO panel that Communications to NSDL, NSDL Interface Transmit, NSDL Interface Receive, Ping to NSDL and Ping to router are functioning successfully. However, if Communications to NSDL, NSDL Interface Transmit and NSDL Interface Receive stops or Ping to NSDL and Ping to router fails, Participant must report the same to NSDL Help Desk immediately.

DPM System - Reporting problem to NSDL Helpdesk	
Circular No. NSDL/POLICY/ 2009/0122 Date: December 15, 2009	***Sub: Query resolution confirmation email for Token Number issued to Participants*** As all Participants are aware, token number is issued to the Participants for the purpose of subsequent follow up, speedy resolution and escalation of system related problems reported by them at the NSDL Help-Desk. In this context, Participants are informed that subsequent to resolution of every problem registered specific to the token number in NSDL system, an email will be sent to the MS-Exchange email ID of every Participant.
Circular No. NSDL/PI/98/517 Date : October 12, 1998	Attention of the Participants is invited to the circular no. NSDL/ PI/98/353 dated August 6, 1998 regarding Operating Instructions for the day-to-day depository operations. In this regard, it is advised that all problems especially relating to hardware/software/communications and status of instructions entered in the DPM system should be promptly reported at the NSDL HelpDesk. Kindly ensure to obtain a token number for the problem reported and quote the same for subsequent follow-up with NSDL. The HelpDesk telephone numbers are : 4945177, 4976341, 4975243, 4972964-70 (Extn. 4037 and 4038).
DPM System - Security administration	
Circular No. NSDL/PI/2002/1862 Date : October 26, 2002	Further to our Circular No. NSDL/PI/2000/820 dated May 31, 2000 regarding guidelines related to Password management, all Participants are hereby advised to observe the following guidelines for Router password management: • Length of the Password should be **atleast** 8 characters. • Password should be changed every 60 days. Participants are advised to implement the aforesaid with immediate effect and follow specific guidelines mentioned in the aforesaid circular for Password management.
Circular No. NSDL/PI/2000/820 Date : May 31, 2000	As all Participants are aware, the application software supplied by NSDL to its Participants provides a facility to secure the application using password. Participants are advised to create "ADMIN User" who will act as the System Administrator for NSDL DPM Application while installing the Application. This ADMIN User in turn will create various Users who will have the access to various parts of DPM Application. These Users can perform various functions in DPM Application depending upon the rights given to them by ADMIN User. The details on how to create function groups and the structure of access rights are provided in the User's Manual supplied by NSDL. It is recommended to have only one employee in the organization with ADMIN level access to the DPM Application. However, his/her Password may be kept in sealed envelope with the Data Security Officer or any other designated officer so that in the absence of ADMIN User, his/her duties can be performed by referring to the password so preserved. A record of the events of taking the password from the envelope should be maintained to keep an audit trail. Whenever the password is used in this process, it is advised that the password is changed and the new password is preserved. A similar practice may be implemented for preserving passwords of other devices like NT, Server, Desktop and Router. General Guidelines on Password management: - • Length of the Password can be Minimum 6 Characters. It is recommended that the length of password should be 8 characters. • Password can have alpha, numeric or special characters in any order. It is recommended that the first character is an alphabet.

- Password should not be related to or resemble the name of the user or kith and kin of the user.
- Password should not be a dictionary word or name of the location/city/town/building/organisation in which the machine is located.
- Password may be changed every 60 days.
- ADMIN User is requested to change the status of a User to 'Suspended' if the User goes on leave for more than two days to avoid misuse of the User Id by other Users.The status can be made active once the User resumes the duty.
- It is recommended that the status of a User be changed to 'Closed' if the User leaves the organization.

Participants are advised to implement these guidelines with immediate effect.

DPM setup after upgradation - Checklist for Compliance

Circular No.
NSDL/PI/2004/0648
Date : April 10,2004

NSDL, vide its circulars, has been prescribing certain procedures that are to be followed by Participants after they carry out any significant change in the hardware / software used for depository purposes such as:

1) upgradation of the server used for DPM activities
2) replacement of server
3) server migration
4) reconfiguration of the server
5) reloading of server Operating System and related software

It has been observed that some Participants are not complying with these requirements and as a result face problems in their routine depository related operations.

For the benefit of the Participants, a checklist of activities to be performed after any of the abovementioned activities are carried out, has been compiled, as follows:

Sr. No.	Description	Circular No.	Date
1	Separate HDD for Operating System and database to reside on RAID configured drive	NSDL/PI/2002/1174	July 18, 2002
2	Configuration of server to ensure Robocopy feature is enabled for copying the transaction logs on the Client machine	NSDL/PI/2002/0656	April 19, 2002
3	Installation of Latest Anti-virus software	NSDL/PI/2002/1684	October 3, 2002
4	Installation of RAID Monitoring utility	NSDL/PI/2002/1262	July 29, 2002
5	ERD and RAID configuration backup	NSDL/PI/2002/1262	July 29, 2002
6	Installation of WinZip / ZipITfast or compatible zipping software	NSDL/PI/2002/2060	Nove., 28, 2002
7	Submission of Revised Form B	NSDL/PI/2002/2068	Dec. 2, 2002

	Besides, Participants are advised to ensure that: 1) the number of SQL Server licenses are reconfigured as per the details provided by NSDL; 2) modem is configured and tested for RAS and PPP connectivity so that it can be used as a fallback means of connectivity; 3) service packs for Windows server are duly installed; 4) MS Exchange utility is installed and configured to send and receive emails from NSDL; and 5) NETBUEI protocol on server is installed to communicate with client machines during PPP connectivity. Participants are advised to ensure compliance of the above.
NSDL email server	
Circular No. NSDL/PI/2004/0690 Date : April 19,2004	As all Participants are aware, NSDL is providing an e-mail based communication for its Participants. Using this facility, Participants can receive / send e-mails through Microsoft Exchange Client software installed on NSDL DPM server and a Client machine. At present, Participants can use this facility between 6 p.m. and 9 a.m. NSDL is upgrading its e-mail server which will be accessible using Microsoft Outlook Express. Pursuant to the upgradation, Participants who are connected to NSDL through leased line will be able to access this facility for 24 hours. However, there will be no change in the timings for Participants who are connected to NSDL through VSAT. All Participants are hereby advised to perform the following activities: a) install and configure Microsoft Outlook Express (which is installable as part of Internet Explorer version 5.5 or 6.0) on NSDL DPM server and a Client machine as per the instructions given in the ***"Installation and Configuration Manual for Outlook Express"*** provided at NSDL Intranet **http//sqlassist.** b) send a test mail to NSDL Help Desk from the NSDL DPM server as well as the Client machine indicating the successful installation of Microsoft Outlook Express. c) uninstall the existing Microsoft Exchange Client software from their NSDL DPM server and Client machine. Participants are advised to complete the above activities on or before **April 30, 2004.** Any failure in complying with the above will result in Participants not able to receive / send e-mail based communications.
Phasing out of CISCO Router 2500 series	
Circular No. NSDL/PI/2005/1364 Date: July 27, 2005	Attention of all Participants is invited to Circular no NSDL/PI/2004/1421 dated August 9, 2004 wherein Participants were informed about phasing out of CISCO 2500 series router, as CISCO has discontinued supply of spare parts for the said series. It is observed that a number of Participants are still working on CISCO 2500 series router. NSDL would like to reiterate that any fault /mechanical failure in the router would disrupt the depository activities of the Participants, as timely replacement may not be available. As Participants are carrying out time critical depository operations and to ensure smooth business operations, Participants are hereby advised to replace CISCO 2500 series router with models as specified in Circular no NSDL/PI/2004/1968 dated October 29, 2004.

Circular No. NSDL/PI/2004/1421 Date: August 9,2004	All Participants are hereby informed that CISCO has declared end of service life for its 2500 series router, which is one of the models empanelled by NSDL. Vendors who have stocked spare parts for CISCO **2500 series router** may be in a position to offer the service / replacement for faulty parts till stocks last, but CISCO has informed that they will not supply new spare parts. Considering the above factors and the requirement of maintaining continuous electronic connectivity with NSDL, Participants are advised to phase out this model of router by acquiring one of the current empanelled routers. Further, upgradation of router should be undertaken only after obtaining a detailed technical guidance and clearance from NSDL Help Desk. Subsequent to the migration, Participants should submit revised form-B to NSDL.
b. Backup	
DPM System - Importance of taking backup	
Regulation 50	Where records are kept electronically by the participant, it shall ensure that the integrity of the data processing systems is maintained at all times and take all precautions necessary to ensure that the records are not lost, destroyed or tampered with and in the event of loss or destruction, ensure that sufficient back up of records is available at all times at a different place
Circular No. NSDL/POLICY/ 2014/0039 Date: March 28, 2014	***Subject: Automation of backup process.*** As Participants are aware, the backup of the DPM database is required to be taken on a daily basis. In order to facilitate ease of operation, a facility to automate the backup process is developed. This facility will enable Participants to take backup without any manual intervention, at their preferred time. It will also eliminate the chances of a Participant missing out on taking of backup on a working day inadvertently. To start with, the facility would be available for those Participants whose DPM database size is <= 15 GB on the date of this circular. For such Participants who are eligible for this facility, the automated back-up will be started by default at 6 pm. If any Participant desires any other time to be set or desires not to avail of this facility may contact NSDL Help Desk. Details of the facility are enclosed at Annexure 1. Accordingly, the backup guidelines communicated vide Circular No. NSDL/ POLICY/2011/0025 dated March 17, 2011 are revised and enclosed at Annexure 2. The revised guidelines and automatic backup facility will be applicable with effect from April 1, 2014. **Annexure 1** **Automated Backup Facility** A Participant whose DPM database size is <= 15 GB on the EOD of date of this circular and who wishes to avail this facility may inform NSDL Production Monitoring and Control department (PMC) through an email (helpdesk@nsdl.co.in) so that automated job can be setup for such Participant. 1. Any Participant which wishes to discontinue this facility at a later stage may inform PMC so through an email so that automated backup job is not scheduled for such Participant. In such event, Participant will have to take backup as per applicable procedure. 2. PMC would setup an automatic job for taking the backup for eligible Participants who intimate their preference for using this facility. 3. The time to start the backup process is configurable and it will be set to 6 PM by PMC, as default time. If any Participant wants to change this time, it may intimate its preferred time to PMC through an email.

4. The facility will function as below –

   a. The backup job would be invoked automatically at the pre-set time.

   b. It would stop the communication services and start creation of backup files on the hard disk of NSDL server machine. Full backup will be taken on Wednesday and Fridays, while incremental backup will be taken on remaining working days.

   c. Once the backup files have been created successfully, services would be restarted.

   d. As a good business practice, system users should refrain from doing any activity when backup files are being created as any activity undertaken after start of the backup job will not be backed-up.

   e. After successful creation of the backup files, job will look for the pre-configured storage media at G drive and start copying backup files onto media, provided sufficient space is available.

   f. After copying files onto media, job would copy backup files on the harddisk of the client machine on which robo copy of transaction logs in generated.

   g. Participants availing this facility will not have to copy backup files on the second external media (i. e. only one storage media needed for one day's backup which may be kept at same place).

5. **Pre-requisites** – In order to ensure that the automated backup job is performed properly, Participant needs to ensure following –

   a. NSDL Server machine should be in 'power on' mode. Server should be connected to NSDL Depository Module.

   b. Participant should ensure that sufficient space (more than the size of database backup files*6 – for 6 days files) is available on the hard disk of NSDL server machine and Robocopy client machine. For example, if total size of backup files is 10 GB, then minimum space available should be 60 GB.

   c. Configure the external storage media (any device which is allowed for storage of backup file) as G drive on NSDL Server machine. Such configuration should not be changed without approval of PMC as it would result in failure of the automatic backup job.

   d. Participant should ensure that LAN speed is minimum 1 GBPS. This is needed to ensure that backup files are copied on the Robocopy machine properly. In case, LAN speed is below 1 GBPS, then Participant need to connect one more external storage media as H drive on NSDL Server machine.

   e. Participant should ensure that a different storage media should be used for Friday's backup.

6. DP official will henceforth be required to check if the backup files have been copied on external media and robocopy client machine (or second external media), every working day.

Participants are requested to inform NSDL as and when there is any change in the information submitted regarding 'System – Incharge' and 'Alternate System – Incharge' as PMC may need to contact these officials in case of any problem in the process.

	Annexure 2 Automated Backup Facility			
	Sr. No.	**Function / Activity**	**Procedure - Manual backup (applicable to those Participants who are not using Automatic backup facility)**	**Procedure - Automatic backup (applicable to those Participants who are using Automatic backup facility)**
	1	Daily Backup through GISMO	Participant should login to GISMO with Backup / Admin ID and start the Daily Backup	Not applicable. Participant need to ensure that NSDL Server machine is in 'power on' mode and connected to NSDL Depository Module.
	2	Backup need to taken of	NSDLDPM, MSDB and MASTER and Transaction logs	Automatic job will take the backup of database files. Separate backup of transaction logs not needed.
	3	Backup mode	Incremental database backup may be taken on all working days except for Wednesday and Friday. Full backup for Wednesday and Friday is a must. (DPM application is configured to ensure this).	Automatic job will take the backup as needed.
	4	Backup storage devices allowed	DAT, USB, LTO, DLT, CD and DVD	DAT, USB, LTO, DLT, CD and DVD
	5	Number of storage media required	Backup of database and transaction logs can be preserved on single media. Participant need to use separate media for taking backup of two consecutive working days (odd - even concept). For each day's backup, two sets of storage media would be required -one for local and another for remote.	Participant may use same media for taking backup of all weekdays except Friday. This may be kept at same place. Friday's backup should be taken on a separate media. If backup files can not be copied on the Robocopy machine (due to LAN speed being < 1 GBPS), then second storage media would also be required.
	6	Remote site backup media	If the transaction log files generated are automatically copied to the Participant's remote site, then remote site backup is not required. Otherwise, backup must be taken in two sets - one for local and other for remote site. Media should be sent to remote site on the same day.	Participant should preserve backup files on one media which may be kept at same place except on Friday. On Friday, the backup media must be taken out and kept at remote place for 15 calendar days.

	7	Backup retention period	Retention period of backup of database taken on Monday, Tuesday, Wednesday, Thursday and Saturday is calendar 7 days. Retention period for backup taken on Friday is 15 calendar days (for both sets - local and remote).	Same as manual process. Automatic job will over-write the backup files after 6 calendar days. Participant should ensure that remote site backup media containing backup of Friday is kept for 15 calendar days.
	8	Option to take local site backup on next day	Backup meant for local site may be taken on the next day in uncompressed mode.	Not applicable
	9	Compressed / Uncompressed mode of backup on backup media	Local set must be taken in uncompressed mode whereas the remote set may be taken in compressed mode	Not applicable, job will take full backup in uncompressed mode.
	10	ASR backup	Not needed	Not needed
	11	RAID configuration backup	Once in a month, if applicable (as per make and model of server machine)	Once in a month, if applicable (as per make and model of server machine)
	12	Backup register	No need to maintain a separate register for backup.	No need to maintain a separate register for backup.

Creation of Automated System Recovery backup in Windows 2003 Server

Circular No. NSDL/POLICY/2008/ 0069 **Date: October 10, 2008**	***Sub : Creation of Automated System Recovery backup in Windows 2003 Server*** At present it is mandatory for Business Partners of NSDL (which have windows 2000 server as their DPM server OS) to take backup of Emergency Repair Disk (ERD) as per the prescribed procedure. NSDL has advised Business Partners to upgrade from Windows 2000 server to Windows 2003 server as Microsoft has withdrawn support on Windows 2000 Server. Microsoft Windows 2003 Server Operating System allows creation of Automated System Recovery (ASR) backup instead of Emergency Repair Disk (ERD) available for Windows NT / Windows 2000 Operating Systems. The Automated System Recovery backs up the System State data, system services, and all disk configuration information needed to boot the operating system. ASR backup also creates a floppy disk, which contains information about the backup, the disk configurations (including basic and dynamic volumes).It may be noted that ASR backup does not include data files. The ASR Wizard after creating the ASR floppy disk creates the ASR backup file on the hard disk of the Server which is around 800 MB or higher in size. Please make sure this backup file is created on disk drive other than C Drive of Server where more than 5 GB free space is available. After creation the ASR backup file has to be copied to hard disk of any client machine. The procedure for taking the ASR backup is attached as Annexure-I. In view of the aforesaid, Participants having Windows 2003 Server is advised as follows: 1. Create fresh copy of ASR backup of DPM server atleast on a bi-monthly basis as well as immediately after any changes are effected to Hardware/ Software configuration of the server.

	2. Participants are advised to maintain a record of the backup of ASR in their Backup Register 3. The details of ASR backup would be verified during the System Inspections. Participants may contact Sanjay Mirchandani on Tel No. (022) 2499 4454, Sankalp Parlia on Tel No. (022) 2499 4451 or Vikas Gorule on Tel No. (022) 2499 4455 in case of any query regarding ASR backup or in case of difficulty in creating ASR Backup.
Backup on holidays & Penalty	
Circular No. NSDL/PI/2002/0474 Date: March 21,2002	Attention of the Participants is invited to Rule 18.1.1 (ii) of the Business Rules of NSDL, regarding levy of penalty of Rs. 5000/- for not taking daily backup and/or deviation in the procedure for taking backup. In this context, it has been observed that some Participants are not taking backup on a daily basis, especially on holidays. It should be noted that on a holiday, if the DPM server is kept on with communication service running, then the Participant should take a backup. Any failure in this regard will attract the aforementioned penalty.
Circular No. NSDL/PI/98/016 Date : January 6,1998	NSDL requires all business partners (all depository participants, share registrars, companies doing share registry work) to take the back-up of their data regularly and to store this back-up at a site other than the site where the hardware etc. having connectivity with NSDL is located. In order to ensure that the business partners are indeed taking the backup regularly, NSDL calls for the back-up DATs from its business partners from time to time. It has been observed that while some business partners are taking the back-up regularly and in accordance with the procedure, many are not. It has also been found that in some cases the response to our demand for the back-up DATs is slow and is forthcoming only on repeated reminders. NSDL would like to reiterate to its business partners that they will not only jeopardise their own ability to continue business in the event of a disaster but will create difficulties for the whole system if proper back-ups are not taken. It is therefore necessary for the business partners to maintain a minimum acceptable standard. The question of failure to take a back-up was considered by the Executive Committee of NSDL in its last meeting. Considering the gravity of the matter, the Committee decided that on the first occasion when a business partner is found to have not taken the back-up daily or that the back-up taken by the business partner is taken without following the proper procedure, the partner will be warned and on subsequent occasions of default, a penalty be levied. This may be followed by further disciplinary action if repeated defaults are noticed. NSDL would prefer not to be required to take this measure. Considering the fact that quite some time has lapsed since some of the business partners have undergone training, it has been decided to hold a special half day training programme focusing exclusively on the correct back-up procedure and related practices. This training would be offered free for one person from each business partner. If any additional demand is received from the business partners, the training would be offered again on the basis of a charge. We would request you to send your nominations to NSDL in case you wish to avail of this opportunity. The exact date of training will be communicated to you separately. We intend to start implementing the decision of the Executive Committee after the special training is over. We would request our business partners to bring this circular to the notice of their senior management. The compliance officers of business partners should review the present practice of taking back-ups within their respective organisations.

FAQs for backup	
Circular No. NSDL/PI/98/215 Date : June 5, 1998	NSDL has been receiving number of queries at the Help-Desk regarding backups. Many such queries are repetitive in nature. In this context, NSDL has compiled a document of Frequently Asked Questions (FAQs) on backups and the solutions for the same, which is enclosed. This will help the Participants in resolving problems quickly and will save on cost and time spent in making telephone calls to the Help-Desk. It is envisaged that Participants would attempt the solutions recommended in the document before communicating to Help-Desk for resolving the problems. Participants are once again advised to strictly follow the back-up procedures stipulated by NSDL. This is essential as it ensures safety of your data and in a situation of crisis you can recover only if you take correct backup. Your business recovery plan would be severely jeopardised if you do not take a correct backup. **Frequently Asked Questions & Solutions thereof on Backups** NSDL Help Desk has reviewed the problems reported for Backup procedure over the last few months and has identified a set of questions that are frequently asked by Participants. This document on 'Frequently Asked Questions' (FAQ) and solutions thereof is prepared for quick reference of Participants. **Q1. Why to take backup on daily basis?** If the system breaks down, with latest available backup of database and transaction log, the database of the Participant can be rebuilt. The backup is the only media by which the Participant's database can be reconstructed. **Q2. From where to take backup?** It is advised to take a backup from GISMO application which is on the NSDL DPM server. **Q3. What should be the sequence of taking the backup?** The sequence of taking backup using GISMO should be as follows: I. NSDLDPM -Transaction log (opm_transnsdl) II. NSDLDPM - Database III. MASTER - Database IV. MSDB - Database V. Backup to tape **Q4. How to take backup?** A summary of various steps to be performed while taking database and transaction log backup is given below. Participants are advised to refer to the Backup Procedure Manual for the detailed steps to be performed. **A. Device name terminology:** Names of the database devices which are to be backed up by the Participant, are as mentioned below : 1. opm_transnsdl : For transaction log device backup for User DataBase 2. opm_dbnsdl : For User DataBase (NSDLDPM /NSDLSHR / NSDLCC) 3. opm_dbmast : For Master DataBase 4. opm_dbms : For MSDB DataBase **B. Backup Procedure:** Backup is first to be taken on hard disk and then on DATs as explained below: **Step 1 : Backup on Hard disk:** 1. Log-in to GISMO panel on the server with User-Id "Backup".

2. Take transaction log device backup by selecting “Backup” icon, then go to “NSDLDPM” and click on “Transaction”
3. Take database backup of NSDLDPM by selecting “Backup” icon, then go to “NSDLDPM” and click on “Database”
4. Take backup of Master database by selecting “Backup” icon, then go to “MASTER” and click on “Database”
5. Take backup of MSDB database by selecting “Backup” icon, then go to “MSDB” and click on “Database”

With this, the user completes taking backup on the Hard-disk.

Step 2 : Backup on DAT :
Database Backup

1. Insert the relevant database DAT (i.e. odd or even) into the DAT drive.
2. Go to GISMO panel
3. Select “Backup” icon, then click on “Backup to tape”
4. Select all the files “opm_dbnsdl” for user Database, “opm_dbmast” for Master Database and “opm_dbms” for MSDB Database
5. Click on Backup. This will initiate the backup procedure.
6. In case the system flashes a message “The tape is full. The tape has been rewound. Insert the next tape for this backup”, the backup may be continued on the next tape. However, it must be ensured that the label of the DAT should indicate that the backup of that day is taken on two separate DATs.
7. After the system flashes the message “Operation was successfully completed”, as the backup is completed, remove the DAT.
8. Repeat the above procedure for remote site DAT.

Transaction log Backup (Device & Automatic)

1. Insert the relevant transaction DAT (i.e. odd or even) into the DAT drive.
2. Go to GISMO panel
3. Select “Backup” icon, then click on “Backup to tape”
4. Select the file “opm_transnsdl” for taking backup of transaction log devise backup
5. Also select all the system-generated automatic transaction log files generated after the last database backup. The filenames of these are “Transnsdldpm980324150000.dat” having the date and time stamp.
6. Click on Backup. This will initiate the backup procedure.
7. In case the system flashes a message “The tape is full. The tape has been rewound. Insert the next tape for this backup.”, the backup may be continued on the next tape. However, it must be ensured that the label of the DAT should indicate that the backup of that day is taken on two separate DATs.
8. After the system flashes the message “Operation was sucessfully completed”, as the backup is completed, remove the DAT.
9. Repeat the above procedure for remote site DAT.

Q5. When to take backup?

Backup should be taken daily after the EOD is complete. Further, it should be ensured that the backup is never taken when the “Systems Operation Profile” shows status “EOD IN PROCESS”.

In case of an emergency, when the Participant cannot stay till the EOD is complete, then it is advised that the Participant should take backup and switch off the server.

Q6. What if the server is on throughout the night?

If the Participant keeps the server on throughout the night, then it should be ensured that the three services (receive, transmit and communications) which are automatically stopped during the backup are started again immediately after taking backup (i.e. backup of Day 1). While taking the backup on the next day (backup of Day 2), the backup of the transaction log files generated after taking backup of Day 1 should also be taken. Please refer to answer to question 12 for further clarifications.

Q7. What is meant by database backup & transaction log backup?

- Database backup means the backup of master, msdb & nsdldpm databases.
- Transaction log backup means the backup of transaction log device file (opm_transnsdl) and the automatic (system-generated) transaction log files as of that day.

Q8. What is meant by device transaction & automatic transaction?

- Devise transaction means the transaction log device backup taken by the Participant.
- Automatic transaction log means the backup which the system takes by itself. It is stored in "c:\mssql\backup" directory on the server. The format of the filename is Transnsdldpmyymmddhhmmss.dat". Here 'yy' stands for year, 'mm' stands for the month, 'dd' stands for date & 'hhmmss' stands for the time, e.g. transnsdldpm 980312140200.dat indicates a transaction log file which was generated by the system on 12th March, 1998 at 2.02 pm.

Q9. What is to be done if automatic transaction is not generated?

The BOD message triggers generation of automatic transaction log files, hence check if you have received the BOD as of that day. Secondly, check whether all the three services (receive, transmit and communications) are started. If the problem still persists contact NSDL Helpdesk.

Q10. How many DAT's are required for backup and for how much time should it be retained?

At any point of time, a minimum of nine DATs are required which are to be used as follows :

1st Set : (For Local Storage)

i. Odd date's transaction log backup

ii. Odd date's database backup

iii. Even date's transaction log backup

iv. Even date's database backup

2nd Set : (For Remote Storage)

i. Odd date's transaction log backup

ii. Odd date's database backup

iii. Even date's transaction log backup

iv. Even date's database backup

In addition, one DAT will be required for full harddisk backup for special events such as Upgrade of NSDL software, etc.

Once a DAT is full it has to be retained for a period of 90 days, following which it can be reused.

Q11. What if the DAT drive stops working ?

If the DAT drive is giving error during backup, then the participant should immediately inform NSDL help-desk and call the hardware vendor. The backup must be taken on the client machine, as an interim arrangement, until the problem is resolved. This can be achieved by using Network Neighbourhood on client or on server. Once the DAT drive problem is fixed, the Participant must first take backup of missing days from clientmachine onto the DAT & must continue the sequence onwards.

Q12. What database and transaction log form a correct set ?

NSDL verifies the backups taken by the Participants at regular intervals to ensure that the Participants follow the correct backup procedure. As a part of backup verification, the procedure described below is followed :

- Restore the database as of the specified date
- Restore all the transaction logs generated after that backup, sequentially (in the order of date & time stamp), on the database.

So, while sending backup DATs to NSDL for verification, kindly ensure that the database backup as of date mentioned in NSDL letter and the transaction log backup as of the next day is sent. In case a Participant keeps the server on throughout the night, then it should be ensured that the transaction DAT contains backup of all the system generated transaction log files, generated after the database backup of the date specified in NSDL letter, in addition to next day's transaction log backup. In case the backup is split across two DATs, both the DATs should be sent to NSDL.

The same is explained in the diagram below :

Where t1, t2, ...t9 -> automatic (system generated) transaction log files generated for Day 1 (i.e. on 12/03/98)

T1, T2, ...T8 -> automatic (system generated) transaction log files generated for Day 2 (i.e. on 13/03/98)

TD1 -> transaction log device backup taken on Day 1 (i.e. on 12/03/098)

TD2 -> transaction log device backup taken on Day 2 (i.e. on 13/03/098)

D1 -> Database backup taken on Day 1 (i.e. on 12/03/98)

D2 -> Database backup taken on Day 2 (i.e. on 13/03/98)

It is assumed in the above diagram that on both the days the backup was taken before the EOD and the server was kept on, hence the system generated hourly transaction log files (t8, t9 & T8) after the backup. While taking backup on 13/03/98, it should be ensured to take backup of all files generated after database backup of 12/03/98 (i.e. t8, t9, T1, T2,...T7, TD2)

If NSDL asks for database backup of 12/03/98 and transaction log backup of 13/03/98 for verification, then while sending DATs to NSDL ensure that all the files from D1 to TD2 are sent.

It may be noted that if the backup is taken after EOD, the files t8, t9, T8 (as shown above) will not be generated at all.

DPM System - Backups	
Circular No. NSDL/POLICY/ 2009/0119 Date: December 7, 2009	***Sub: Alternative back-up devices for taking back-up*** In continuation of Circular No. NSDL/POLICY/2009/0075 dated August 28, 2009 regarding facility to take back-up in other alternative back-up devices (other than DAT), all Participants are hereby informed that Participants are no longer required to take prior approval from NSDL if they wish to take back-up on any of the specified back-up devices as mentioned in aforesaid circular. Participants will be required to submit revised Form B as provided at NSDL Circular No.: NSDL/ POLICY/2009/0075 August 28, 2009 if they wish to take back-up on such devices. Participant may please note that at the time of disaster / emergency / inspection, whenever the local or remote back-up is called for, Participants must have capability to provide the back-up data in any one of the following media: (i) USB (Universal Serial Bus) disk (ii) DVD (Digital Versatile Disk) (iii) DAT (Digital Audio Tape) Please note that USB disk is required to be handled with more care during transportation. It is advised to use a hard case to store and transport USB disk. In case of any further information / clarification is required, Participants are requested to contact Mr. Sanjay Mirchandani / Mr. Sankalp Parlia / Mr. Ganesh Pawar / Mr. Rahul Mehta / Mr. Vikas Gorule at (022) 2499 4454 / 4451 / 4447 / 4456 / 4455.
Circular No. NSDL/POLICY/ 2009/0075 Date: August 28, 2009	***Sub: Alternative back-up devices for taking back-up*** Attention of Participants is invited to NSDL Circular No. NSDL/PMC/Email-44/ 05 dated March 11, 2005 regarding facility to take back-up in other alternative back-up devices (other than DAT). In this regard, a few suggested alternative back-up devices on which Participants may take the back-up, subject to the database size, transaction volumes etc., are as follows: (i) USB (Universal Serial Bus) disk (ii) DVD (Digital Versatile Disk) writer (iii) DLT (Digital Linear Tape) (iv) LTO (Linear Tape Open) Participants will be required to take prior approval from NSDL by submitting revised Form B indicating any of the above devices or any other device of their choice if they wish to take back-up on such devices other than DAT. If the existing back-up operations remain unchanged, Participants need not submit the revised Form B. The revised mode of submitting Form B is provided at NSDL Circular No. NSDL/POLICY/2009/0070 dated August 17, 2009. In case of any further information / clarification is required, Participants are requested to contact Mr.Sanjay Mirchandani / Mr.Sankalp Parlia / Mr.Ganesh Pawar / Mr.Rahul Mehta / Mr.Vikas Gorule at (022) 2499 4454 / 4451 / 4447 / 4456 / 4455.
Circular No. NSDL/POLICY/ 2009/0072 Date: August 27, 2009	***Reduction in retention period of back-up tapes from existing 60 days to 30 days for backup taken on Saturdays*** As all Participants are aware, it is important to take backups of the DPM system on a daily basis. NSDL has been advising Participants about the importance of taking regular backups for ensuring safety of their data and continuity of its operations. Taking of regular backup as per the stipulated procedure will help Participants to recover the database in a situation of crisis, which otherwise

	would severely jeopardize the business recovery plan. Participants are required to maintain the back-up taken on weekdays for the period of 15 days and on Saturdays for a period of 60 days. NSDL has received suggestions from Participants for reduction in the period for which backup tapes are to be preserved. Considering these suggestions, the following amendment is made in the Backup Policy. **Backup taken for Saturdays (Friday, if Saturday is a holiday) shall be preserved for a period of 30 days instead of 60 days.** However, the current policy to preserve the backup for weekdays for 15 days remains unchanged. There is no change in other aspects of backup policy. All Participants are requested to take note of the above.
Circular No. NSDL/POLICY/ 2009/0062 Date: July 21, 2009	***Sub: Daily Backups of database for NSDL DPM system*** As all Participants are aware, it is important to take backups of the DPM system on a daily basis. Taking regular backups as per the stipulated procedure will help Participants recover the database in a situation of crisis, which otherwise could severely jeopardize business recovery plan and recreation of the database of the DPM system. In the event of DPM system crash, NSDL may assist the Participant in recreating the database to the extent feasible. In case the previous day's proper backup is available, then recreation of the DPM system would be done without any charge. However, if the proper backup is more than a day old, then the Participant will be charged Rs. 10,000 plus Rs. 2,000 per man hour of NSDL time spent in recreating the database.
Circular No. NSDL/PI/2003/0355 Date: March 3,2003	Attention of Participants is invited to our Circular No. NSDL/PI/98/215 dated June 5, 1998 regarding FAQs on backup, whereby Participants were advised to take two copies of backup of database as well as transaction logs, one to be retained locally where DPM is located and the other to be kept in a remote location, distant from the DPM system. This was prescribed so as to meet exigencies arising out of certain calamities viz.; earthquake, fire accident, etc., whereby the DPM system can be made operational using the backup. The remote site backup can be very handy if the main site backup is not accessible/lost/not retrievable. In order to ensure business continuity of the depository operations, Participants are advised as follows: • Keep the backups at a place distant from the place of operations; • Maintain backup of all important documents viz.; Account opening forms, DP-Client agreements, signature cards etc. at a distant place from the place of operations, so that in case of any exigencies, the work is not hampered. Alternatively, Participants may consider keeping all such documents in electronic form at a distant place; and • Keep the backup DATs as well as the aforesaid physical documents in a fireproof cabinet. In case Participants need any assistance in this regard, they may contact NSDL Help Desk.
Circular No. NSDL /PMC/ Email -24/02 Date : May 13, 2002	***Sub : Back up Policy - Certain amendments*** NSDL has circulated backup policy in the CD for Integrated Software version 2.91 and 3.0 upgrade and vide circular No.NSDL/PMC/Email-18/02 dated 05th April 2002. NSDL has received suggestions from the Business Partners for reduction in the period for which backup tapes are to be preserved. DPs who are working in three shifts every day have also expressed difficulty in sending backup DAT to

	the remote site out of office at night. Keeping these suggestions in view, the following amendments are made in the Backup Policy. The Backup DAT should be preserved for the period of 15 Days instead of the present 60 days. However the backup taken on Saturday (Friday if Saturday is a holiday) shall be preserved for a period of 60 days. DPs must retain backup taken for version upgrade (both pre & post) The Backup Dat meant to be sent to remote site may be sent to remote site on the next working Day, as early as possible but not later than 1.00 p.m. next day. There is no change in other aspects of backup policy This circular comes into force with immediate effect
Circular No. NSDL/PI/99/697 Date: August 31,1999	The importance of taking proper back-ups on every single day as per the procedure prescribed by NSDL has been time and again brought to the notice of the Participants. In order to ensure that the Participants are indeed taking the backup regularly, NSDL calls for the back-up DATs from its Participants from time to time. It has been observed that while many Participants are taking the back-up of their data regularly and in accordance with the procedure, some of them still do not take proper back-ups. It is observed that the major reason for taking improper backups is when the back-up is not taken by the regular person. The Compliance Officers of all Participants are requested to take note of the same and ensure to put adequate systems in place to avoid such occurrences. In the event of a difficulty such as hard disc crash etc., NSDL assists the Participants in recreating its database. It has been decided by the Executive Committee of NSDL that in such an eventuality, in case the previous day's proper back-up is available, then recreation of the DPM system would be done without any charge. However, if the proper back-up is more than a day old, then the Participant may be charged Rs. 1000/- per man hour of NSDL time spent in recreating the database, subject to a minimum of Rs. 2000/-. The charges will be without prejudice to any other action, NSDL may initiate considering the seriousness of the problem.
c. Anti-virus	
Circular No.: NSDL/PI/2002/1684 Date: October 3,2002	Participants are aware that they are required to install Anti-Virus software on server as well as on all the client machines of NSDL DPM setup. Also, in order to protect the DPM setup against new viruses, Participants are advised to ensure that latest version of Anti-Virus software is installed on the DPM setup. For this purpose, Participants should upgrade the Anti-Virus software, atleast once a week, for which, Participants may undertake Annual Subscription Contract (ASC) from the authorised dealer of the Anti-Virus software. In order to keep Participants informed about the latest version of Anti-Virus software, NSDL has posted this information on NSDL Intranet Server (http://sqlassist), for the below mentioned Anti-Virus softwares, generally used by Participants: 1. Norton Anti-Virus 2. McAfee Anti-Virus 3. CA Innoculate Anti-Virus 4. Trendmicro Anti-Virus 5. F-Prot Anti-Virus

6. Quick-Heal Anti-Virus

Participants should compare the below mentioned parameters of the Anti-Virus software installed on their DPM setup with that posted on NSDL Intranet server and carryout the upgrade, if required:

1. Virus Definition files and version
2. Release date of the Virus definition file
3. Scan engine name and version
4. Release date of the scan engine

Participant can find out the details of Anti-Virus installed and its version by right clicking on the Anti-Virus icon appearing on the task bar and then selecting the option "About".

Details of aforesaid Anti-Virus softwares as of September 30, 2002 for abovementioned parameters and the URL's from where the latest version of Anti-Virus software can be downloaded are enclosed as Annexure.

Participants are advised to ensure compliance of the above.

Anti-Virus definition file & Scan engine Details: -

Definition of terms used

Virus Definition Files:

Virus definition files contain up-to-date virus signatures and other information that anti-virus products use to protect your computer against the thousands of computer viruses in circulation. Virus definition files are regularly updated to provide protection against the hundreds of new viruses that appear each month. To ensure that your Anti-Virus software can protect your system or network against the latest virus threats download and install the latest virus definition file.

Scan Engine:

A virus scan engine is the program that does the actual work of scanning and detecting viruses while signature files are the 'fingerprints' used by the scanning engines to identify viruses. New scan engine versions are released for a number of reasons. About 6 to 8 new viruses are found everyday around the world. The old engine may not detect new types of viruses. New versions of scanning engine usually also enhance scanning performance and detection rates. Some vendors provide updates for both the scanning engine and signature file in a single file while others will provide them in separate files Update scanning engine if newer scanning engine exists.

Details of latest version of Anti-Virus software

Antivirus	Previous update		Latest update	
	Definition File	Scan Engine	Definition File	Scan engine
Norton Antivirus	Ver.9/20/02 rev.7	Ver. 4.1.0.15	Ver.9/27/02 rev.4	Ver. 4.1.0.15
McAfee Antivirus CA Antivirus	Ver.4224 20 Sept 02 InoculateIT 6.0 e Signature Ver 23.57.44 20 Sept 02	Ver. 4160 28 Nov 01 InoculateIT 6.0 Vet Engine Signature Ver 10.53.4118 20 Sept 02	Ver.4225 25 Sept 02 InoculateIT 6.0 e Signature Ver 23.57.49 27 Sept 02	Ver. 4160 28 Nov 01 InoculateIT 6.0 Vet Engine Signature Ver 10.53.4129 27 Sept 02
Trendmicro	Pattern 351 17	Ver. 6.150	Pattern 353	Ver. 6.150
Antivirus	Sept 02	27 March 02	24 Sept 02	27 March 02
F-Prot Antivirus	File- Sign .def 14 Sept 2002 Application/ script Viruses & Trojans	File :-Macro. def 06 Sept 02 Document/ Office /Micro/Virus	File- Sign .def 22 Sept 2002 Application/ script Viruses & Trojans	File :-Macro.def 22 Sept 02 Document/ Office/Micro/ Virus
Quick-Heal Antivirus	File-weekly.def 28 Aug 2002	Engine upgrade Definition File 27 April 02	File-weekly.def 07 Sept 2002	Engine upgrade Definition File 25 Sept 02

Details of URL's from where the latest version of Anti-Virus Definition and Scan engine can be downloaded:

Norton Antivirus: http://securityresponse.symantec.com/avcenter/download/pages/US-N95.html

McAfee Antivirus: http://www.mcafeeb2b.com/naicommon/download/dats/find.asp

CA Antivirus: http://support.ca.com/Download/virussig.html

Trendmicro Antivirus: http://www.trendmicro.com/download/

F-Prot Antivirus: http://www.f-prot.com/download/index.html

Quick-Heal Antivirus: http://www.quickheal.com/default.htm

FAQs on Anti-virus

Circular No. NSDL/PI/2002/1865
Date: October 28,2002

Frequently asked questions on Anti Virus Update requirements

Q. What is Anti Virus Update?

A. Anti Virus Update is the process for updating the Virus Definition Files which contain up-to-date Virus signatures and other information that the Anti Virus Software uses to protect computer systems against known computer Virus in circulation.

Q. What is Anti Virus Upgrade?

A. Anti Virus Upgrade is the process for upgrading the ability of the Virus Scan Engines to detect newly introduced Virus. With its inbuilt logic and Virus Definition Files, the Virus Scan Engine scans and detects computer Virus hidden in any known form. However, new Virus may use methods that cannot be detected by old Virus Scan Engines. Hence, Anti Virus Software companies provide upgrades whereby, the ability of the Virus Scan Engines is further refined.

Q. Where can I get information on the latest versions of Virus Definition Files and Virus Scan Engines?

A. Anti Virus Software developers provide this information on their web sites. You are allowed to download the Virus Scan Engine and Virus Definition Files from these web sites. The permission for downloading the Virus Scan Engine depends on the licensing policy of the software vendor.NSDL also provides information on its Intranet, http://sqlassist, about the latest Version of Virus Scan Enginesand Virus Definition Files for the following Anti Virus Products:

1. Norton Anti Virus
2. McAfee Anti Virus
3. CA innoculate Anti Virus
4. Trendmicro Anti Virus
5. F-Prot Anti Virus
6. Quick Heal Anti Virus

Q. What Anti Virus software does NSDL recommended?

A. NSDL does not recommend any specific Anti Virus Software. The Anti Virus Software listed above are some of the popular Anti Virus Softwares in use.

Q. What is the size of Virus Definition Files?

A. Size of Virus Definition Files may vary from 1.6 MB to 3.4 MB, depending on the Anti Virus Software product. However,for the ease of the user, some Anti Virus Software developers provide these files in small manageable chunks, which can be individually copied on floppies and transferred to other computer systems that are not connected to Internet or LAN.

Q. How frequently are the Virus Definition Files and the Virus Scan Engines updated?

A. Virus Definition Files: Most of the Anti Virus Software developers provide updates to Virus Definition Files every week. The updates may be release overnight if new Virus of serious nature is identified. NSDL recommends the practice of weekly update for all the systems connected in the DPM LAN.

Virus Scan Engines: Most Anti Virus Software Developers provide upgrades to Virus Scan Engines once a month or once in two months. However, the Anti Virus Software developers may release upgrades more frequently if the new type of Virus of serious nature with wide spread is discovered.

Q. Can I connect the DPM system to Internet for the download?

A. NSDL does not allow the DPM system (the Server as well as the clients) to be connected to Internet. You may download the files on a separate system connected to the Internet and then copy the files to the DPM System, for applying the latest Virus Definition Files or Virus Scan Engines.

Q. How do I copy Virus Definition Files that are very large, if the Anti Virus Software Site does not provide manageable smaller-sized files?

A. NSDL recommends the use of floppies or DATs to transfer the downloaded Virus Definition Files from the Internet-connected system to the DPM System. However, if it is not possible to copy the downloaded files into floppies or DATs, you may disconnect the computer (on which you have downloaded latest updates) from your office LAN and temporarily connect the same to the DPM LAN. You may then copy the Virus Definition Files to the DPM system. Please ensure that the said computer is disconnected from your DPM LAN as soon as you have copied the latest Virus Definition Files.

	Q. What is the requirement of NSDL for Anti Virus Software upgrade and Virus Definition Files update? A. Virus Definition Files should be updated every week. Virus Scan Engines should be upgraded as soon as the new Virus Scan Engine is released. Information pertaining to the latest version can be accessed at http://sqlassist. **Q. Will we be treated as defaulters, if we do not have the latest version of Virus Scan Engine or Virus Definition Files?** A. NSDL inspection team will check the version of the Virus Scan Engine or Virus Definition Files at periodic intervals. In case, you do not have the latest version of Virus Scan Engine or Virus Definition Files, you will be treated as a defaulter. Further, a penalty may be levied for not upgrading the Anti Virus Software on server and/or client machine as per the provisions in Chapter 18 of the Business Rules of NSDL. **Q. Does NSDL provide the latest Virus Definition Files or Virus Scan Engines to its Business Partners?** A. No. NSDL does not provide Anti Virus Software to Business Partners. However, NSDL provides information of prevailing latest versions. **Q. Is Annual Subscription Contract (ASC) a must for the users of Anti Virus Software?** A. ASC gives you the right to the latest versions of Virus Definition Files and Virus Scan Engines. Many Anti Virus Software Developers may provide Virus Definition Files free of cost to the users. In case of Virus Scan Engines, some of the vendors require the ASC to be signed in order to have legal access to the upgrades. **Q. What should we do if the Internet gets disconnected multiple times while downloading the files?** A. This is where the ASC arrangement may help you. You may approach the local channel partner with whom you have signed the ASC, for the latest Virus Definition Files and Virus Scan Engines.
d. Capacity Planning	
Disablement of User IDs that are not complying to System Security Policy	
Circular No. NSDL/POLICY/2008/0029 Date: April 26, 2008	***Sub: Disablement of User IDs that are not complying to System Security Policy*** Attention of Depository Participants (DPs) is invited to NSDL Circular No. NSDL/POLICY/2008/0007 dated February 5, 2008 regarding Version 8.0 of DPM system. In the Version 8.0, System Security Policy was enhanced to enforce segregation of duty i.e. maker and checker functions cannot be assigned to the same user. Further, vide circular no. NSDL/POLICY/2008/0021 dated April 4, 2008 regarding Version 8.2, DPs were also informed that User IDs not adhering to the aforesaid system security policy would be disabled by May 1, 2008. During these version releases, NSDL has taken care that existing User IDs and functional rights assigned to these User IDs based on segregation of duty are not modified or disabled in the DPM system so that: 1. DPs may continue with their operations after the DPM system upgrade 2. DPs may develop and implement appropriate policies for their internal operations 3. DPs may configure the system security as per their needs while maintaining existing User IDs with minimum impact on the existing operations.

	DPs may use the report-containing list of Invalid User IDs that do not comply with the Security Policy or hold both Maker & Checker rights to take corrective action by April 30, 2008. DPs may note that after May 1, 2008, all the User IDs not adhering to the system security policy would be disabled in the DPM system.
DPM Systems - Capacity planning and operational guidelines for performance optimization	
Circular No. NSDL/PI/99/065 Date :January 29,1999	**Sub.:** ***DPM Systems - Capacity planning and operational guidelines for performance optimization*** All Participants are advised to follow and strictly adhere to the operating guidelines to ensure proper functioning of DPM Application Software and smooth conduct of their business operations. **Operational Guidelines for the NSDL DPM system** NSDL has carried out a Benchmark with Single Processor and Dual Processor. It was observed that performance of the system is best with up to 8 on-line users under single CPU configuration of 266 MHz and 128MB RAM. By adding one more processor, the system should be able to support up to 15 on-line users, provided the guidelines below are adhered to. **Single Processor** **8 Online Users** are allowed with single processor. General guidelines, if adhered will provide better response to the on line users of the system. **Dual Processor** **15 Online Users** are allowed with Dual Processor. General guidelines, if adhered will provide better response to the on line users of the system. In order to recognize dual processor, the Depository Participant is required to re-install Window's NT. The DP has to give prior intimation to NSDL regarding the upgrade. In addition, SQL must be tuned to make proper use of Dual processor. **General Guidelines** **1. Back-office batch interface (Exports & Imports) :** • These should be run preferably after the end of day (EOD), when the interface & communication services are switched off and all users are logged off. • While taking exports no print reports should be taken & vice-versa. • The time taken for export will be much faster if done daily, as compared to taken over a long period of time. It is preferable not to take back-dated exports as far as possible. • All import files be kept on the server instead of on the client machine as the NT file system is different from Windows 95 file system. • The DPs should have 128 MB RAM. • While importing transactions, on-line data entry should not be carried out. • Carry out regular Hard Disk housekeeping (NSDL Circular No : NSDL/PI/98/372 dated August 13, 1998) and keep sufficient space on the primary drive (C drive) where the software is installed. **2. Statement of Holdings/Transactions Reports:** • For viewing details of a single client, use the *"Client Maintenance->Statement of Holdings/Transactions"* option instead of the report option. The response will be much faster. • Schedule printing to periods with low on-line activity • Avoid printing when an export is in progress

- Provide a specific range of clients and dates instead of open-ended ranges
- Avoid doing a print or print-preview if anyone else is already doing so i.e., print preview or print should be carried out only from one of the machine.
- Preferably, allow print or print-preview only from a restricted set of machines

3. On-line transactions and queries

Always provide specific values for client-ids, ISINs, settlement dates, instruction ids., etc. to enable fast processing. Avoid open-ended ranges. Avoid queries on "Status" field for Account Transfer.

DPM Capacity Enhancement - server configuration

Circular No. NSDL/ NSDL/POLICY/ 2008/0044
Date: June 16, 2008

Sub: DPM Capacity Enhancement - server configuration

NSDL had revised the sizing guidelines aligning it with present technology and computer processing power available after taking into consideration various factors critical for the Participants' operations such as number of client accounts, clearing member accounts, transactions per day and client machines connected to the Server vide our circular NSDL/POLICY/2006/0011 dated March 24, 2006. Subsequently, memory related sizing guidelines for DPM system with Windows 2003 Server OS were informed vide our circular NSDL/POLICY/2008/0033 dated May 20, 2008. As per current sizing guidelines, Depository Participants (DPs) are required to install a new DPM server when they reach the maximum number i.e. 5 lac Client Accounts in a single set-up.

Some DPs have represented to NSDL seeking permission to accommodate more than 5 lac Client Accounts in the same DPM system.

In this regard, to facilitate DPs to have more than 5 lac Client Accounts in the same DPM system NSDL has revised the sizing guidelines as given below:

S. No	Server Type	CPU*	RAM (MB)	Number of Client Machines	Number of Client Account	Number of CM Account	No. of Transactions/ day	Peak no. of transactions in 1 Hour
1	Desktop as Server	Single	512	3	75,000	50	15,000	3,000
2	Entry Level Server (without Hardware RAID)	Single	512	3	75,000	50	15,000	3,000
3	Entry level server (with Hardware RAID)	Single	512	5	1,00,000	50	22,500	4,500
4	High End Server	Single	1024	15	1,50,000	200	40,000	8,000
5	High End Server	Dual	2048	25	5,00,000	1000	1,00,000	20,000
6	High End Server	Four	2048	25	7,50,000	1000	1,25,000	25,000

* CPU (P-IV 3.0 GHz or above)

DPs are advised to regularly monitor the performance of the DPM system and on reaching near the volume limits should initiate necessary upgradation process. DPs are once again informed that any system upgradation (installation) should be carried out in consultation with the NSDL Help Desk. On completion of the upgrade, DPs are requested to submit the revised Form-B to NSDL.

Circular No. NSDL/ POLICY/2006/0011
Date : March 24, 2006

Sub : DPM Capacity Enhancement - server configuration

NSDL has revised the sizing guidelines accommodating present technology and computer processing power available after taking into consideration various factors critical for the Participants' operations such as number of client accounts, clearing member accounts, transactions per day and client machines connected to the Server.

Participants are free to choose the brand of the servers / desktop, provided it is Microsoft certified and adheres to the configuration guidelines given by NSDL. To find out if the server / desktop that you intend to choose, is Microsoft certified, you may visit **"http://www.microsoft.com/whdc/hcl/search.mspx"** website.

Participants are advised to regularly monitor the performance of the DPM system and on reaching near the volume limits prescribed in the annexure, initiate necessary upgradation process. Participants are once again informed that any system upgradation (installation) should be carried out in consultation with the NSDL Help Desk. On completion of the upgrade, Participants are requested to submit the revised Form-B to NSDL.

Annexure

Recommended Server Configuration

The recommended server configuration is dependent on the volume of business of the Participant.

CPU (P-IV 3.0 GHz or above)

Server Type	CPU	RAM (MB)	Number of Client Machines	Number of Client Accounts	Number of CM Accounts	Number of Transa-ction /day*
Desktop as Server	Single	512	3	75000	50	15000
Entry Level Server (without Hardware RAID)	Single	512	3	75000	50	15000
Entry level server (with Hardware RAID)	Single	512	5	100000	50	22500
High End Server	Single	1024	15	150000	200	40000
High End Server	Dual	2048	25	500000	1000	100000

***Note : Number of transaction submitted should not be more than 20% of total transactions per day in an hour or 50% of total transactions per day in 3 hours.**

 # If the volume exceeds any of the above limits then it is recommended that an additional Windows 2000 Server be installed for the excess volume.

Recommended configuration for replacement of the DPM Server for the above-mentioned categories is as follows:

Description	Hardware	Software
High End Server	Dual CPU Intel PIV / Xeon, with CPU Speed of 3.0 GHz or higher	MS Windows 2000 Server (License to be procured by the participants)

	Description	Hardware	Software
		Minimum 1 GB RAM	Anti-Virus Software for MS Windows 2000 Server (License to be procured by Participants)
		2MB L2 Cache	DPM Application Software (Provided by NSDL)
		PCI architecture with min. 5 I/O slots	MS SQL 2000 Server Licence (to be procured by the Participants)
		14” Colour monitor / Keyboard/ Mouse	WinZip (licensed)/ Zipit Fast software ##
		Ethernet Card	Server Management software *
		PCI based SCSI RAID Controller to support RAID-1 to RAID-5 implementation of SCSI Hard Disks (RAID Controller)	
		1 parallel port , 4 USB ports & 2 fast serial ports#	
		4mm, 20/40 GB Digital Audio Tape (DAT) drive (HP/Exabyte/Sony) operating with 90m, 120m & 150m DAT cartridges and interfacing with SCSI Controller (Used for Back-up purpose)	
		CD ROM drive(min 52x) to interface with SCSI or IDE Controller	
		Operating System Harddisk : 1x146 GB Non Hot Swap/ Hot Swap SCSI HDD or 80 GB IDE/ SATA HDD for Bootable Partition & interface to the Standard SCSI/IDE/ SATA Controller (Generally, On-board Controller) Note: RAID implementation for operating system is optional.	
		Database Harddisk : 2x146 GB Non Hot Swap/ Hot Swap SCSI HDDs for RAID-1 or 3x146 GB Non Hot swap SCSI HDDs for RAID-5 implementation & interface to the above RAID controller.	
	Entry Level Server (with Hardware RAID)	Single CPU , Intel PIV/ Xeon, with CPU Speed of 3.0 GHz or higher	MS Windows 2000 Server (License to be procured by the participants)

	Description	Hardware	Software
		Minimum 1 GB RAM	Anti-Virus Software for MS Windows 2000 Server (License to be procured by Participants)
		256/512KB/1MB/2 MB L2 Cache	DPM Application Software (Provided by NSDL)
		PCI architecture with min. 5 I/O slots	MS SQL 2000 Server Licence (to be procured by the Participants)
		14” Colour monitor / Keyboard/ Mouse	WinZip (licensed)/ Zipit Fast software ##
		Ethernet Card	Server Management software *
		PCI based SCSI RAID Controller to support RAID-1 to RAID-5 implementation of SCSI Hard Disks (RAID Controller)	
		1 parallel port , 3 USB ports & 2 fast serial ports #	
		4mm, 20/40 GB Digital Audio Tape (DAT) drive (HP/Exabyte/ Sony) operating with 90m, 120m & 150m DAT cartridges and interfacing with SCSI Controller (Used for Back-up purpose)	
		CD ROM drive(min 52x) to interface with SCSI or IDE Controller	
		Operating System Harddisk : 1x146 GB Non Hot Swap/ Hot Swap SCSI HDD 0r 80 GB IDE / SATA HDD for Bootable Partition & interface to the Standard SCSI/ IDE/SATA Controller (Generally, On-board Controller) Note: RAID implementation for operating system is optional.	
		Database Harddisk : 2x146 GB Non Hot Swap/ Hot Swap SCSI	
		HDDs for RAID-1 implementation & interface to the above RAID controller.	
	Entry Level Server (without Hardware RAID) for Low End DP/SR	Intel PIV with 3.0 GHz or Higher CPU	MS Windows 2000 Server (License to be procured by the participants)

	Description	Hardware	Software
		Minimum 512 MB DDR RAM	Anti-Virus Software for MS Windows 2000 Server (License to be procured by Participants)
		256/512KB/1MB/2 MB L2 Cache	DPM Application Software (Provided by NSDL)
		PCI Architecture with min 3 I/O Slots	MS SQL 2000 Server Licence (to be procured by the Participants)
		2*146 GB (SCSI) or 2*80 GB (IDE/ SATA) Hard Disk Drive to be installed in RAID 1 with Software RAID.	WinZip (licensed)/ Zipit Fast software ##
		14” Colour monitor / Keyboard/ Mouse	Server Management software *
		Ethernet Card	
		CD ROM drive(min 52x) to interface with SCSI or IDE Controller	
		Internal SCSI card to support DAT drive	
		20/40 GB Internal / External DAT Drive (from the existing SERVER) or	
		750 MB Zip Drive . DVD Writer option may also be considered. (Devices used for back-up purpose).	
		1 parallel port , 3 USB ports & 2 fast serial ports #	
	Desktop as Server for Low End DP/SR	Intel PIV/ Celeron with 3.0 GHz or Higher CPU	MS Windows 2000 Server (License to be procured by the participants)
		Minimum 512 MB System RAM	Anti-Virus Software for MS Windows 2000 Server (License to be procured by Participants)
		Minimum 128 KB Cache (Celeron CPU), 512KB Cache (PIV CPU)	DPM Application Software (Provided by NSDL)
		PCI Architecture with min 3 I/O Slots	MS SQL 2000 Server Licence (to be procured by the Participants)

	Description	Hardware	Software
		2*146 GB (SCSI) or 2*80 GB (IDE/ SATA) Hard Disk Drive to be installed in RAID 1 with Software RAID	WinZip (licensed)/ Zipit Fast software ##
		14” Colour monitor / Keyboard/ Mouse	Server Management software *
		Ethernet Card	
		CD ROM drive(min 52x) to interface with SCSI or IDE Controller	
		DVD Writer or 750 MB Zip Drive (Devices used for Back-up purpose)	
		1 parallel port , 4 USB ports & 2 fast serial ports #	
	# The Number of USB ports required would depend on the devices that are required to be connected to the server / client ## The software Winzip (licensed copy) / Zipit Fast software is required to be installed on Windows 2000 Server and on the Client PCs of NSDL setup configured for email communication with NSDL using the Outlook Express since the contents of the mails sent to the Participants are in zipped (compressed) format. * Server Management Software is supplied along with the MNC brand servers. For National Brand Servers, Participants are required to consult their server vendors. Participants using the “Desktop as Server” are also required to consult their vendor about the tools for monitoring the hardware health of the equipment. It is mandatory for all participant to install “Server Management Software” . Participants may consult NSDL if specific brand of server / Desktop as server does not have their own Server Management Software.		
DPM System - Recommended hardware configuration			
Circular No. NSDL/PI/2002/1911 NSDL/PI/2002/1911 Date : November 6, 2002	Participants may be aware that NSDL has permitted the use of IBM, Compaq, HP, Digital, Acer and DELL make desktop computers with Microsoft Windows 98 and Windows 2000 - Professional Operating System (OS) for DPM Client workstations. Participants are hereby informed the aforesaid list is now expanded to include Wipro, HCL, PCS and CMS make desktop computers, which are compatible with Microsoft Windows 98 and/or Windows 2000 - Professional OS. Participants are requested to confirm the compatibility of specific models of these makes with Microsoft OS by visiting Microsoft web site http://microsoft.com/hwdq/hcl/search.asp prior to procuring the hardware. Further, the minimum configuration of the desktop computers installed as a part of the DPM setup, should be as under: • CPU - Intel Pentium (P II/P III/P IV/Celeron) 333 MHz. Or higher with 128KB L2 cache • Memory - 64 MB RAM • HDD - 20GB HDD • NIC (Network Interface Card) - 10 MB Ethernet card		

Circular No.
NSDL/PI/2000/705
Date : May 12, 2000

Further to our Circular No. NSDL/PI/2000/032 dated January 12, 2000, as a part of NSDL's continuous evaluation and fine tuning of the performance of the DPM system, the recommendations about the configuration of the DPM Server to be used by the Participants for their depository operations for different client / CM accounts and transactions have been revised. Owing to some improvements achieved in the recent past, the revised figures for different configuration are given in the enclosed Annexure. These recommendations are arrived at after taking into consideration various factors viz; no. of client accounts, no. of CM accounts, no. of transactions per day, no. of client machines connected to the Server, etc.

Participants are advised to regularly monitor the performance of the DPM system. In case the volumes are nearing the limits prescribed in the Annexure, then the Participants should take steps to plan and implement the upgradation of system well before such limits are reached. Participants are once again informed that any system upgradation (installation) should be carried out in consultation with the NSDL Help Desk.

Sr. No	CPU	RAM (MB) Accounts	No. of Client Accounts	No. of CM	No. of Transac-tions per day	No. of Win 95 Client Machines
1	Single	64	30,000	100	6,000	Upto 4
2	Single	128	50,000	200	10,000	5 - 8
3	Dual	256	1,00,000	400	20,000	9 - 12
#4	Dual	512	2,50,000	600	40,000	13 - 16

 # If the volume exceeds any of the above limits then it is recommended that an additional NT Server be installed for the excess volume.

The following "pre-requisites" are necessary for achieving normal performance:

1. New account opening/account modification is limited to 1,500 per day for server with 256-512 MB memory and 500 per day for server with 64-128 MB memory.
2. For configuration of Dual CPU and 512 MB RAM, Participant must be having leased line connectivity with NSDL (minimum 64 KBPS)
3. In case of Single CPU Servers, minimum speed required is 200 MHz.
4. In case of Dual CPU Servers, minimum speed required is 400 MHz with high-end disks and multiple disk controllers.
5. It is assumed that on an average client has positions in 8 ISINs.
6. It is assumed that on an average Clearing Member settles 50 ISINs per settlement.
7. Maximum account transfers are limited to 20,000 per day.
8. Routine Housekeeping , Reorg and Archival has to be performed.
9. Operational guidelines notified by NSDL must be abided by the Participant.
10. Sufficient hard disk capacity should be available on the NTServer (Refer operational guidelines).
11. Participant must abide by the Archival policy as may be notified by NSDL from time to time.

Circular No.
NSDL/PI/2000/032
Date: January 12,2000

As a part of NSDL's continuous evaluation and fine tuning of the performance of the DPM system, the recommendations about the configuration of the DPM

Server to be used by the Participants for their depository operations for different client / CM accounts and transactions have been laid down and revised from time to time. Owing to some improvements achieved in the recent past, the revised figures for different configuration are given in the enclosed Annexure. These recommendations are arrived at after taking into consideration various factors viz; no. of client accounts, no. of CM accounts, no. of transactions per day, no. of client machines connected to the Server, etc.

Participants are advised to regularly monitor the performance of the DPM system. In case the volumes are nearing the limits prescribed in the Annexure, then the Participants should take steps to plan and implement the upgradation of system well before such limits are reached. Participants are once again informed that any system upgradation (installation) should be carried out in consultation with the NSDL Help Desk.

Recommended Hardware Configuration

The recommended configuration is dependent on the volume of business of the Participant.

Sr. No	CPU	RAM	No. of Client Accounts	No. of CM Accounts	No. of Transactions per Day
1	Single	64 MB	30,000	100	6,000
2	Dual	256 MB	60,000	200	12,000
# 3	Dual	512 MB	1,50,000	500	20,000

 # If the volume exceeds any of the above limits then it is recommended that an additional NT Server be installed for the excess volume.

Following "prerequisites" are assumed for achieving normal performance:

- Business Partner confirms to the operational usage guidelines circulated by NSDL.
- Sufficient hard disk capacity is available on the NT Server (Refer operational guidelines).
- Routine housekeeping and Reorg is performed.
- If Memory is 64 MB then Number of Win 95 client machines is assumed to be less than five.
- If the number of Win 95 client machine exceeds five then the minimum memory required is 128 MB or more (Depending on number of additional clients).
- Single CPU machines speed should be minimum 200 MHz or more.
- Dual CPU machines speed should be minimum 400 MHz or more and have high-end disks with multiple disk controllers.
- On an average client has positions in 8 securities.
- On an average CM settles 50 ISINs per settlement.

New account opening/account modification is limited to 1,000 per day for server with 512 MB memory and 500 per day for server with 64-256 MB memory.

Low End DPM System - Recommended hardware configuration	
Circular No. NSDL/PI/2003/0295 Date : February 21, 2003	NSDL has been exploring the possibility of DPM operations being conducted on Desktop class hardware for Participants having low level of activity. Based on the analysis, if Participants have the following level of activity, it can be permitted to operate on low-end Desktop class hardware with Windows 2000 server OS instead of Server class hardware: Max. number of client accounts without CM accounts - 7500 Max. number of Transactions per day - 2000 Database size not exceeding - 600 MB Maximum number of work-stations - 3 Participants who wish to opt for Desktop class hardware must ensure that the minimum configuration of the same should be as under: • Intel PIV with 500 MHz. or higher CPU • 512 MB System RAM • 2 * 20 GB (7200 RPM) IDE HDD to be installed in RAID I configuration using software RAID • PCI Ethernet Card • Internal SCSI card to support DAT drive • 12 / 24 GB Internal / External DAT Drive (from the existing Server) OR 700 MB Zip drive Participants will have to upgrade their Desktop class hardware to server class hardware if the level of activities go beyond the aforesaid limits. In case Participants wish to replace their existing Server class hardware with Desktop class hardware, they may contact NSDL help desk.
DPM Systems - Recommended hardware configuration after implementing archival system	
Circular No. NSDL/PI/2000/2171 Date : November 28, 2000	All Participants are hereby informed that NSDL has enhanced the capacity of DPM system to service more number of client accounts. The capacity enhancement to service 3.5 lakh client accounts from the earlier limit of 2.5 lakh accounts is possible only after implementing an archival system and archiving of more than 3 months old "Closed, Settled" instructions and closed accounts information. Details of the DPM server hardware configuration and the number of accounts it can service is enclosed herewith as Annexure - I.

Sr. No	CPU	RAM (MB)	No. of Client Accounts	No. of CM Accounts	No. of Transactions per day	No. of Win 95 Client Machines
1	Single	64	30,000	100	6,000	Upto 4
2	Single	128	75,000	200	10,000	5 - 8
3	Dual	256	1,50,000	400	22,500	9 - 12
#4	Dual	512	3,50,000	1000	50,000	13 - 16

 # If the volume exceeds any of the above limits then it is recommended that an additional NT Server be installed for the excess volume.

Following "prerequisites" are assumed for achieving normal performance:

1. Participant conforms to the operational usage guidelines circulated by NSDL.
2. Batch reports (statement of holding and statement of transactions) must not be carried out during the day.

3. Sufficient hard disk capacity is available on the NT Server (refer operational guidelines).
4. Routine Housekeeping, Re-org and Archival are performed.
5. Single/Dual CPU speed should be minimum 400 MHz. In addition, Dual CPU machines must have high-end disks with multiple disk controllers.
6. On an average client has positions in 8 securities.
7. On an average CM settles 50 ISINs per settlement.
8. New account opening/account modification is limited to 1,500 per day for server with 256-512 MB memory and 500 per day for server with 64-128 MB memory.
9. Maximum account transfer instructions are limited to 20,000 per day.
10. For configuration of Dual CPU and 512 MB RAM, Participant must be on leased line (minimum 64 KBPS)

Participant must Archive more than 3 months old "Closed, Settled" transactions and closed accounts information in order to scale up to 3,50,000 client accounts.

Upgradation of DPM Server operating system (OS) software from Windows 2000 server OS to Windows 2003 Server OS

Circular No. NSDL/POLICY/ 2008/0033
Date : May 20, 2008

Sub : Upgradation of DPM Server operating system (OS) software from Windows 2000 server OS to Windows 2003 Server OS

At present, NSDL's DPM Server software works on Microsoft's Windows 2000 Server OS. Windows 2000 Server OS was launched in 2000-2001. Subsequently, Microsoft has withdrawn support for the same sometime in 2004-2005. NSDL had informed Depository Participants (DPs) regarding upgradation of DPM Server software to higher version of OS i.e.Windows 2003 server OS during the DP Conferences held in October 2007 and April 2008. The DPM software version 8.2 is qualified to work with Windows 2003 Server OS - Standard Edition (Service Pack 1).

DPs may note that Microsoft provides a free upgrade to next version if the license is covered under Software Assurance Program. However, if the license is not covered under this provision, DP is required to procure the Windows 2003 Server OS - Standard Edition (Service Pack 1) license as per the present norms of Microsoft.

It is understood that Microsoft policy allows the use of Windows 2000 Server OS, if you have Windows 2003 Server OS license. DPs are required to re-confirm with their vendors. This is required till NSDL migrates the DPM setup of the DPs from Windows 2000 Server to Windows 2003 Server OS. NSDL plans to migrate all DPM setups to Windows 2003 Server OS by end of August 2008.

Microsoft has indicated that minimum memory requirement for Windows 2003 Server OS is 512 MB and minimum processor speed required is 1 GHz. Accordingly, memory related sizing guidelines for DPM system with Windows 2003 Server OS is as follows:

Server Type	CPU	RAM (MB)	Number of Client Machines	Number of Client Accounts	Number of CM Accounts	Number of Transa-ction/day
Desktop as Server	Single	512	3	75,000	50	15,000
Entry Level Server (without Hardware RAID)	Single	512	3	75,000	50	15,000
Entry level server (with Hardware RAID)	Single	512	5	1,00,000	50	22,500
High End Server	Single	1024	15	1,50,000	200	40,000
High End Server	Dual	2048	25	5,00,000	1,000	1,00,000

	DPs are required to ensure that their DPM system meets above stated requirements by June 2008. DPs must file revised Form B with NSDL for the upgrade carried out. NSDL will not qualify future software releases after August 2008 on Windows 2000 Server OS and hence does not guarantee the working of the DPM software on the same thereafter. Migration activity will involve formatting of the C Drive & installation of Windows 2003 Standard Server OS software. Those DPs who have already procured the Windows 2003 Server OS licenses and have their DPM system meeting the required specifications may contact the Helpdesk of NSDL for scheduling the upgrade. The upgrade to Windows 2003 Server OS must be done only in consultation with Helpdesk. The detailed upgrade procedure & schedule will be intimated by NSDL Helpdesk shortly.
Change in Operating System for DPM Server to Windows 2000 and changes in Server Configurations	
Circular No. NSDL/PI/2002/2068 Date : December 2, 2002	Participants were advised, vide our Circulars No. NSDL/PI/2001/ 1179 and NSDL/PI/2002/1174 dated July 30, 2001 and July 18, 2002 respectively, to acquire Windows 2000 server Operating System (OS) and to upgrade the server hardware in accordance with the configuration specifications provided therein, to suit their volume of operations. All Participants are hereby informed that NSDL's DPM Application Software is now qualified to work with Windows 2000 server OS. For upgrading the DPM System to Windows 2000 server OS, Participants are hereby advised to comply with the following: (1) Upgradation to Windows 2000 server OS should be undertaken for all servers, viz; main DPM server, onsite backup server, off-site backup server (if installed) and the server for housing Archival database (if a separate server is in use) within a span of two weeks. (2) The hardware configuration for all servers for which upgradation is being undertaken, are in line with configuration guideline provided in aforesaid circulars. (3) Main DPM server must feature a separate Hard Disk Drive (HDD) for OS. HDD for OS need not have RAID implementation. For OS, it is not a must to use HDD featuring SCSI (Small Computer System Interface). Participants may use HDD featuring IDE (Integrated Drive Electronics) interface if supported by the server model in/to be use/used. The re-loading of current Windows NT OS onto a separate disk should be undertaken only after obtaining clearance from NSDL Help Desk. Participants should note that version 3.4 of the DPM Application Software will be the last version supported on Windows NT OS. All subsequent releases of DPM Application Software will be qualified to work only with Windows 2000 server OS, till further notice. Participants who choose to continue working with Windows NT OS in the interim, must install Service Pack 6A. In case Participants require any further clarifications in this regard, they can contact on (022) 2497 5208. Further, all upgradation of hardware / Windows 2000 server OS must be intimated to NSDL through revised form-B. NSDL Help Desk will provide technical guidance and schedule migration to Windows 2000 server OS. The migration to Windows 2000 server OS, viz; main DPM server, onsite backup server, off-site backup server (if installed) and the server for housing Archival database (if a separate server is in use), should be done only after technical clearance from NSDL Help Desk.

Circular No. NSDL/PI/2002/1174 Date: July 18, 2002	Further to our Circular No. NSDL/PI/2001/1179 dated July 30, 2001 regarding upgrading the Operating System (OS) of the DPM server to Windows 2000 server OS, all Participants are hereby informed that NSDL will complete qualification of current DPM Application Software to work with Windows 2000 server OS by end of August 2002. Participants may also note that version 3.4 of the DPM Application Software will be the last version supported on Windows NT 4.0 OS. Participants who are yet to procure Windows 2000 server OS may note that Microsoft has extended Version Upgrade scheme (VUP) till July 2002, which offers concession in upgrade price. Participants may therefore acquire the Windows 2000 server OS before the close of the VUP, else Participants will have to procure Windows 2000 server OS at the full prevailing price. Further, Participants are advised to note that Service Pack (SP) 6A patch is required to be applied to the Windows NT 4.0 OS. SP 6A is being sent to Participants alongwith the DPM Application Software Version 3.2 (integrated) CD, which should be applied immediately. Attention of Participants is invited to our aforesaid circular regarding the requirement of minimum hardware configuration of DPM for Windows 2000 server OS. Participants whose DPM server does not meet the configuration requirements of Windows 2000 server OS are advised to upgrade their hardware of DPM server at the earliest, as sourcing of the same for old models of hardware may be difficult at a later date. Attention of Participants is also invited to our Circular No. NSDL/PI/2001/1695 dated November 6, 2001, advising Participants to have separate hard disk on the DPM server, i.e. non-RAID disk for DPM server OS and RAID disk for DPM Database. Participants are advised to ensure the same while upgrading the DPM server. Further, all upgradation of hardware / Windows 2000 server OS should be undertaken after submission of revised form-B to NSDL and obtaining a detailed technical guidance and clearance from NSDL Help Desk.
Circular No. NSDL/PI/2001/1695 Date : November 6, 2001	In continuation of our Circular No. NSDL/PI/2001/1179 dated July 30, 2001 regarding hardware requirement for upgrading the Operating System (OS) of DPM Server to Windows 2000, all Participants are requested to note that current DPM Server processing speed is suitable for upgrading to Windows 2000 OS. However, the memory of the server need to be upgraded as per the guidelines of the aforesaid circular. Participants planning to upgrade the server processing speed or replace the existing server, may note that the minimum CPU speed shall be 800 mhz as mentioned in the aforesaid circular. Also, please adhere to the memory and hard disk guidelines as mentioned in the aforesaid circular. It may also be noted that as per the new guidelines, the server need not be multiple CPU upgradable (Dual or Four CPU). You may choose to procure non upgradable single CPU server, so long as your operations are within the sizing guidelines stipulated by NSDL for single CPU server. It is also not mandatory to install Hotswap bays for hard disks, but does need a separate hard disk (not configured in RAID) for the OS installation.
Circular No. NSDL/PI/2001/1179 Date : July 30, 2001	All Participants are aware that NSDL's DPM Server software works on Microsoft'sWindows NT version 4.0 Operating System (OS). Microsoft's standard practice is to support product for a period of five years from the time it is launched. As Windows NT was launched in 1997-1998, Microsoft may withdraw support for the same sometime in 2002-2003. NSDL is therefore planning to upgrade its DPM system to work with Windows 2000 Server OS sometime in 2002. Microsoft has informed to NSDL that they have revised their pricing policy with effect from October 1, 2001. As per the revised price structure, Microsoft will

abolish its existing pricing policy of charging 50% of the full price of the software for upgrades and the users will have to pay the full price of the software, even for version upgrade (VU).

Participants are advised to take a note of Microsoft's pricing policy and may consider availing upgrade to Windows 2000 Server OS before October 1, 2001 after making an arrangement to continue to use current Windows NT 4.0 OS, till NSDL upgrades its DPM system to work with Windows 2000 Server OS.

Microsoft has indicated that minimum memory requirement for Windows 2000 Server OS is 256MB and minimum processor speed required is 133MHz. Accordingly, memory related sizing guideline for DPM system under Windows 2000 Server OS stands revised as follows:

CPU	RAM (MB)	Number of Client Machines	Number of Client Accounts	Number of CM Accounts	Number of Transactions/ day
Single	256	4	30000	100	6000
Single	512	8	75000	200	10000
Dual	512	12	150000	400	22500
Dual	1024	16	350000	1000	50000

- As the upgradation of the server may be difficult later, Participants may consider undertaking the required upgradation now and submit a revised FORM-B immediately after the DPM Server is upgraded.
- In case the upgradation of your DPM Server is not possible, then the present DPM sever will have to be replaced before migrating to Windows 2000 Server OS. NSDL will give atleast 3 months advance notice for migration to Windows 2000 Server OS. Recommended minimum configuration for replacement of the DPM Server is as follows;
- Intel PIII / Xeon with CPU speed of 800 Mhz or higher single **OR** 700 MHz or higher respectively with 256KB L2 Cache **(No. of processors should atleast be same as the present server.)**
- Minimum 256MB, 60 nano sec ECC RAM or SDRAM on 1 SIMM/DIMM. **Please refer to abovementioned sizing guideline table for memory configuration.**
- PCI architecture with min.5 I/O slots
- PCI Based VGA Controller With Minimum 1 MB VRAM OR AGP Based VGA Controller With Minimum 2 MB VRAM
- 14" SVGA Colour monitor
- PCI based Ethernet Card
- PCI based SCSI RAID Controller to support RAID-1 to RAID-5 implementation of SCSI Hard Disks **(RAID Controller)**
- 1 parallel port & 2 fast serial ports.
- 4mm, 20/40 GB Digital Audio Tape (DAT) drive (HP/Exabyte/Sony) operating with 90m, 120m & 150m DAT cartridges and interfacing with SCSI Controller
- CD ROM drive(min 12x) to interface with SCSI or IDE Controller
- 1x18 GB Non Hot Swap SCSI HDD for Bootable Partition & interface to the Standard SCSI **(Generally on-board SCSI Controller)**

	• 2x18 GB Non-Hot Swap SCSI HDDs for RAID-1 or 3x18 GB Non-Hot swap SCSI HDDs for RAID-5 implementation & interface to the above RAID controller. **(New system must feature same usable disk capacity for database partition and OS partition after RAID implementation.)** • 104 Keys Keyboard • PS/2 Mouse Further, as per the proposed pricing policy of Microsoft, after upgrading to Windows 2000 Server OS, Participants can avail patches, updates and upgrades for a period of 2 years through Software Assurance (SA) program upon upfront payment of around 58 % of the product price. As per revised pricing policy proposed by Microsoft, SA will be renewable on an annual basis after initial period of 2 years as per the then prevailing rate. In case Participants do not subscribe to SA then upgrade can be availed only at full (100%) price of the product then. In view of this, Participants need to make their own decision about subscribing to SA.

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14. Renewal of Registration

Section 2 (1) (g)	Participant means a person registered as such under sub-section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
Regulation 21	The certificate of registration issued under regulation 20, or renewed under regulation 22 shall be valid for a period of five years from the date of its issue or renewal, as the case may be.
Regulation 22(1)	Three months before the expiry of the period of validity of a certificate of registration, the participant shall, if it so desires, make an application for renewal in Form E through the depository in which it is a participant.
Regulation 22 (2)	The application for renewal under sub-regulation (1) shall accompany the fee specified for issue of certificate of registration and shall be dealt with in the same manner as if it were a fresh application for grant of Certificate of registration.
Regulation 23	The Board may renew a certificate of registration granted to a participant subject to the conditions of certificate of registration specified in regulation 22.
Regulation 64A	(1) If an issuer or its agent - (a) contravenes any of the provisions of the Depositories Act, the bye-laws, agreements, these regulations and directions issued thereunder; (b) fails to furnish any information relating to its activity as an issuer as required under these regulations; (c) does not furnish the information called for by the Board under clause (a) of sub-section (1) of section 18 of the Depositories Act or furnishes information which is false or misleading in any material particular; (d) does not co-operate in any inspection or investigation or enquiry conducted by the Board; (e) fails to comply with any direction of the Board issued under section 18 of the Depositories Act, the Board may, without prejudice to any other action which it may take under the Act, take any action against such issuer or its agent under the Depositories Act. (2) The depository shall conduct inspection of the records of the issuers or agents, as the case may be to ensure that the records of dematerialised securities are reconciled with all the securities issued by the issuer and submit its report to the Board if there is failure by the issuers or agents in such reconciliation of records.”
Circular No. NSDL/POLICY/ 2015/0006 Date: January 8, 2015	***Subject: SEBI (Depositories and Participants) (Amendment) Regulations, 2014 - Single Registration for Depository Participants.*** Attention of Participants is invited to SEBI Circular No. CIR/ MIRSD/5/ 2014 dated December 30, 2014 enclosing SEBI’s notification no. LAD-NRO/GN/2014-15/18/1952 dated December 24, 2014 regarding Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2014 (copies enclosed) with respect to Single Registration for Depository Participants. In this context, SEBI has vide email dated January 6, 2015 provided following clarifications: 1. If an entity is a Participant of both Depositories and has received permanent registration through one Depository and only initial/renewal registration

	through the other Depository, then whether the entity is required to apply to other Depository once again for permanent registration. **SEBI clarification:** The entity is required to approach to the other depository for approval and follow the procedure as specified in para 3 (b) of the SEBI Circular dated December 30, 2014 on Single Registration for Depository Participants. 2. If an entity is a Participant of both Depositories and has applied for permanent registration through one Depository which is under process and has received initial/renewal registration through the other Depository, then whether the entity is required to apply to other Depository once again for permanent registration before the deadline i.e. 3 months prior the expiry of registration. **SEBI clarification:** The entity is required to apply to the other Depository for approval and follow the procedure as specified in para 3 (b) of the SEBI Circular dated December 30, 2014 on Single Registration for Depository Participants.
Circular No. NSDL/POLICY/ 2011/0059 Date: July 20, 2011	***Sub: SEBI Notification dated July 5, 2011 - Amendment to the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996*** As Participants are aware, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 were amended as per notification dated July 5, 2011. Copy of the same is enclosed for reference. Accordingly, Participants will have to apply for permanent registration instead of renewal of registration. Such application for permanent registration must be made three months before the expiry of validity of registration certificate, or even before.
	THE GAZETTE OF INDIA **EXTRAORDINARY** **PART –III – SECTION 4** **PUBLISHED BY AUTHORITY** **NEW DELHI, JULY 5, 2011** **SECURITIES AND EXCHANGE BOARD OF INDIA** **NOTIFICATION** **Mumbai, the 5th July, 2011** **SECURITIES AND EXCHANGE BOARD OF INDIA** **(DEPOSITORIES AND PARTICIPANTS) (AMENDMENT)** **REGULATIONS, 2011** No. LAD-NRO/GN/2011-12/14/21219 - In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to amend the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, namely:- 1 These Regulations may be called the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2011.

2 They shall come into force on the date of their publication in the Official Gazette.

3. In regulation 16, -

i. in the marginal note, after the words "certificate of" and before the word "registration" the word "initial" shall be inserted;

ii. in sub-regulation (1), after the words "certificate of" and before the word "registration" the word "initial" shall be inserted.

4. In regulation 18, -

i. in sub-regulation (1), after the words "certificate of" and before the word "registration" the word "initial" shall be inserted;

ii. in sub-regulation (2), after the words "certificate of" and before the word "registration" the word "initial" shall be inserted;.

5. In regulation19, -

i. in the marginal note, after the words "certificate of" and before the word "registration" the word "initial" shall be inserted;

ii. in the opening sentence, after the words "certificate of" and before the word "registration" the word "initial" shall be inserted;

iii. in clause (d), after the words "certificate of" and before the word "registration" the word "initial" shall be inserted.

6 In regulation 20, -

i. in the marginal note, after the words "certificate of" the word "initial" shall be inserted;

ii. in sub-regulation (1), after the words "certificate of" and before the word "registration" the word "initial" shall be inserted;

iii. in sub-regulation (2), after the words "certificate of" and before the word "registration" the word "initial" shall be inserted;

iv. after sub-regulation (2), the following sub-regulation shall be inserted, namely: -

"(3) The certificate of initial registration granted under sub-regulation (1) shall be valid for a period of five years from the date of its issue to the applicant."

7. Regulation 20A shall be substituted with the following regulations, namely:-

"20A. Grant of certificate of permanent registration.

(1) A participant who has been granted a certificate of initial registration may, three months before the expiry of the period of certificate of initial registration, make an application for grant of a certificate of permanent registration in Form E, through the depository in which it is a participant.

(2) The participant who has already been granted a certificate of registration or has obtained renewal of certificate of registration, prior to the commencement of the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations,

2011, may, three months before the expiry of validity of certificate of registration or before, make an application for grant of a certificate of permanent registration in Form E, through the depository in which it is a participant.

(3) The application under sub-regulation (1) or sub-regulation (2) shall be accompanied by the application fees as specified in Part A of the Second Schedule and be paid in the manner specified in Part B thereof.

(4) The application for grant of a certificate of permanent registration shall be accompanied by details of the changes that have taken place in the information that was submitted to the Board while seeking initial registration or renewal, as the case may be, and a declaration stating that no changes other than those as mentioned in such details have taken place.

(5) The application for permanent registration made under sub-regulation (1) or (2) shall be dealt with in the same manner as if it were a fresh application for grant of a certificate of initial registration.

(6) The Board, on being satisfied that the applicant is eligible, shall grant a certificate of permanent registration in Form F and shall send an intimation to the applicant.

(7) On the grant of a certificate of permanent registration the participant shall be liable to pay registration fee as specified in the Second Schedule of these regulations, within a period of fifteen days of receipt of intimation from the Board.

(8) The participant shall pay annual fee as specified in the Second Schedule of these regulations.

20AA. Participants to abide by code of conduct.

The participant holding a certificate of initial or permanent registration shall, at all times, abide by the Code of Conduct as specified in Third Schedule."

8 Regulation 21 shall be omitted.

9 Regulation 22 shall be omitted.

10 Regulation 23 shall be omitted.

11. In regulation 24, -

i. in marginal note, after the words "certificate of" and before the word "registration" the words "initial or permanent" shall be inserted;

ii. in sub-regulation (1), the words and figure "registration under regulation 16 or for its renewal under regulation 22" shall be substituted with the words and figures "initial registration under regulation 16 or of permanent registration under regulation 20A"

12. In regulation 25, -

i. in marginal note, the words "renew a certificate of" shall be substituted with the words "grant certificate of permanent";

ii. the words "registration as a participant" shall be substituted with the words "permanent registration" and the figure "24" shall be substituted with the figure "20A'.

13. In First Schedule, -

i. in Form E,

a. the word and figure "Regulation 16" shall be substituted with the words, figures and sign "Regulation 16/ Regulation 20A".

b. the words and sign "Application for grant of certificate of registration as participant" shall be substituted with the words and sign "Application for Grant of Certificate of Initial/ Permanent Registration as Participant"

c. in instruction clause (iv), the words "registration as participant or renewal of such" shall be substituted with the words "certificate of initial or permanent".

ii. in Form F, -

a. the words and figure "regulation 20" shall be substituted with the words, sign and figures "Regulation 20/ Regulation 20A".

b. the words "Certificate of Registration as participant" shall be substituted with the words and sign "Certificate of Initial/ Permanent Registration as Participant".

c. paragraph III shall be substituted with the following, namely:-

"III. This certificate of registration shall be valid from ….. to …. / for permanent, unless suspended or cancelled by the Board."

14. In Second Schedule, reference to regulations shall be substituted with the words, figures and signs, "(see regulations 3, 7, 8, 16, 20, 20A)".

15. In Third Schedule, in reference to regulation, the word and figure "20A" shall be substituted with the word and figure "20AA".

U. K. SINHA

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Footnotes:

1 The principal regulations, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 were published in the Gazette of India, Part II on May 16, 1996 vide S.O. No. 345(E).

	2	The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, were subsequently amended on: (a) February 7, 1997 by the SEBI (Depositories and Participants) (Amendment) Regulations, 1997 vide S.O. No. 91(E). (b) September 5, 1997 by the SEBI (Depositories and Participants) (Second Amendment) Regulations, 1997 vide S.O. No. 640(E). (c) January 5, 1998 by the SEBI (Depositories and Participants) (Amendment) Regulations, 1998 vide S.O. No. 18(E). (d) January 21, 1998 by the SEBI (Depositories and Participants) (Second Amendment) Regulations, 1998 vide S.O. No. 76(E). (e) May 20, 1999 by the SEBI (Depositories and Participants) (Amendment) Regulations, 1999 vide S.O. No. 357(E). (f) July 7, 1999 by the SEBI (Depositories and Participants) (Second Amendment) Regulations, 1999 vide S.O. No. 546(E). (g) September 21, 1999 by the SEBI (Depositories and Participants) (Third Amendment) Regulations, 1999 vide S.O. No. 775(E). (h) December 26, 2000 by the SEBI (Depositories and Participants) (Amendment) Regulations, 2000 vide S.O. No. 1160(E). (i) May 29, 2001 by the SEBI (Investment Advice by Intermediaries) (Amendment) Regulations, 2001 vide S.O. No. 476(E). (j) September 27th, 2002 by the SEBI (Procedure for holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 vide S.O. No. 1045(E). (k) June 16, 2003 by the SEBI (Depositories and Participants) (Amendment) Regulations, 2003 vide S.O. No. 696(E). (l) September 2, 2003 by the SEBI (Depositories and Participants) (Second Amendment) Regulations, 2003 vide S.O. No. 1014(E). (m) October 1, 2003 by the SEBI (Depositories and Participants) (Third Amendment) Regulations, 2003 vide S.O. No. 1156(E). (n) March 10th, 2004 by the SEBI (Criteria for Fit and Proper Person) Regulations, 2004 vide S.O. No. 398(E). (o) June 10th, 2004 by the SEBI (Depositories and Participants) (Amendment) Regulations, 2004 vide S.O. No. 696(E). (p) October 10th, 2007 by the SEBI (Depositories and Participants) (Amendment) Regulations, 2007 vide No. 11/LC/GN/2007/4485. (q) March 17th, 2008 by the SEBI (Depositories and Participants) (Amendment) Regulations, 2008 vide F. No. 11/LC/GN/2008/20494. (r) May 26, 2008 by the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 vide Notification No. LAD/NRO/GN/2008/11/126538. (s) August 8, 2008 by the SEBI (Depositories and Participants) (Second Amendment) Regulations, 2008 vide Notification No. LAD/NRO/GN/2008/18/134585.

	(t) June 19, 2009 by the SEBI (Facilitation of Issuance of India Depository Receipts) (Amendment) Regulations, 2009 vide Notification No. LAD/NRO/GN/20092010/10/166936. (u) April 13, 2011 by the Securities and Exchange Board of India (Change in Conditions of Registration of Certain Intermediaries) (Amendment) Regulations, 2011 vide Notification No. LAD/ NRO/ GN/ 2011-12/03/12650.
Circular No. NSDL/PI/2005/0397 Date: March 4, 2005	As Participants may be aware, when an application for renewal of certificate of registration is being considered by SEBI,Participants are required to promptly notify SEBI regarding any change in the information submitted by the Participants to SEBI.In this context, Participants are hereby informed that SEBI has issued a warning to one of the Participants for not providing proper and timely information. Participants are hereby advised to exercise due care while submitting information / documents to SEBI. Participants are further advised to follow the guidelines issued by SEBI vide their circular SEBI/MIRSD/DR-2/SRP/Cir-2/2005 dated January 4, 2005 (copy enclosed) regarding renewal of Certificate of Registration as a Participant. **Annexure I** **DEPUTY GENERAL MANAGER** **Market Intermediaries Regulation &** **Supervision Department** SEBI/MIRSD/DR-2/SRP/Cir - 2/ 2005 January 4, 2005 To 1. NSDL/CDSL 2. All Registered i. Depository Participants ii. Merchant Bankers iii. Registrars to an Issue and Share Transfer Agents iv. Debenture Trustees v. Bankers to an Issue vi. Underwriters vii. Credit Rating Agencies **Dear Sir / Madam,** **Sub: Renewal of Certificate of Registration** Section 12 of the SEBI Act, 1992 requires that any intermediary in the capital market shall function as such only under a Certificate of Registration issued by SEBI. The SEBI Regulations pertaining to certain intermediaries require that

the Certificate shall be valid for a specified period and shall be required to be renewed thereafter. These Regulations requires an intermediary to make an application for renewal three months before the expiry of the validity of the certificate of registration.

However, it is noticed that at times application for renewal is not made in time. It is also possible that an application for renewal made by an intermediary is not disposed off by the expiry of the registration. As a result, the intermediary and its clients are not quite clear if the intermediary can continue to act as intermediary after expiry of registration. This circular intends to clarify these matters:

1. If the application for renewal is not received at SEBI by the expiry date of the certificate of registration, the intermediary shall:

a. cease to be an intermediary on the date of such expiry,

b. stop carrying on the activities of the intermediary from the date of such expiry, and

c. transfer, wherever relevant, the accounts / business of existing clients to another registered intermediary before the date of such expiry.

If the intermediary fails to comply with all of the above, it will be considered as a violation of section 12 and may attract action under the relevant provisions of SEBI Act, 1992, and/or the Regulations framed there under.

No application for renewal can be made after the date of expiry of registration. After the expiry of registration, the erstwhile intermediary can apply for registration, which will be considered as a fresh application for registration made under the relevant Regulations.

2. If the application for renewal is received at SEBI less than 3 months before the expiry of registration and SEBI has not advised otherwise by the date of expiry of registration, the intermediary shall stop undertaking any fresh business / clients from the date of expiry of the registration.

SEBI may initiate any action that may be deemed appropriate for late submission of application under the provisions of the SEBI Act, 1992 and the regulations framed there under.

It is clarified that in the above cases, the application for renewal shall mean the application complete in all respects. Incomplete application will be treated as no application.

3. If renewal is not granted by SEBI for whatever reason, the intermediary shall:

a. cease to be an intermediary on the date of expiry of registration or the date of receipt of communication of refusal to grant renewal,

b. stop carrying on the activities of the intermediary from the date as at (a) above, and

c. transfer, wherever required, the accounts / business of existing clients to another registered intermediary within such period as may be specified.

If the intermediary fails to comply with all of the above, it will be considered as violating section 12 and shall be liable for action under the relevant provisions of SEBI Act, 1992, and/or the provisions of Rules and Regulations framed there under.

4. If an intermediary wishes to surrender the registration voluntarily before the expiry of the registration, it shall transfer, wherever relevant, their existing business / client accounts to another SEBI registered intermediary, before they make request to SEBI for accepting the surrender the certificate of registration.

5. The intermediary may, if he so desires, make a representation for dispensing with the procedure, along with the application, for surrender in terms of the first proviso to regulation 16(1) of the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 in the prescribed format (enclosed with the Circular).

6. In all cases of transfer of business or client accounts to another registered intermediary as above, the clients shall not be subjected to any additional cost.

Yours faithfully,

S. R. Prasad
Encl : As above

Letter of Representation for Depository Participants

To,
Securities and Exchange Board of India
Mittal Court, 'B' Wing, Nariman Point
Mumbai 400 021

Dear Sir,

Sub: Surrender of Certificate of Registration as Depository

Participant, _____ of M/s. _____ , Registration No.

1. We hereby surrender our certificate of registration as Depository Participant.
2. We enclose the original certificate of registration (or indemnity in case the certificate is lost or stolen) for cancellation.
3. We hereby confirm that:
   a. no complaint /disciplinary proceeding is pending against us;
   b. no investigation / inquiry by SEBI is pending against us with respect to our activities as a Depository Participant;

c. as on date of application, we have paid all fees;

d. we shall continue to be liable for all liabilities/obligations (including monetary penalties, if any) for violations, if any, of the provisions of the SEBI Act and the SEBI (Depository Participant) Rules and Regulations, 1996 that have taken place before our surrender of certificate of registration;

e. we have no pending assignments/mandates as a Depository Participant;

f. all our client accounts have been transferred to another registered Depository Participant i.e _____ with Registration No._____ ;

g. we have issued a public notice in a widely circulated national and a vernacular daily dated _____ informing surrender of our registration as Depository Participant.(Please enclose a clipping of the said public notice.)

*4. We hereby request SEBI to dispense with the procedure laid down in Regulation 16(1) of the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 while processing our request for surrender of certificate of registration.

Thanking you,
Yours faithfully,

Name:
(Whole time/Managing Director/Principal Officer)

* Please strike off, if not applicable.

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15. Mutual Fund

Master Circular on Mutual Fund Version 1.1 was issued in May 2013. Circular issued thereafter and other relevant circulars are listed below

Circular No.: NSDL/ POLICY/2020/0025 March 11, 2020	Subject: SEBI Circular on facilitating transaction in Mutual Fund schemes through the Stock Exchange Infrastructure. Attention of Participants is invited to SEBI Circular no. SEBI/HO/MRD1/DSAP/ CIR/P/2020/29 dated February 26, 2020 (copy enclosed) regarding facilitating transaction in Mutual Fund schemes through the Stock Exchange Infrastructure.

SEBI/HO/MRD1/DSAP/CIR/P/2020/29 February 26, 2020

To

All recognised Stock Exchanges, Clearing Corporations and Depositories (except Stock Exchanges and Clearing Corporations in International Financial Services Centre)

Dear Sir/ Madam,

Subject: Facilitating transaction in Mutual Fund schemes through the Stock Exchange Infrastructure

SEBI vide its Circular no. CIR/MRD/DSA/32/2013 dated October 04, 2013, and CIR/MRD/DSA/33/2014 dated December 09, 2014 had permitted mutual fund distributors to use recognised stock exchanges' infrastructure to purchase and redeem mutual fund units directly from Mutual Fund / Asset Management Companies.

2. Subsequently, SEBI vide its Circular no. SEBI/HO/MRD/DSA/CIR/P/2016/113 dated October 19, 2016 allowed SEBI Registered Investment Advisors (RIAs) to use infrastructure of the recognised stock exchanges to purchase and redeem mutual fund units directly from Mutual Fund/ Asset Management Companies on behalf of their clients, including direct plans.

3. In order to further increase the reach of this platform, it has been decided to allow investors to directly access infrastructure of the recognised stock exchanges to purchase and redeem mutual fund units directly from Mutual Fund/ Asset Management Companies.

4. The recognised stock exchanges, clearing corporations and depositories may make necessary amendment to their existing byelaws, rules and/or regulations, wherever required.

5. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

6. This circular is available on SEBI website at www.sebi.gov.in at "Legal Framework—Circulars".

Circular No.: NSDL/ POLICY/2020/0011 January 23, 2020	**Subject: Discontinuation of dispatch of physical Conversion Request Form for Mutual Fund units to RTA.** *Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2018/0034 dated June 26, 2018* **(copy enclosed as Annexure A)** *regarding amendment to Business Rules related to mutual fund conversion and reconversion request. In this regard, all Participants are hereby informed that these amendments (except new FORM 2) will be effective from* ***February 24, 2020****.*

In view of the above, Participants are requested to take note of the following and ensure compliance:

1. *For all conversion requests generated electronically in the DPM system from Monday, February 24, 2020 onwards, Participants are not required to forward physical Conversion Request Form alongwith the Statement of Account to the Asset Management Company or its Registrar and Transfer Agent after initiating the request in the DPM system.*
2. *Participants are requested to continue to process the conversion request form as per the current procedure including verifying the signature of the client on conversion request form with the signature on the DPM system, except sending the physical conversion request form to the AMC/R&T Agent.*
3. *Since enhancements for mutual fund conversion module for processing of folio based conversion and NSDL CAS based conversion are under development, Participants are requested to continue to use existing FORM-2 for conversion of mutual fund units* **(format enclosed as Annexure B for ready reference),** *instead of the new FORM-2 as per the new Business Rules.*

FORM 2

Participant's Name, Address & DP ID (Pre-printed)

CONVERSION REQUEST FORM FOR EXISTING MUTUAL FUND UNITS (REPRESENTED BY STATEMENT OF ACCOUNT) INTO DEMATERIALISED FORM - THROUGH DEPOSITORY PARTICIPANT

Serial No (Pre Printed) Date: _____

I/We request you to convert the following units represented by Statement of Account (enclosed) issued by the Issuer into my/our account as per the details given below:

Client ID	
Sole/First Holder Name	
Second Holder Name	
Third Holder Name	
Type of Security	MF Units/ Others (please specify)
Folio Number	

Details of Units:

Free Units ☐ Locked-in Units ☐

ISIN	Mutual Fund Name	Unit Description	Quantity*	CRN (To be filled in by Participant)

** For conversion or aii tne units in respect to a mutual runa scheme* ***(isin)*** *neia in tne rono or tne Client at the time of confirmation of request by the AMC/R&T Agent, specify "All" against Quantity.*

Total No. of pages of Statement of Account: _____

Details of Locked-in units (if any):

ISIN	Lock-in reason	Lock-in release date

Notes:

1. In case the space is found to be insufficient, an annexure containing the said details in the same format may be attached.
2. Please use separate form for free units and locked-in units

Declaration

I/We hereby declare that the above mentioned units are registered in my/our name and are not already dematerialised and no certificates are issued against these units. I/We also hereby declare that the units requested by me/us for conversion into dematerialised form are free from any lien or charge or encumbrance and represent the bonafide units of the Issuer to the best of my/our knowledge and belief.

Holder(s)	Signature(s)
Sole/First Holder	
Second Holder	
Third Holder	

Participant Authorisation

We have received the abovementioned units for conversion into dematerialised form. It is certified that the holders of the securities have beneficiary account with us in the same name(s).

Name of the official : **Signature :**

Participant's Stamp & Date

Acknowledgement

Serial No (pre-printed)

We hereby acknowledge the receipt of following units requested for conversion into dematerialised form by

Mr/Ms/M/s _____having DP ID_____ and Client ID_____

Mutual Fund Name	Unit Description	Quantity

Circular No.: NSDL/ POLICY/2018/0034 Date: June 26, 2018	***Subject: Amendment to Business Rules - Mutual Funds Conversion.*** All Participants are hereby informed that Rules 11.7, 11.8 and FORM 2 (Conversion Request Form for Mutual Fund Units represented by Statement of Account) of Business Rules of NSDL have been amended. The amended Rules 11.7 and 11.8 are enclosed as Annexure A with track changes mode and as Annexure B without track changes mode alongwith amended FORM 2. The required changes to the DPM system to implement the same are under development. Accordingly, the amendments to Business Rules will be effective from a date to be notified separately.

Annexure A

11.7 CONVERSION OF MUTUAL FUND UNITS REPRESENTED BY STATEMENT OF ACCOUNT INTO DEMATERIALIZED FORM THROUGH A PARTICIPANT

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

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

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

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

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

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

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

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

11.8 RECONVERSION OF MUTUAL FUND UNITS INTO STATEMENT OF ACCOUNT FORM (SOA FORM).

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

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

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

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

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

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

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

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

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

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

Annexure B

11.7 CONVERSION OF MUTUAL FUND UNITS REPRESENTED BY STATEMENT OF ACCOUNT INTO DEMATERIALIZED FORM THROUGH A PARTICIPANT

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

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

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

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

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

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

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

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

11.8 RECONVERSION OF MUTUAL FUND UNITS INTO STATEMENT OF ACCOUNT FORM (*SOA FORM*).

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

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

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

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

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

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

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

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

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

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

DP Logo	FORM 2 - CONVERSION REQUEST FORM FOR MUTUAL FUND UNITS REPRESENTED BY STATEMENT OF ACCOUNT Instructions: (1) To be submitted in duplicate for acknowledgment. (2) In case the space is found to be insufficient, an annexure containing the said details in the same format may be attached.	NSDL

Participant Name Participant Address									Serial No.								
									DP ID	I	N						
Date	D	D	M	M	Y	Y	Y	Y	Client ID								

I/We request you to convert the following units represented by statement of account issued by the issuer into my/our dematerialized account as per the details given below:

Tick Any One

	CRN (to be filed by DP)
☐ All Folios as per My NSDL Consolidated Account Statement	

☐ Folio Based Conversion	Sr. No	Mutual Fund Name	Folio Number	CRN (to be filed by DP)

☐ ISIN Based Conversion	Sr. No	ISIN	Security Description	Fill Any One		CRN (to be filed by DP)
				All Quantity	Specific Quantity	
				ALL		
				ALL		
				ALL		
				ALL		

Declaration: I/We hereby declare that the above mentioned units/folio are registered in my/our name and are not already dematerialized and no certificates have been issued against these units/ units held in these folios. I/We also hereby declare that the units requested by me/us for conversion into dematerialized form are free from any lien or charge or encumbrance and represent the beneficial units of the issuer to the best of my/our knowledge and belief.

Signature(s)	Sole/First Holder	Second Holder	Third Holder

Circular No.: NSDL/POLICY/2014/0047 Date: April 11, 2014	***Subject: Amendments to Business Rules of NSDL.*** Attention of Participants is invited to Circular Nos. NSDL/POLICY/2014/0021 dated February 28, 2014 and NSDL/POLICY/2014/00034 dated March 25, 2014 regarding Settlement fee on transactions in mutual fund units in the depository system. Accordingly, all Participants are hereby notified that new clause 21.2.5 has been inserted in Business Rules and the existing clauses of Rule 21.2 have been renumbered accordingly. New Rule 21.2.5 is given below : **"21.2.5. Fee for Conversion, Reconversion and Redemption of Mutual Fund units** With effect from April 1, 2014, No fee shall be charged by the depository for Conversion of Mutual Fund units represented by SoA into dematerialised form. Participant shall be charged the following fee for Reconversion and Redemption of Mutual Fund Units: a) a fee of Rs. 10 per instruction for Reconversion of Mutual Fund units into Statement of Account (SoA). b) a fee of Rs. 4.50 per instruction for Redemption of Mutual Fund units through Participants."
Circular No. NSDL/POLICY/ 2014/0034 Date: March 25, 2014	***Subject: Settlement fee on transactions in mutual fund units in the depository system.*** All Participants are hereby informed that it has been decided to charge fee to Participants in respect of transactions in mutual fund units (*security type code '13'*) held in the depository system from April 1, 2014 as mentioned below : **Sr. No.** | **Type of Transaction** | **Charge to be levied** 1 | Reconversion of MF units into SoA | Rs.10.00 per instruction 2 | Redemption of MF units through Participants | Rs. 4.50 per instruction Participants are also informed that the necessary amendments to the Business Rules in this context will be notified shortly. Participants are advised to take note of the same
Circular No. NSDL/POLICY/ 2014/0021 Date: February 28, 2014	***Sub: Settlement fee on transactions in mutual fund units in the depository system*** As all Participants are aware that NSDL had decided not to charge any fee to Participants till March 31, 2014 in respect of transactions in mutual fund units routed through the stock exchange platform (*security type code '20'*) which are held in the depository system (*Ref.: Circular No. NSDL/POLICY/2013/0110 dated September 24, 2013*). It has been decided to charge fee to Participants in respect of transactions in mutual fund units (*security type code '20'*) held in the depository system from April 1, 2014 as mentioned below :

	Sr. No.	Type of Transaction	Charge to be levied
	1	Debit to Client Account	Rs.4.50 per instruction
	2	Conversion of MF units represented by SoA into dematerialised form	Nil
	3	Reconversion of MF units into SoA	Rs.10.00 per instruction
	4	Redemption of MF units through Participants	Rs.4.50 per instruction
	5	Pledge confirmation	Rs.25 per instruction
	6	Inter-Settlement	Rs.4.50 per instruction
	7	CM Pool to CM Pool Account Transfer	Rs.4.50 per instruction
	8	Settlement fee for CM Pool account (Receipt in charges)	Re.1.00 per instruction or securities received from the CC/CH into the Pool account subject to a minimum of Rs.1, 000 and a maximum of Rs.5, 000 per quarter per CM Account.
	Participants are also informed that the necessary amendments to the Business Rules in this context will be notified shortly. Participants are advised to take note of the same.		
Circular No. NSDL/POLICY/ 2013/0110 Date: September 24, 2013	***Sub: Settlement fee on transactions in mutual fund units in the depository system*** As all Participants are aware that NSDL had decided not to charge any fee to Participants till September 30, 2013 in respect of transactions in mutual fund units routed through the stock exchange platform (*security type code '20'*) which are held in the depository system (*Ref.: Circular No. NSDL/POLICY/2013/0048 dated March 28, 2013*). In view to encourage investors to hold mutual fund units in the depository system, it has now been decided to continue not to charge any fee to Participants in respect of transactions in mutual fund units held in the depository system till March 31, 2014. Participants are advised to take note of the same.		
Circular No: NSDL/POLICY/ 2012/0012 Date: January 25, 2012	***Sub: SEBI Circular on revised eligibility criteria* to act as qualified Depository Participants.** Attention of Participants is invited to SEBI Circular Nos. CIR/IMD/DF/14/2011 dated August 9, 2011 and CIR/IMD/FII&C/3/2012 dated January 13, 2012 {*Ref. Circular Nos. NSDL/POLICY/2011/0064 dated August 10, 2011 and NSDL/ POLICY/2012/0008 dated January 14, 2012*} regarding investment by Qualified Foreign Investors (QFIs) in Mutual Fund Schemes and Indian equity shares. Participants are hereby informed that SEBI has vide its Circular No.CIR/IMD/ FII&C/4/2012 dated January 25, 2012 revised the eligibility criteria to act as qualified Depository Participants and made certain operational changes. Copy of the same is enclosed for information.		

CIRCULAR

CIR/ IMD/ FII&C/ 4/ 2012
January 25, 2012

All SEBI registered Intermediaries/ Recognized Stock Exchanges/ Depositories

Sir / Madam,

Sub: Eligibility criteria for qualified depository participant.

Vide SEBI circulars Cir/IMD/DF/14/2011 and Cir/IMD/FII&C/3/2012 dated August 09, 2011 and January 13, 2012 respectively, Qualified Foreign Investors (QFI) were allowed to invest in schemes of Indian mutual funds and Indian equity shares subject to terms and conditions mentioned therein, including opening a demat account with qualified Depository Participant. The eligibility criteria for a SEBI registered Depository Participant (DP) to act as qualified Depository Participant were provided in the aforementioned circulars.

2. On a review, it has been decided to amend the eligibility criteria for a SEBI registered DP to act as a qualified Depository Participant. The revised eligibility criteria to act as qualified Depository Participants are as follows: To become a qualified Depository Participant, a SEBI registered DP shall fulfill the following:

   2.1. DP shall have net worth of Rs. 50 crore or more;

   2.2. DP shall be either a clearing bank or clearing member of any of the clearing corporations;

   2.3. DP shall have appropriate arrangements for receipt and remittance of money with a designated Authorised Dealer (AD)

   2.4. DP shall demonstrate that it has systems and procedures to comply with the FATF Standards, Prevention of Money Laundering (PML) Act, Rules and SEBI circulars issued from time to time; and

   2.5. DP shall obtain prior approval of SEBI before commencing the activities relating to opening of accounts of QFI.

   The eligibility criteria for qualified Depository Participant as contained in SEBI circulars dated August 9, 2011 and January 13, 2012 stands amended as above.

3. In order to maintain consistency in the maximum retention period of QFI's fund in the single rupee pool bank account for investments/ re-investment out of redemption or dividend in schemes of Indian mutual funds vis-à-vis equity shares, it has been decided to amend clause(s) 4.7.5 and 4.7.7 of circular Cir/IMD/DF/14/2011 dated August 9, 2011.

4. Accordingly, the maximum retention period of QFI's funds in the single rupee pooled account with the qualified depository participant as envisaged in clause(s) 4.7.5 and 4.7.7 of circular dated August 9, 2011 stands revised to five working days (including the date of receipt of foreign inward remittance through normal banking channels from the designated overseas bank account of the QFI into the single rupee pool bank account) for both investment as well as re-investment out of redemption proceeds in schemes of Indian mutual funds.

5. Further, in partial amendment to clause 4.7.8, it has been decided to allow credit of dividend payments to QFIs on account of investment in schemes of Indian mutual funds held by them to the single rupee pool bank account subject to the condition that in case dividend payments are credited to the single rupee pool bank account, they shall be remitted to the designated overseas bank accounts of the QFIs within five working days (including the day of credit of such funds to the single rupee pool bank account). Within these five working days, the dividend payments can be also utilized for fresh purchases in schemes of Indian mutual funds, if so instructed by the QFI

   This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market

Yours faithfully,

S MADHUSUDHANAN
Deputy General Manager
Tel No.: 022-26449614
Email: smadhu@sebi.gov.in

Circular No. NSDL/POLICY/ 2011/0099 Date: November 28, 2011	***Sub: Mutual Fund units - security type code '13' can be held in depository accounts of Qualified Foreign Investors*** In continuation to point no.13 of NSDL Circular No. NSDL/POLICY/2011/0083 dated October 14, 2011, Participants are requested to note that Mutual Fund Units (security type '13') can also be held in the depository accounts of Qualified Foreign Investors and the validations mentioned for mutual fund units (security type '20') will also be applicable for security type '13'.
Circular No. NSDL/POLICY/ 2011/0080 Date: October 10, 2011	***Sub: SEBI Circular on option to hold units in demat form*** As all Participants are aware, SEBI has vide Circular No. CIR/IMD/ DF/9/2011 dated May 19, 2011 (copy enclosed) has mandated all Mutual Funds (MFs) / Asset Management Companies (AMCs) to do the following: 1. MFs / AMCs are advised to invariably provide an option to the investors to mention demat account details in the subscription form, in case they desire to hold units in demat form. 2. MFs / AMCs are advised to obtain ISIN for each option of the scheme and quote the respective ISIN along with the name of the scheme, in all Statement of Account/Common Account (CAS) issued to investors. The above is effective from October 1, 2011 onwards. Participants are requested to take note of the same

Circular

All Mutual Funds/Asset Management Companies

Sir/Madam,

Sub: Option to hold units in demat form.

1 In terms of SEBI Circular CIR/IMD/DF/10/2010, dated August 18, 2010, on transferability of Mutual Fund units, all AMCs were advised to clarify by way of an addendum that units of all Mutual Fund schemes held in demat form shall be fully transferable. It has been observed that in their close ended schemes, many mutual funds provide an option to hold units either in physical or in demat form, but offer no such option in case of open ended schemes. In order to facilitate investors, Mutual Funds should provide an option to the investors to receive allotment of Mutual Fund units in their demat account while subscribing to any scheme (open ended/close ended/Interval). Therefore Mutual Funds/AMCs are advised to invariably provide an option to the investors to mention demat account details in the subscription form, in case they desire to hold units in demat form.

2 Mutual Funds/AMCs shall ensure that above mentioned option is provided to the investors in all their schemes (existing and new) from October 01, 2011 onwards.

3 It has also been observed that often investors' request for dematerialising their units is rejected as Depository Participants are not having/ or having incorrect ISIN of each option of the scheme. In this regard, Mutual Funds/AMCs are advised to obtain ISIN for each option of the scheme and quote the respective ISIN along with the name of the scheme, in all Statement of Account/Common Account Statement (CAS) issued to the investors from October 01, 2011 onwards.

4 This circular is issued in exercise of powers conferred under section 11(1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of regulation 77 of SEBI (Mutual Funds) Regulations, 1996 to protect the interests of Investors in securities and to promote the development of and to regulate the securities market.

Yours faithfully,

RAKESH BHANOT
Deputy General Manager
Tel no. 022-26449361
Email-rakeshb@sebi.gov.in

Circular No. NSDL/POLICY/ 2013/0066 Date: May 6, 2013	***Sub: Master Circular - Version 1.1 - Mutual Fund Units in dematerialised form*** As Participants are aware, NSDL had vide Circular No. NSDL/POLICY/2011/ 0071 dated September 9, 2011 issued 'Master Circular - Version 1.0 on holding Mutual Fund Units in dematerialised form'. The master circular contained details on various features and procedures for holding Mutual Fund Units in dematerialised form. Various circulars issued on this topic subsequent to the aforesaid master circular have been consolidated / aggregated and is being issued as 'Master Circular - Version 1.1 - Mutual Fund Units in dematerialised form'. The changes are highlighted in track change mode which is enclosed at Annexure A and the final version at Annexure B.

Master Circular

Mutual Fund units in dematerialised form

Version 1.1 - May 2013

Ref. No.	Description
1	**Introduction**
I	Facility for holding Mutual Fund (MF) units in dematerialised form
II	Know your Client (KYC)
III	Code of conduct / AMFI – NISM certification
IV	Modules for processing instructions in eDPM System
2	**Security Master (ISIN) Download**
3	**Conversion of MF units represented by SoA into dematerialised form through Participants**
I	Introduction
II	Procedure
III	Conversion directly through AMC / RTA discontinued
IV	Dematerialisation of physical certificates of MF Units of UTI Asset Management Company Limited
4	**Reconversion of MF units into SoA**
I	Introduction
II	Procedure
5	**Option to hold MF units in dematerialised form while subscribing**
6	**Subscription of MF units in dematerialised form through Stock Exchange platform**
I	Procedure
II	Credit of MF units of ELSS under lock-in in BO accounts
7	**Redemption of MF units *(Security Type Code '20') [held in dematerialised form]* through Stock Exchange platform**
I	Settlement details for submission of instructions
II	Submission of instructions through SPEED-e

8 Redemption through Participants
I Introduction
II Procedure
9 Transferability of MF units
10 Transaction Statement
I Dispatch of Transaction Statement
II Order of display of MF/non-MF ISINs in the Transaction Statement
III Footnote in the Transaction Statements provided to Clients
11 Additional facilities
I SMS Alerts for credits / debits of MF units in demat accounts
II IDeAS facility - Display of Mutual Fund holdings & NAV
III Daily Price file
12 Fee on transactions in MF units held in the depository system
13 Procedure for opening Clearing Member Pool Account of MF/ AMC
14 Reports, downloads and back office file formats
I Reports
II Downloads
III Back office file formats
15 Reference Circulars / Bye Laws & Business Rules
16 Name of the Annexure

(1) Introduction

(1) Introduction

(I) Facility for holding Mutual Fund units in dematerialised form

The existing demat accounts can be used for holding Mutual Fund (MF) units in dematerialised form. In case an investor does not have a demat account and wish to hold MF units in dematerialised form, such an investor would be required to open a demat account with any Participant of NSDL. In this regard, Participant should ensure to follow the guidelines mentioned in Master Circular on Account Opening at the time of opening demat account.

(II) Know your Client (KYC)

Where investor desires to hold units in dematerialised form, the KYC performed by Participant would be considered compliance with applicable requirements specified for MF / Asset Management Companies (AMCs).

(III) Code of conduct / AMFI – NISM certification

Participants will be eligible to be considered as official points of acceptance as per SEBI Circular No. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 and conditions stipulated in SEBI Circular No. SEBI/IMD/CIR No.11/183204/2009 dated November 13, 2009 for stock brokers viz. AMFI/ NISM certification, code of conduct prescribed by SEBI for Intermediaries of MF, shall be applicable for Participants as well.

(IV) Modules for processing instructions in eDPM System

Security Type Code	Description	Manual processing of instructions in eDPM System	Batch Upload of instructions in eDPM System
13	Conversion of physical certificates into demat form.	Demat/Remat→Demat	Upload/Download→E-DPM Upload
13	Conversion of securities held in demat form into physical certificates.	Demat/Remat→Remat/Repurchase' Remat	Upload/Download→E-DPM Upload
	Repurchase of securities held in demat form.	Demat/Remat→Remat/Repurchase→Repurchase	
13* / 20	Conversion of MF units represented by Statement of Account (SoA) into demat form.	Demat/Remat→Conversion of Units Represented by SOA	
13 / 20	Reconversion of MF units (held in demat form) into SoA.	Demat/Remat→Reconversion of Units into SOA/Mutual Fund Redemption→Reconversion of Units into SOA	
	Redemption of MF units *(held in demat form)* through Participants.	Demat/Remat→Reconversion of Units into SOA/Mutual Fund Redemption→MF Redemption	

* Representations were received from Participants regarding Clients holding MF units (Security Type Code '13') in SoA form.In view of this, facility to execute dematerialisation request in respect of MF units (Security Type Code '13') representated by SoA through 'Conversion of Units represented by SOA' module was made available.

(2) Security Master (ISIN) Download

'Security Master (ISIN)' download is provided at Local DPM Systemà Uploads/ DownloadsàDownloadsàMaster, which will facilitate Participants to download all the updated ISIN details including ISINs of MF units. The download will contain details viz.,ISIN, ISIN name, the company for which the ISIN is created, the security type, the face value of the ISIN and the Registrar and Transfer Agent (RTA) associated with the ISIN etc. Further, updated list of MF ISINs are also available at https://nsdl.co.in/nsdlnews/hold-mutual-fund-units.php

(3) Conversion of MF units represented by SoA into dematerialised form through Participants

(I) **Introduction**

Facility for Clients to submit request for conversion of their MF units represented by SoA into dematerialised form is available through their Participants.

Facility to initiate instructions with option 'ALL Units' *(i.e., not entering number of units)* with respect to MF ISINs is also available. Participants will enter the requisite details including the MF ISIN and select 'ALL Units' option at the time of initiating manual instruction for

conversion. Upon selecting 'ALL Units' option, 'Requested Quantity' field would get disabled. This will facilitate conversion of all units with respect to a MF scheme (ISIN) held in the folio of the Client at the time of confirmation of request by the AMC / RTA.

As per SEBI Circular No. CIR/IMD/DF/9/2011 dated May 19, 2011, it is mentioned that often investors' request for dematerializing their units is rejected as Participants are not having/or having incorrect ISIN of each option of the scheme. In this regard, MFs/AMCs will be required to obtain ISIN for each option of the scheme and quote the respective ISIN along with the name of the scheme, in all Statement of Account/Common Account Statement (CAS) issued to the investors from October 1, 2011 onwards.

(II) Procedure

(i) Every Client desirous of converting MF units represented by SoA into dematerialised form through a Participant shall submit to the Participant the Conversion Request Form alongwith the SoA evidencing the holding of MF units. The specimen of Conversion Request Form is given in Annexure B to Business Rules *(enclosed at Exhibit 1)*.

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

(iii) The Client shall submit separate Conversion Request Form for its each folio number with the Issuer and/or its RTA and for each of its account with the Participant.

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

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

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

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

(viii) The Participant shall intimate the Conversion Request to the Depository. After writing the Conversion Request Number on the Conversion Request Form and retaining a copy of the form, forward the Conversion Request Form alongwith the SoA to the Issuer or its RTA.

(ix) The Conversion Request Form shall be forwarded by the Participant to the Issuer or its RTA within seven days of accepting the same from its Client.

(x) The Issuer or its RTA shall after due verification promptly confirm the conversion request to the Depository for credit of the units into the account of the Client.

(xi) In case any objection memo has been received for such units from the Issuer or its RTA, the Participant shall facilitate the correction of such objections on a timely basis.

(III) Conversion directly through AMC / RTA discontinued

The procedure for conversion of MF units represented by SoA into dematerialised form – through AMC/ RTA for MF ISINs (*Security Type Code '13' and '20'*) has been discontinued. As a result, conversion requests should be submitted only through Participants.

(IV) Dematerialisation of physical certificates of MF units of UTI Asset Management Company Limited

Security type code in respect of the following ISINs of UTI Asset Management Company Limited was changed from '13' to '20':

Sr. No.	ISIN Description	ISIN
1	UTI-Master share Scheme	INF189A01038
2	UTI-Master Plus Scheme	INF189A01061
3	UTI-Equity Fund	INF189A01053
4	UTI-Top 100 Fund	INF189A01046

In case Clients are holding certificates *(and not SoA)* of the aforesaid MF units in physical form and wish to dematerialise them, Participants are requested to initiate dematerialisation request in the aforesaid ISINs through 'Demat' module in eDPM System. Further, in case SoA for the aforesaid MF units are submitted by Clients then Participants must initiate conversion request through 'Conversion of Units represented by SOA' module in eDPM System. Further, batch files can be uploaded in eDPM System through 'Upload/DownloadàE-DPM Upload'.

(4) Reconversion of MF units into SoA

(I) Introduction

Facility for Clients to re-convert MF units (*held in demat form*) *(Security Type Code '20')* into SoA is available through their Participants.

(II) Procedure

(i) Every Client desirous of reconverting units held in dematerialised form to units in SoA, shall submit to the Participant Reconversion Request Form. The specimen of the same is given in Annexure C to Business Rules (*enclosed at Exhibit* 2).

(ii) The Client shall submit separate Reconversion Request Form (i.e. Annexure C to Business Rules) for each Issuer separately.

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

(iv) The Participant shall ensure that the Reconversion Request Form (i.e. Annexure C to Business Rules) submitted by its Client is completely filled and duly signed.

(v) The Participant shall ensure that the Client has sufficient free or locked-in units in its account maintained in electronic form and also verify the signatures on each Reconversion Request Form (i.e. Annexure C to Business Rules) with the signatures held with it and authorise each Reconversion Request Form (i.e.Annexure C to Business Rules) before forwarding it to the Issuer or its RTA.

(vi) The Participant shall intimate the Reconversion Request to the Depository. After writing the Reconversion Request Number on the Reconversion Request Form (i.e. Annexure C to Business Rules) and retaining a copy of the form, forward the Reconversion Request Form (i.e. Annexure C to Business Rules) to the Issuer or its RTA.

(vii) The Reconversion Request Form shall be forwarded by the Participant to the Issuer or its RTA within seven days of accepting the same from its Client.

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

(ix) The Issuer or its RTA shall after due verification promptly confirm the reconversion request to the Depository for debit of units from the account of the Client.

(x) In case any objection memo has been received for such units from the Issuer or its RTA, the Participant shall facilitate the correction of such objections on a timely basis.

(5) Option to hold MF units in dematerialised form while subscribing

As per SEBI Circular No. CIR/IMD/DF/9/2011 dated May 19, 2011, MFs/AMCs should provide an option to the investor to receive allotment of MF units in their demat account while subscribing to any scheme (*open ended/close ended/Interval*). Therefore, MFs/AMCs are required to invariably provide

an option to the investors to mention demat account details in the subscription form, in case they desire to hold units in demat form. Further, this option needed to be provided to investors in all their schemes (*existing and new*) from October 1, 2011 onwards.

In this context, SEBI had advised Association of Mutual Funds in India (AMFI) that the demat option for Systematic Investment Plan (SIP) may be implemented with effect from January 1, 2012. Participants are hereby informed that the R&T Agents of mutual funds have confirmed that they will be facilitating:

(i) Conversion of mutual fund units into demat form in respect of existing SIPs.

(ii) New subscriptions of SIPs for mutual funds units in demat form.

For conversion of mutual fund units into demat form with SIP facility, Participants may guide their Clients to opt for "ALL" option for conversion instead of "quantity" option. In case the "ALL" option for conversion is selected, the R&T Agent/AMC would be able to credit all units held by the investor into demat form.

(6) Subscription of MF units in dematerialised form through Stock Exchange platform

(I) Procedure

(i) Clients (*i.e., subscribers*) can subscribe to the MF units through their Stock Brokers as per the existing process.

(ii) The MF units will be credited by AMC / RTA into the Beneficiary Owner (BO) account of the AMC through credit corporate action under free balance.

(iii) The AMC would transfer MF units from its BO account to its AMC/MF Clearing Member (CM) Pool account as given below:

Sr. No.	Stock Exchange Name	CC Name	Market Type	Deadline time for execution of instructions in the eDPM System	Deadline time for submission of instructions on SPEED-e
1	National Stock Exchange of India Limited	NSCCL	Normal Subscription	2.30 pm on the next day of the order date *(i.e. by T+1 day)*	1.30 pm on the next day of the order date *(i.e. by T+1 day)*
2			Liquid Subscription	4.30 pm on the same day of the order date *(i.e. on T day)*	3.55 pm on the same day of the order date *(i.e. on T day)*
3	Bombay Stock Exchange Limited	BOISL	Mutual Fund - Subscription	2.30 pm on the next day of the order date *(i.e. by T+1 day)*	1.30 pm on the next day of the order date *(i.e. by T+1 day)*
4			MF Subscription - Liquid	3.30 pm on the same day of the order date *(i.e. on T day)*	2.55 pm on the same day of the order date *(i.e. on T day)*

(iv) The AMC has to execute Delivery-out instructions from its CM Pool Account or avail Auto DO facility of NSCCL / BOISL to deliver the MF units [including ELSS (Equity Linked Saving Schemes)] for Pay-in.

(v) Upon execution of Pay-in of securities as per the settlement schedule declared by NSCCL

/ BOISL, the CM Pool Account of the AMC will be debited through the usual settlement process.

(vi) NSCCL and BOISL will credit the MF units into the respective subscriber CM's Pool account by Pay-out through usual settlement process.

(vii) The CM would transfer the MF units to the subscriber's beneficiary account. In case MF units of ELSS is credited into the subscriber's beneficiary account, the same would be locked-in for a period of three years from the date of allotment.

(II) Credit of MF units of ELSS under lock-in in BO accounts

(i) The MF units of ELSS credited in the BO account of Clients by their CM would be locked-in for a period of three years from the date of allotment. The allotment date would be the 'Settlement Start Date', as informed by the Stock Exchange. Participants can ascertain the 'Settlement Start Date' from the 'CC Calendar' provided in Local DPM System.

(ii) To identify the ISINs that are pertaining to MF units of ELSS as informed by the AMC, ISIN details would be made available at NSDL's intranet site (https://i-Assist). The ISIN list would be updated on a daily basis by 8.30 pm.

(iii) Upon receipt of MF units of ELSS into the CM Pool Account on Pay-out, these ELSS Units can be transferred only to the BO account. CM Pool to CM Pool transfers, Inter Settlement transfers and Inter Depository transfers will not be permitted from the CM Pool account till the lock-in release date. In view of this, Participants may inform their Clients viz;

(a) CMs to take adequate precautions such as mention correct Client ID in the Delivery Instruction Slips (DIS) / capture correct Client details in case instructions are electronically submitted, at the time of transferring MF units of ELSS from their CM Pool Accounts to BO accounts.

(b) AMCs to take adequate precautions to mention correct settlement number and market type in the DIS / capture correct settlement number in case instructions are electronically submitted at the time of transferring MF units of ELSS from their BO accounts to their AMC CM Pool Accounts.

(7) Redemption of MF units *(Security Type Code '20') [held in dematerialised form]* through Stock Exchange platform

(I) Settlement details for submission of instructions

In addition to the Client placing order through its Stock Broker, the Client will have to submit Delivery Instruction Slips to its Participant to transfer the MF units to the designated CM Pool account of NSCCL / BOISL, as given below:

Sr. No.	Stock Exchange Name	CC Name	CM BP ID	Market Type	Deadline time for execution of instructions in the eDPM System	Deadline time for submission of instructions on SPEED-e
1	National Stock Exchange of India Limited	NSCCL	IN565576	Normal Redemption	4.30 pm on Trade Day (Order Day)	3.30 pm on Trade Day (Order Day)
				Liquid Redemption		
				MFSS T+2		
				MFSS T+4		
2	Bombay Stock Exchange Limited	BOISL	IN640016	Mutual Fund-Redemption		

(II) Submission of instructions through SPEED-e

To facilitate SPEED-e Clients (*Password based Users*) to submit instructions pertaining to MF units (*for redemption purpose*) through SPEED-e facility, designated CM BP IDs viz., IN565576 and IN640016 of NSCCL and BOISL respectively have been incorporated as pre-notified accounts on SPEED-e facility. Clients can transfer only MF units (*Security Type Code '20'*) into these designated pre-notified pool accounts through SPEED-e facility.

(8) Redemption through Participants

(I) Introduction

To redeem the MF units (*Security Type Code '20'*) through Participants, Clients are required to submit Repurchase / Redemption Form (RF) to Participants. As per SEBI's advice, Participants need not forward the physical copy of the RF to the Issuer / RTA. After due verification, the RF submitted by Clients will be retained by the Participants. Participants are required to only execute electronic redemption request in the eDPM System.

At the time of initiating manual instruction for redemption, facility to mention 'All Units' *(i.e., not entering number of units)* or 'Amount' is also available for Participants. Participant will enable the radio button of instruction type – 'MF Redemption', enter Locked-in details (if any), enter requisite details including the MF ISIN and select 'ALL Units' option. Upon selecting 'ALL Units' option, 'Requested quantity' field would get disabled. Similarly, Participants will enable the radio button of 'Amount' option, if the redemption request is 'Amount' based. In such a case, 'Amount' field would be enabled to facilitate entering of an amount.

(II) Procedure

(i) In case the Issuer gives an option to the Client for repurchase or redemption of securities held in dematerialised form, the Client on exercising his option, shall submit to the Participant the RF in the format given in Annexure HA to Business Rules *(enclosed at Exhibit 3)*.

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

(iii) The Participant shall ensure that the RF submitted by his Client is completely filled and duly signed. The Participant shall verify the details mentioned in the RF with the details of Client's account and ensure that the RF is in order.

(iv) The Participant shall verify the signatures on each RF with the signatures on the records held with it.

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

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

(vii) The Issuer or its RTA shall verify the request in the DPM (SHR), and if in order, confirm the request for Redemption or Repurchase in the DPM (SHR) and pay the proceeds directly to the Client.

(9) Transferability of MF units

MF units (*Security Type Code '20'*) held in dematerialised form can be transferred from one demat account to another demat account including inter-depository transfers.

(10) Transaction Statement

(I) Dispatch of Transaction Statement

Participants must continue sending the Transaction Statement to their Clients as per the existing frequency which will include MF units also.

(II) Order of display of MF/non-MF ISINs in the Transaction Statement

To facilitate Client to identify transactions carried out in MF based ISINs and non MF based ISINs, the Transaction Statement will display the transactions / holdings of ISINs in the following

order:

(a) Transactions and balances of non MF based ISINs viz., equity, debentures, certificate of deposits etc.

(b) Transactions and balances of MF based ISINs [*activated under security type code '20' and '13' (if instructions are initiated through 'Conversion of Units represented by SOA' module in eDPM System)*].

(c) Holdings of non MF based ISINs viz., equity, debentures, certificate of deposits etc. where no transactions have been executed.

(d) Holdings of MF based ISINs [*activated under security type code '20' and '13'* (*if instructions are initiated through 'Conversion of Units represented by SOA' module in eDPM System)*] where no transactions have been executed.

(III) Footnote in the Transaction Statements provided to Clients

In order to spread awareness about the facility of holding MF units in dematerialised form and encourage investors to avail this facility, following footnote has been incorporated in the Transaction Statements, of Client accounts (*Active or Frozen*) where PAN flag(s) is enabled in Local DPM System.

"You can now hold your mutual fund investments in this demat account. Contact your Depository Participant or your Stock Broker for more information".

In case of accounts which are suspended for PAN non-compliance, the footnote related to PAN will continue to be displayed.

Participants who are providing Transaction Statements to their Clients through their back office system must ensure that the aforesaid footnote is incorporated in the Transaction Statements.

(11) Additional facilities

(I) SMS Alert for debits of MF units in demat accounts

SMS Alert will be sent to the demat account holders for debits of MF units.

A sample text of the SMS is as follows:

Debit of MF units

"_____ units of _____ (Scheme Name / ISIN as the case may be) debited on "....." (date, dd-mm-yy) from your demat a/c no xxxx5678 – NSDL"

(II) IDeAS facility – Display of MF holdings & NAV

Clients availing IDeAS facility can view the latest balances of their demat accounts on the internet. IDeAS facility displays the values in respect of MF units held by the Clients in their demat accounts based on the NAVs *(i.e.,Net Asset Value)*. The date of the NAV of MF units would also be displayed on IDeAS facility.

(III) Daily Price file

Facility is provided to Participants to download daily price file and NAV file for MF units (*Security Type Code '13' and '20'*) in a single file [with file name "Combined File" available at intranet site of NSDL *(i.e. https://i-Assist/)*].

(12) Fee on transactions in MF units held in the depository system

In view to encourage investors to hold MF units in the depository system, it has been decided not to charge any fee to Participants till September 30, 2013 in respect of transactions done in MF units (*Security Type Code '20'*), which are held in the depository system.

(13) Procedure for opening CM Pool Account of MF / AMC

As per the operating guidelines issued by the Stock Exchanges, MF / AMC will be required to open a Pool Account with any Participant of NSDL. The procedure for opening of MF / AMC Pool Account will remain the same as opening of Pool Account of a CM except that copy of SEBI certificate as a

CM will not be required and e-mail from Clearing Corporation/Stock Exchange intimating the CM ID will be acceptable. The detailed procedure is given below:

(i) The MF / AMC should fill up KYC Application form (Part-I) and the Account Opening Form (Part II) as per the format given in Annexure K to the Business Rules of NSDL and submit the same to the Participant alongwith the agreement (*as per Annexure B to the Bye Laws*) duly executed on a stamp paper of appropriate value. The schedule of fees to be charged by the Participant to the MF / AMC should form a part of the agreement.

(ii) Following documents are required for opening a MF / AMC Pool account:

(a) A copy of the letter/e-mail from the Clearing Corporation/Stock Exchange intimating allotment of the CC-CM-ID to the MF / AMC.

(b) Board Resolution for authorised signatories.

(c) Memorandum of Association and the Articles of Association.

(d) Specimen copy of the cheque for capturing the 9-digit MICR code.

(iii) Participant should verify the completeness of the account opening form and verify the copies submitted with the original documents.

(iv) If the documents are in order, the Participant should accept them and give an acknowledgement duly signed and stamped to the MF / AMC.

(v) The Participant should forward the following documents to NSDL for allotment of CM BP ID

(a) Copy of Account opening form,

(b) Copy of the letter/e-mail from the Clearing Corporation/Stock Exchange intimating allotment of the CC-CM-ID. These documents (*except the e-mail*) should be verified and attested as per point no A (2) of SEBI Circular No. MIRSD/SE/Cir-21/2011 dated October 5, 2011 alongwith the stamp of the Participant, signature of Compliance Officer, name and designation.

(vi) NSDL will allot the CM-BP-ID and intimate to the Participant electronically.

(vii) The Participant should capture the signature(s) of the authorised signatories as given in the Account Opening Form in the Local DPM System.

(viii) The Participant should enter the Client account number generated from the Local DPM System in the Account Opening Form.

(ix) The Participant should print the Client Master Report and give it to the MF / AMC alongwith a copy of the Agreement.

(14) Reports, downloads and back office file formats

(I) Reports

Participants can refer following reports made available at Local DPM System→Reports→Mutual Fund, which will provide instruction details:

(i) Conversion of MF units represented by SoA into dematerialised form

(a) Conversion of Units Represented by SOA – Request Form

(b) Conversion of Units Represented by SOA – Request Status Report

(c) Conversion of Units Represented by SOA – Request Rejection Memo

(ii) Reconversion of MF units into SoA

(a) Reconversion of Units into SOA – Request Form

(b) Reconversion of Units into SOA – Request Status Report

(c) Reconversion of Units into SOA – Request Rejection Memo

(iii) Redemption through Participants

(a) Redemption – Request Form

(b) Redemption – Request Status Report

(c) Redemption – Request Rejection Memo

Participants are requested to note that in case there are pending instructions to be confirmed/rejected by AMC/RTA with respect to Conversion instruction initiated with 'ALL Units' option and/or Redemption instruction initiated with 'Amount' option, Client account cannot be closed in such cases till the AMC/RTA fully confirms/rejects such instructions. To ascertain such cases, refer the above mentioned request status report [point no. 14(I)].

(II) Downloads

Reports' and 'Downloads' available in the Local DPM System is enclosed at Exhibit 4. Covering letters would also be generated for the aforesaid modules [mentioned point no. 14(I)] upon initiation of instructions.

(III) Back office file formats

File formats in respect of the back office batch interface with the eDPM/Local DPM System are available at the intranet site of NSDL (https://i-Assist/File Formats/Back office/Back office file formats - New DPM System).

(15) Reference Circulars / Bye Laws & Business Rules

Ref. No.	Description	Circular No. / Bye Laws & Business Rules	Dated
1	**Introduction**		
I & II	Facility for holding MF units in dematerialised form / KYC	NSDL/POLICY/2009/0116	December 5, 2009
		SEBI/IMD/CIR No.11/183204/2009	November 13, 2009
III	Code of conduct / AMFI-NISM certification	NSDL/POLICY/2010/0120	November 27, 2010
		SEBI-CIR/IMD/DF/17/2010	November 9, 2010
		SEBI/IMD/CIR No.11/78450/06	October 11, 2006
		SEBI/IMD/CIR No. 11/183204/2009	November 13, 2009
IV	Modules for processing instructions in eDPM System	NSDL/POLICY/2011/0029	April 6, 2011
		NSDL/POLICY/2011/0051	June 21, 2011
		NSDL/POLICY/2012/0095	September 12, 2012
2	**Security Master (ISIN) Download**	NSDL/POLICY/2010/0079	July 7, 2010
3	**Conversion of MF units represented by SoA into dematerialised form through Participants**		
I	Introduction	NSDL/POLICY/2010/0075	July 1, 2010
		NSDL/POLICY/2011/0051	June 21, 2011
		SEBI-CIR/IMD/DF/9/2011	May 19, 2011
II	Procedure	NNSDL/POLICY/2010/0075	July 1, 2010
		NSDL/POLICY/2011/0046	June 7, 2011
		Rule 11.7 to Business Rule	
III	Conversion directly through AMC / RTA discontinued	NSDL/POLICY/2010/0104	September 8, 2010
		NSDL/POLICY/2011/0039	April 29, 2011

	IV	Dematerialisation of physical certificates of MF units of UTI Asset Management Company Limited	NSDL/POLICY/2010/0116	October 28, 2010
			NSDL/POLICY/2011/0029	April 6, 2011
	4	**Reconversion of MF units into SoA**		
	I & II	Introduction / Procedure	NSDL/POLICY/2011/0051	June 21, 2011
			NSDL/POLICY/2011/0046	June 7, 2011
			NSDL/POLICY/2011/0047	June 10, 2011
			Rule 11.8 to Business Rules	
	5	**Option to hold MF units in dematerialised form while subscribing**	SEBI-CIR/IMD/DF/9/2011	May 19, 2011
			NSDL/POLICY/2012/0021	February 14, 2012
	6	**Subscription of MF units in dematerialised form through Stock Exchange platform**		
	I & II	Procedure / Credit of MF units of ELSS under lock-in in BO accounts	NSDL/POLICY/2010/0120	November 27, 2010
			SEBI-CIR/IMD/DF/17/2010	November 9, 2010
			NSDL/POLICY/2010/0126	December 10, 2010
			NSDL/POLICY/2010/0127	December 10, 2010
			NSDL/POLICY/2010/0137	December 24, 2010
			NSDL/POLICY/2011/0019	March 4, 2011
			NSDL/POLICY/SPEED-e/2011/0002	January 24, 2011
			NSDL/POLICY/2012/0067	July 6, 2012
			NSDL/POLICY/2012/0081	August 7, 2012
			NSDL/POLICY/2012/0107	October 1, 2012
			NSDL/POLICY/2012/0137	November 27, 2012
	7	**Redemption of MF units *(Security Type Code '20') [held in dematerialised form]* through Stock Exchange platform**		
	I	Settlement details for submission of instructions	NSDL/POLICY/2010/0126	December 10, 2010
			NSDL/POLICY/2010/0127	December 10, 2010
			NSDL/POLICY/2010/0135	December 22, 2010
			NSDL/POLICY/2010/0137	December 24, 2010
			NSDL/PI/2011/0417	March 3, 2011
			NSDL/POLICY/2011/0019	March 4, 2011
			NSDL/POLICY/SPEED-e/2011/0002	January 24, 2011
	II	Submission of instructions through SPEED-e	NSDL/POLICY/SPEED-e/2011/0006	February 28, 2011

	8	**Redemption through Participants**		
	I & II	Introduction / Procedure	NSDL/POLICY/2010/0140	December 30, 2010
			NSDL/POLICY/2011/0046	June 7, 2011
			NSDL/POLICY/2011/0047	June 10, 2011
			NSDL/POLICY/2011/0051	June 21, 2011
			NSDL/POLICY/2011/0053	June 27, 2011
			Rule 11.3 to Business Rules	
	9	**Transferability of MF units**	NSDL/POLICY/2010/0109	September 30, 2010
			SEBI-CIR/IMD/DF/10/2010	August 18, 2010
	10	**Transaction Statement**		
	I	Dispatch of Transaction Statement	NSDL/POLICY/2009/0116	December 5, 2009
			SEBI/IMD/CIR No.11/183204/2009	November 13, 2009
	II	Order of display of MF/ non-MF ISINs in the Transaction Statement	NSDL/POLICY/2010/0032	March 27, 2010
	III	Footnote in the Transaction Statement provided to Clients	NSDL/POLICY/2010/0002	January 4, 2010
	11	**Additional facilities**		
	I	SMS Alerts for credits / debits of MF units in demat accounts	NSDL/POLICY/2010/0003	January 6, 2010
			NSDL/POLICY/2012/0133	November 16, 2012
	II	IDeAS facility - Display of MF holdings & NAV	NSDL/POLICY/2010/0070	June 25, 2010
	III	Daily Price file	NSDL/POLICY/2010/0072	June 30, 2010
			NSDL/POLICY/2012/0094	September 11, 2012
	12	**Fee on transactions in MF units held in the depository system**	NSDL/POLICY/2013/0048	March 28, 2013
	13	**Procedure for opening CM Pool Account of MF / AMC**	NSDL/POLICY/2010/0129	December 11, 2010
			SEBI-CIR/IMD/DF/17/2010	November 9, 2010
	14	**Reports, downloads and back office file formats**		
	I & II	Reports and downloads	NSDL/POLICY/2011/0051	June 21, 2011
	III	Back office file formats	NSDL/POLICY/2010/0032	March 27, 2010
			NSDL/POLICY/2010/0068	June 24, 2010
			NSDL/POLICY/2010/0069	June 25, 2010
			NSDL/POLICY/2010/0077	July 2, 2010
			NSDL/POLICY/2010/0081	July 16, 2010

		NSDL/POLICY/2011/0019	March 4, 2011
		NSDL/POLICY/2011/0030	April 6, 2011
		NSDL/POLICY/2011/0048	June 13, 2011
	-Other circulars	NSDL/POLICY/2009/0068	August 1, 2009
		NSDL/POLICY/2009/0107	November 14, 2009
		NSDL/POLICY/2009/0107	November 14, 2009
		NSDL/POLICY/2009/0117	December 5, 2009
		NSDL/POLICY/2010/0024	March 9, 2010
		NSDL/POLICY/SPEED-e/2010/0003	March 9, 2010
		NSDL/POLICY/2010/0034	March 30, 2010
		NSDL/POLICY/2010/0082	July 20, 2010
		NSDL/POLICY/2010/0105	September 22, 2010
		NSDL/POLICY/2011/0026	March 25, 2011
		NSDL/POLICY/2011/0076	September 23, 2011
		NSDL/POLICY/2012/0037	March 26, 2012
		NSDL/POLICY/2012/0103	September 26, 2012

(16) Name of the Annexure

Exhibit	Description
1	Conversion Request Form (Annexure B to Business Rules)
2	Reconversion Request Form (Annexure C to Business Rules)
3	Repurchase / Redemption Form (Annexure HA to Business Rules)
4	Reports and Downloads (i) Conversion of Units Represented by SoA (ii) Conversion of Units Represented by SoA (‘All Units’) (iii) Reconversion of Units into SoA (iv) Redemption (‘All Units’) (v) Redemption (‘Amount’)

Exhibit 1

ANNEXURE B to Business Rules

Participant's Name, Address & DP ID
(Pre-printed)

CONVERSION REQUEST FORM FOR EXISTING MUTUAL FUND UNITS (REPRESENTED BY STATEMENT OF ACCOUNT) INTO DEMATERIALISED FORM - THROUGH DEPOSITORY PARTICIPANT

Serial No (Pre Printed) Date: _____

I/We request you to convert the following units represented by Statement of Account (enclosed) issued by the Issuer into my/our account as per the details given below:

Client ID								
Sole/First Holder Name								
Second Holder Name								
Third Holder Name								
Type of Security	*MF Units/Others (please specify)*							
Folio Number								

Details of Units:

Free Units ☐ Locked-in Units ☐

ISIN	Mutual Fund Name	Unit Description	Quantity*	CRN (To be filled in by Participant)

**** For conversion of all the units in respect to a mutual fund scheme (ISIN) held in the folio of the Client at the time of confirmation of request by the AMC/R&T Agent, specify "All" against Quantity.***

Total No. of pages of Statement of Account: _____

Details of Locked-in units (if any):

ISIN	Lock-in reason	Lock-in release date

Note :

1. In case the space is found to be insufficient, an annexure containing the said details in the same format may be attached.
2. Please use separate form for free units and locked-in units

Declaration

I/We hereby declare that the above mentioned units are registered in my/our name and are not already dematerialised and no certificates are issued against these units. I/We also hereby declare that the units requested by me/us for conversion into dematerialised form are free from any lien or charge or encumbrance and represent the bonafide units of the Issuer to the best of my/our knowledge and belief.

Holder(s)	Signature(s)
Sole/First Holder	
Second Holder	
Third Holder	

==========

Participant Authorisation

We have received the abovementioned units for conversion into dematerialised form. It is certified that the holders of the securities have beneficiary account with us in the same name(s).

Name of the official :
Signature :

Participant's Stamp & Date

==========

Acknowledgement

Serial No (pre-printed)
We hereby acknowledge the receipt of following units requested for conversion into dematerialised form by Mr/Ms/M/s _____ having DP ID _____and Client ID _____

Mutual Fund Name	Unit Description	Quantity

Date: **Participant's Stamp & Signature**

Exhibit 2

ANNEXURE C to Business Rules

Reconversion Request Form for conversion of Mutual Fund Units held in Dematerialised form to Statement of Account form
(*Pre-printed serial nos.*)

To	Date	DD	MM	YYYY

DP Name (Pre printed)
DP ID (Pre printed)
DP Address (Pre printed)

I/We hereby declare that the below mentioned account may be debited to the extent of my/our reconversion request and equivalent units into Statement of Account form be issued for the same I/We hereby declare that the below mentioned units are registered in the name(s) of below mentioned person(s).

Client Details

Client ID									
Name of the account holder(s)	Sole/First holder								
	Second holder								
	Third holder								

Details of Units:

Mutual Fund Name

Free Units ☐	Locked-in Units ☐

Sr. No.	ISIN	Unit Description	Quantity	Details of Lock-in (*if applicable*)		Reconversion request number (RRN) (*To be filled in by Participant*)
				Reason	Release date	

Notes:

1. In case the space is found to be insufficient, an annexure containing the said details in the same format may be attached.
2. Please use separate form for free units and locked-in units

Authorised Signatory(ies)	
Holder(s)	**Signature(s)**
Sole/First Holder	
Second Holder	
Third Holder	

Participant Authorisation

Received the above mentioned Units for reconversion into Statement of Account form:

Client Details

Client ID									
Name of the account holder(s)	Sole/First holder								
	Second holder								
	Third holder								

The application form is verified with the details of the Client account and certify that the application form is in order. The account has sufficient balances to accept the reconversion request as requested. It is also certified that the Clients' signatures are verified and found in order.

Date:

Forwarded by (Name of the Official) :

(Participant's Stamp)

Signature:

Acknowledgment

Participant's Name, Address and ID **(*pre-printed serial no.*)**

We hereby acknowledge the receipt of a reconversion request for _____ (*quantity*) of Mutual fund units of _____ (*security details*) from _____ (*Name*) having Client ID _____ surrendered on _____(*date*) to be delivered in the form of Mutual Fund units represented by Statement of Account.

(Participant's Stamp and Signature)

Exhibit 3

Annexure HA to Business Rules

REPURCHASE / REDEMPTION FORM

Participant's Name, Address & DP ID
(Pre-printed)

Serial No (Pre Printed) Date: _____

I/We offer the below mentioned securities for repurchase/ redemption and declare that my/our account be debited by the number of securities to the extent of my/our repurchase/ redemption request and make the payment as per the bank account details available in the depository system. I/We hereby declare that the below mentioned person(s) are the beneficial owners of the securities mentioned.

Client ID								
Sole/First Holder Name								
Second Holder Name								
Third Holder Name								
Type of Security	*MF Units/Others (please specify)*							

ISIN	Mutual Fund / Issuer Name	All Units/No. of Units/Amount (Rs.) (Please mention as applicable)	RRN (Repurchase / Redemption Request Number) (To be filled in by Participant)
		Units _____ Amount _____	
		Units _____ Amount _____	
		Units _____ Amount _____	

Note :
1. In case the space is found to be insufficient, a duly signed annexure containing the aforesaid details in the same format may be attached.
2. If 'Units' and 'Amount' both are mentioned, the request will be processed based on the 'Units'
3. 'All' and 'Amount based' options are available only for redemption requests.

Holder(s)	Signature(s)
Sole/First Holder	
Second Holder	
Third Holder	

==========

Acknowledgement

Serial No (pre-printed)

We hereby acknowledge the receipt of following request(s) for repurchase / redemption from Mr/Ms/M/s _____ having DP ID _____and Client ID _____

	ISIN	Mutual Fund / Issuer Name	All Units/No. of Units/ Amount (Rs.) (Please mention as applicable)
			Units _____ Amount _____
			Units _____ Amount _____
			Units _____ Amount _____
	Name of the Official :		**Participant's Stamp & Date**
	Signature :		

Circular No. NSDL/POLICY/ 2011/0064 Date: August 10, 2011	***Sub: SEBI's Circular on Investment by Foreign Investors in Mutual Fund Schemes.*** Attention of Participants is invited to SEBI's Circular No. CIR/IMD/DF/14/2011 dated August 9, 2011 regarding investment by foreign investors in Mutual Fund Schemes. Copy of the same is enclosed for information.

CIRCULAR

CIR/ IMD /DF / 14 /2011

August 9, 2011

All SEBI registered Mutual Funds/ approved Asset management Companies (AMCs) / Depository participants/ Custodians.

Sir / Madam,

Sub: Investment by Foreign Investors in Mutual Fund Schemes.

1. In the budget speech of 2011, Hon'ble Finance Minister announced the following:

   "*Currently, only FIIs and sub-accounts registered with the SEBI and NRIs are allowed to invest in mutual fund schemes. To liberalise the portfolio investment route, it has been decided to permit SEBI registered Mutual Funds to accept subscriptions from foreign investors who meet the KYC requirements for equity schemes. This would enable Indian Mutual Funds to have direct access to foreign investors and widen the class of foreign investors in Indian equity market.*"

2. In order to facilitate the above and in consultation with the Government and RBI, it has been decided that foreign investors (termed as Qualified Foreign Investors/ QFIs) who meet KYC requirement may invest in equity and debt schemes of Mutual Funds (MF) through the following two routes:

   2.1. Direct route - Holding MF units in demat account through a SEBI registered depository participant (DP).

   2.2. Indirect route- Holding MF units via Unit Confirmation Receipt (UCR).

3. The investment through the above mentioned routes shall be subject to the following conditions :

   3.1. Qualified Foreign Investor (QFI) shall mean a person resident in a country that is compliant with Financial Action Task Force (FATF) standards and that is a signatory to International Organization of Securities Commission's (IOSCO's) Multilateral Memorandum of Understanding, Provided that such person is not resident in India,

Provided further that such person is not registered with SEBI as Foreign Institutional Investor or Sub-account.

Explanation- For the purposes of this clause:

(1) the term "Person" shall carry the same meaning under Section 2(31) of the Income Tax Act, 1961

(2) the phrase "resident in India" shall carry the same meaning as in the Income Tax Act, 1961

(3) "resident" in a country, other than India, shall mean resident as per the direct tax laws of that country.

3.2. MF shall ensure that only QFIs who comply with para 3.1 are allowed to invest under these routes.

3.3 MF shall ensure that QFIs meet the KYC requirements as per the FATF standards, Prevention of Money Laundering Act, 2002(PMLA) rules and regulations made thereunder, and SEBI circulars issued in this regard before accepting subscriptions from QFIs.

3.4. The aggregate investments by QFIs under both the routes shall be subject to a total overall ceiling of US $10 billion for equity schemes.

3.5. In addition to the above, the aggregate investments by QFIs under both the routes for debt schemes which invest in infrastructure ("Infrastructure" as defined under the extant ECB guidelines issued by RBI) debt of minimum residual maturity of 5 years, shall be subject to a total overall ceiling of US $3 billion within the existing ceiling of USD 25 billion for FII investment in corporate bonds issued by infrastructure companies.

3.6. MF can accept subscriptions from QFIs till such time the investments by QFIs under both the routes reaches US $ 8 billion in equity schemes and US$ 2.5 billion in debt schemes and the remaining limit of US $ 2 billion in equity schemes and US$ 0.5 billion in debt schemes shall be auctioned by SEBI through bidding process.

3.7. MF shall file with SEBI a report about the total subscription and redemption by QFIs on a daily basis as per the format at annexure. MF shall prepare such report on actual receipt and payment basis. SEBI will disseminate on an aggregate basis the total amount of investments by QFIs in equity and debt schemes of the MF on SEBI's website. When the total investment reaches US $ 8 billion in equity schemes or US$ 2.5 billion in debt schemes, MF shall stop accepting fresh investment from QFIs unless they get allotment of limits out of the remaining limit of US $ 2 billion in equity schemes or US$ 0.5 billion in debt schemes respectively in the auction process referred in para 3.6.

3.8. MF/ DP shall ensure that the units held by QFIs by way of UCR/demat holding are non transferable and non tradable.

3.9. MF/ DP shall capture the bank account details of the QFIs designated overseas bank account and shall ensure that all subscriptions are received from that overseas account and redemption proceeds are also transferred into the same overseas account. MF/ DP shall also ensure that the overseas bank account which QFIs has designated for the purpose is based in countries which are compliant with FATF standards and are signatory to MMOU of IOSCO.

3.10. In case of subscription, MF shall allot units based on the NAV of the day on which funds are realized in the MF's scheme bank account in India and in case of redemption, units shall be redeemed on the day on which transaction slip/instruction is received and time stamped by MF, as per the applicable cut off time. The Scheme information documents of the MF shall clearly mention the applicable cut off time for QFIs and the other requirements / applicable guidelines for QFIs.

3.11. MF shall ensure that Systematic Investments/ transfer/ withdrawals and switches are not available to the QFIs. QFIs can only subscribe or redeem.

3.12. MF/ DP shall ensure that units/ UCRs held by QFIs are free from all encumbrances i.e. pledge or lien cannot be created for such units.

3.13. MF shall comply with all the requirements as per the PMLA, FATF standards and SEBI circulars issued in this regard on an ongoing basis.

3.14. MF shall ensure that all the investor related documents/ records of the QFIs are available with them.

3.15. MF shall ensure compliance with laws (rules and regulations) of the jurisdictions where the QFIs are based and also ensure that the interest of existing unit holders of the MF schemes are not adversely affected due to the issuance of UCRs/ demat units to the QFIs.

3.16. In case of any penalty, pending litigations or proceedings, findings of Inspections or investigations for which action may have been taken or is in the process of being taken by an overseas regulator against MF/ AMC, it shall bring such information to the attention of SEBI and unitholders of the concerned scheme.

3.17. MF shall be responsible for the deduction of applicable tax at source out of the redemption proceeds before making redemption payments to QFIs.

3.18. MF/DP shall require QFIs to submit necessary information for the purpose of obtaining PAN. MF/DP may use the combined PAN cum KYC form to be notified by CBDT for QFIs. MF/ DP may take any additional information / documents from the QFIs other than those mentioned in the common PAN cum KYC from to ensure compliance with Para 3.3 above.

4. Other conditions for direct route(demat account) .

4.1. There shall be 3 parties under this route - QFIs, qualified DP and MF.

4.2. A QFIs can open only one demat account with any one of the qualified DPs and shall subscribe and redeem through that DP only. MF alongwith the DP shall have adequate systems to ensure the compliance of the same.

4.3. To become a qualified DP, a SEBI registered DP shall fulfill the following:

4.3.1. DP shall have paid up capital of Rs.50 Crore or more,

4.3.2. DP shall be either a clearing bank or clearing member of any of the clearing corporations.

4.3.3. DP shall have appropriate arrangements for receipt and remittance of money with a designated Authorised Dealer (AD) Category - I bank

4.3.4. DP shall demonstrate that it has systems and procedures to comply with the FATF Standards, PMLA and SEBI circulars issued from time to time.

4.3.5. DP shall obtain prior approval of SEBI before commencing the activities relating to accepting MF subscription from QFIs.

4.4. The qualified DP shall open a demat account for the QFIs after ensuring all the requirements as per the PMLA, FATF standards and SEBI circulars issued in this regard.

4.5. For the purpose of account opening, MF can rely on the KYC done by DPs. Further, MF shall obtain the relevant records of KYC/ other documents from the DP and ensure compliance with para 3.14. However, MF shall comply with PMLA, FATF standards and SEBI circulars issued in this regard from time to time on an ongoing basis.

4.6. The qualified DP shall open a separate single rupee pool bank account with a designated AD Category -I bank, exclusively for the purpose of investments by QFIs in India.

4.7. **Process flow**

Subscription

4.7.1. The QFIs shall place a purchase/ subscription order mentioning the name of the

scheme/MF with its DP and remit foreign inward remittances through normal banking channel in any permitted currency (freely convertible) directly to the single rupee pool bank account of the DP maintained with a designated AD category - I bank.

4.7.2. DP in turn shall forward the purchase order to the concerned MF and remits the money to the MF's scheme account on the same day as the receipt of funds from QFIs. In case of receipt of money after business hours, DP shall remit the funds to MF scheme account by next business day.

4.7.3. If for any reasons, the DP is not able to remit the money to the MF scheme account within the stipulated timeframe as mentioned in 4.7.2, the DP shall immediately return the money to the designated overseas bank account of the QFIs.

4.7.4. MF shall process the order and credit units into the demat account of the QFIs.

4.7.5. If for any reasons the units are not allotted, MF / DP shall ensure that the money is remitted back to the QFI's designated overseas bank account within 3 working days from the date of receipt of subscription of money in the single rupee pool bank account of the DP maintained with a designated AD category I bank.

Redemption

4.7.6. QFIs can redeem, either through Delivery Instruction (physical/ electronic) or any another mode prescribed by the Depositories. On receipt of instruction from QFIs, DP shall process the same and forward the redemption instructions to the MF. Upon receipt of instruction from DP, MF shall process the same and shall credit the single rupee pool bank account of the DP with the redemption proceeds.

4.7.7. The DP can make fresh purchase of units of equity and debt schemes of MF (if so instructed by the QFIs) out of the redemption proceeds received provided that payment is made towards such purchase is made within two working days of receipt of money from MF in the pooled bank account. In case no purchase is made within said period, the money shall be remitted by the DPs to the designated bank overseas account of the QFIs within two working days from the date of receipt of money from the MF in the pooled bank account.

Dividend

4.7.8. In case of dividend payout, the MF shall credit the single rupee pool bank account of the DP with the dividend amount. The DP in turn shall remit the same to the designated bank overseas account of the QFIs within two working days from the date of receipt of money from the MF in the DP's rupee pooled bank account.

5. Other conditions for Indirect route(Unit Confirmation Receipts)

5.1. There shall be four parties involved - QFIs, UCR issuer (based overseas), SEBI registered Custodian (based in India) and MF.

5.2. QFIs can subscribe / redeem only through the UCR Issuer.

5.3. MF shall appoint one or more UCR issuing agent overseas and one SEBI registered custodian in India.

5.4. UCR issuer appointed by MF shall act as agent of the MF.

5.5. MF can appoint entities fulfilling the following conditions as UCR issuer:

5.5.1. The entity is able to demonstrate that it has proven track record, expertise and technology in the business of issuance of global depository receipts/ global custody agency.

5.5.2. The entity is registered with an overseas securities market / banking regulator.

5.6. MF shall seek no objection from SEBI before appointing any UCR issuer and furnish the details

and information sought by SEBI about the UCR issuer. SEBI reserves the right to seek additional information / clarification and direct action, including non appointment / revocation of appointment of that UCR Issuing Agent.

5.7. MF shall comply with all the requirements as per the PMLA, FATF standards and SEBI circulars issued in this regard on an ongoing basis.

5.8. Custodians appointed by the MF shall comply with the SEBI (Custodian of Securities) Regulations, 1996, circulars and guidelines issued by SEBI.

5.9. The rupee denominated units of the MF would be held as underlying by the custodian in India in demat mode against which the UCR issuer would issue UCR to be held by QFIs.

5.10. MF shall ensure that for every UCR issued by UCR issuer, Custodian in India shall hold corresponding number of units against it i.e., there shall be one unit of MF scheme for every unit of UCR.

5.11. MF shall receive money from UCR issuer either in foreign country by opening bank account overseas (in accordance with the relevant extant FEMA regulations) or in Indian rupees in the respective MF scheme account held in India.

5.12. MF shall mandate the UCR issuer regarding the requirements for KYC, Customer due diligence process and documents and information to be collected from the QFIs in terms of the requirements mentioned in para 3.13 above

5.13. MF shall obtain the relevant records of KYC/ other documents from the UCR issuer in order to comply with FATF standards, PMLA and SEBI circulars issued in this regard and ensure compliance with para 3.14.

5.14. Units purchased and redeemed through UCR issuer shall be settled on gross basis and under no circumstances shall be netted against other investors of UCR issuer

5.15. **Process flow:**

5.15.1. The QFIs places a purchase/ subscription order through the UCR issuer.

In case of MF opening bank account overseas (in accordance with the relevant extant FEMA regulations)

5.15.2. UCR issuer shall forward the order of QFIs to the MF/Custodian. Upon receipt and transfer of funds to India; the MF shall issue units to the custodian and custodian in turn confirm to the UCR Issuer to issue UCR to the QFIs.

5.15.3. In case of redemption, UCR issuer shall confirm receipt of redemption request to the MF and Custodian. Upon receipt of instruction, MF shall process the same and shall transfer the redemption proceeds to the MF overseas bank account for making payment to the designated overseas bank account of the QFIs.

5.15.4. In case of dividend payout, the MF shall transfer the dividend amounts to the MF overseas bank account for making payment to the designated overseas bank account of the QFIs.

In case MF receives money in India from UCR issuer.

5.15.5. UCR issuer shall forward the purchase order to MF and Custodian, and remit the funds into MF scheme account (in rupee terms). Upon receipt of funds; the MF shall issue units to the custodian and custodian shall in turn confirm to the UCR Issuer to issue UCR to the QFIs.

5.15.6. In case of redemption, UCR issuer shall confirm receipt of redemption request to the MF & Custodian. Upon receipt of instruction, MF shall process and remit redemption proceeds to the UCR issuer which in turn shall remit redemption proceeds to the designated bank account of the QFIs.

5.15.7. In case of dividend payout, the MF shall remit the dividend amount proceeds to the UCR issuer which in turn shall remit the dividend amount to the designated bank account of the QFIs.

6. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

7. The investment by the QFIs in MF equity and debt schemes under this scheme shall also be subject to the relevant and extant FEMA regulations and guidelines issued by the Reserve Bank of India under FEMA, 1999 from time to time.

Yours faithfully

ASHA SHETTY
DEPUTY GENERAL MANAGER
Tel no. 022-26449258
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Annexure –1 (Refer paras 3.4, 3.5, 3.6 and 3.7 of the circular)

Daily data on QFI Investment in Mutual Funds

A) QFI investments in equity schemes

Date	Name of the Mutual Fund	Net Investment at the end of the previous business day (A)		Subscription (B)		Redemption (C)		Net Investment at the end of the business day (A+B-C)	
		Amount in US $ millions	Amount in Rs Crore	Amount in US $ millions	Amount in Rs Crore	Amount in US $ Millions	Amount in Rs Crore	Amount in US $ Millions	Amount in Rs Crore

B) QFI investments in debt schemes

Date	Name of the Mutual Fund	Net Investment at the end of the previous business day (A)		Subscription (B)		Redemption (C)		Net Investment at the end of the business day (A+B-C)	
		Amount in US $ millions	Amount in Rs Crore	Amount in US $ millions	Amount in Rs Crore	Amount in US $ Millions	Amount in Rs Crore	Amount in US $ Millions	Amount in Rs Crore

C) Total QFI investments in equity and debt schemes

Date	Name of the Mutual Fund	Net Investment at the end of the previous business day (A)		Subscription (B)		Redemption (C)		Net Investment at the end of the business day (A+B-C)	
		Amount in US $ millions	Amount in Rs Crore	Amount in US $ millions	Amount in Rs Crore	Amount in US $ Millions	Amount in Rs Crore	Amount in US $ Millions	Amount in Rs Crore

- Mutual Funds shall report on actual receipt and payment basis (cash system)
- Mutual Funds shall aggregate the data received from Custodian and Depositories on a daily basis and report
- The RBI reference rate may used for reporting the amounts in US $.

<table>
<tr><td>Circular No.
NSDL/POLICY/
2011/0039
Date: April 29, 2011</td><td>Sub: Discontinuation of conversion of Mutual Fund Units represented by SoA into dematerialised form through AMC / RTA.

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2010/0104 dated September 8, 2010 regarding discontinuation of conversion of Mutual Fund Units represented by SoA into dematerialised form through Asset Management Company (AMC) / Registrar and Transfer Agent (RTA) for mutual fund ISINs (security type code ‘20’).

Pursuant to release of eDPM / Local DPM System version 3.4, a facility to execute conversion requests of Mutual Fund units (Security Type code ‘13’) represented by SoA into dematerialised form is provided [Ref.: point no. (8) of NSDL Circular No. NSDL/POLICY/2011/0029 dated April 6, 2011].

All Participants are hereby informed that the existing procedure for conversion of Mutual Fund units represented by SoA into dematerialised form – through AMC / RTA for ISINs (security type code ‘13’) is discontinued. Henceforth, conversion requests can be submitted only through Participants.

Participants are requested to take note of the above and inform their clients suitably.</td></tr>
<tr><td>Circular No.
NSDL/POLICY/
2010/0127
Date: December 10, 2010</td><td>All Participants are hereby informed that the following Market Type Codes have been added in the CC Calendar at the request of National Securities Clearing Corporation Limited (NSCCL) pertaining to settlement of mutual funds units:

<table><tr><th>CC ID</th><th>Market Type Code</th><th>Description</th></tr><tr><td>N001002</td><td>28</td><td>Normal Subscription</td></tr><tr><td></td><td>29</td><td>Liquid Redemption</td></tr><tr><td></td><td>30</td><td>Normal Redemption</td></tr></table>
Participants are requested to note the aforesaid codes relating to change in the static data for back-office batch interface with the DPM System.</td></tr>
</table>

NOTES

16. Foreign Portfolio Investors

Circular No.: NSDL/POLICY/ DDP/2021/0001 January 5, 2021	***Subject: SEBI Circular regarding Framework for issue of Depository Receipts - Clarifications.*** Attention of Participants who are registered with SEBI as Custodian of securities (Custodians) is invited to SEBI circular no. SEBI/HO/MRD2/DCAP/ CIR/P/2020/243 dated December 18, 2020 (copy enclosed) regarding clarifications on Framework for issue of Depository Receipts.

CIRCULAR

SEBI/HO/MRD2/DCAP/CIR/P/2020/243 December 18, 2020

To,

1. All recognized Stock Exchanges
2. All Listed Companies through recognized Stock Exchanges
3. All recognized Depositories
4. All recognized Custodians

Dear Sir / Madam,

Subject: Framework for issue of Depository Receipts - Clarifications

1. SEBI vide its Circular No. SEBI/HO/MRD/DOP1/CIR/P/2019/106 dated October 10, 2019 laid down a Framework for issue of Depository Receipts.
2. Para 2.15 of the said circular specifies the following criteria for Permissible holders of Depository Receipts:

   Permissible holder means a holder of DR, including its Beneficial Owner(s), satisfying the following conditions:

   (a) who is not a person resident in India;

   (b) who is not a Non-Resident Indian (NRI)

   Explanation1: For the purpose of this Circular, 'Beneficial Owner' shall have the same meaning as provided in proviso to sub-rule 1 of rule 9 of Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended by the Central Government vide notification no. G.S.R. 669(E) dated September 18, 2019.

   Explanation 2: The Permissible holder, including its Beneficial Owner(s), shall be responsible for ensuring compliance with this requirement.
3. In this regard, based on representations received from market participants, the revised Para 2.15 of the abovementioned Circular is as under:

   Permissible holder means a holder of DR, including its Beneficial Owner(s), satisfying the following conditions:

   (a) who is not a person resident in India;

   (b) who is not a Non-Resident Indian (NRI)

   Provided that the restriction under this Clause shall not apply in case of issue of DRs to NRIs, pursuant to share based employee benefit schemes which are implemented by a company in terms of SEBI (Share Based Employee Benefits) Regulations 2014;

   Provided further that the restriction under this Clause shall also not apply in case of issue of DRs by the company to NRIs pursuant to a bonus issue or a rights issue;

Explanation1: For the purpose of this Circular, 'Beneficial Owner' shall have the same meaning as provided in proviso to sub-rule 1 of rule 9 of Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended by the Central Government vide notification no. G.S.R. 669(E) dated September 18, 2019.

Explanation 2: The Permissible holder, including its Beneficial Owner(s), shall be responsible for ensuring compliance with this requirement.

Explanation 3: Except as permitted under the provisos above, NRIs shall neither subscribe to any further issue of DRs nor make any further acquisition of DRs (including of DRs issued prior to October 10, 2019)."

4. After Para 2.12, the following shall be inserted as Para 2.12A:

   2.12A. "The onus of identification of NRIs holders, who are issued DRs in terms employee benefit scheme, would lie with the listed company. The listed company shall provide the information of such NRI DR holders to the designated depository for the purpose of monitoring of limits."

5. Stock Exchanges and Depositories are advised to:

   a) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above circular; and

   b) bring the provisions of this circular to the notice of the issuers, Domestic Custodians and also to disseminate the same on the website.

6. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992.

Yours faithfully,

Sudeep Mishra
General Manager
Market Regulation Department
+91-22-26449365sudeepm@sebi.gov.in

Circular No.: NSDL/POLICY/ DDP/0013 Date: October 19, 2020	***Subject: SEBI Circular regarding Framework for monitoring of foreign holding in Depository Receipts.***

Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs)/Custodian of securities (Custodians) are invited to SEBI circular no. SEBI/HO/MRD/DCAP/CIR/P/2020/190 dated October 1, 2020 (copy enclosed) regarding framework for monitoring of foreign holding in Depository Receipts. SEBI has laid down the operating guidelines as mentioned in the Annexure of aforesaid SEBI circular dated October 1, 2020

It is mentioned at point no. 1, 2 and 3.3 of Annexure of aforesaid SEBI circular dated October 1, 2020 wherein it stated as under:

1. "Listed Company shall appoint one of the Indian Depository as the Designated Depository for the purpose of monitoring of limits in respect of Depository Receipts.

2. The Designated Depository in co-ordination with Domestic Custodian, other Depository and Foreign Depository (if required) shall compute, monitor and disseminate the Depository Receipts (DRs) information as prescribed in the framework. The said information shall be disseminated on website of both the Indian Depositories. For this purpose, the Designated Depository shall act as a Lead Depository and the other depository shall act as a Feed Depository.
3. Domestic Custodian shall ensure that the underlying permissible securities, pertaining to a listed company, against which DRs are issued in the Permissible Jurisdiction, are held in a demat account, under a separate Type & Sub-Type as prescribed by the Indian Depositories for the purpose of issue of DRs".

In this context, NSDL had vide circular no. NSDL/POLICY/2018/0012 dated February 8, 2018 facilitated Participants with new sub type viz., "Overseas Depository - Underlying DR" under client type viz., "Body Corporate" being incorporated in the NSDL DPM system (version release 6.7) for opening account to hold the Shares held by DR Holders. Further, NSDL had vide its circular no. NSDL/POLICY/2019/0055 dated August 21, 2019 facilitated Participants with reclassification utility to change existing client type & sub type with new client type & sub types in client maintenance module in NSDL depository system. The 'Reclassification utility' has been made available on NSDL site i.e. i-Assist under 'Utilities' menu along with user manual and sample input file. Custodians are requested to ensure that all the demat accounts of the foreign/ Overseas depository holding the DR underlying securities (as prescribed above) be categorized or opened under the aforesaid client type & sub type in NSDL Depository system as prescribed by NSDL, at the earliest.

Further, the necessary operating guidelines with respect to operationalization of aforesaid SEBI circular will be issued by NSDL in due course.

DDP/Custodians are requested to take note of the same and ensure compliance.

CIRCULAR

SEBI/HO/MRD/DCAP/CIR/P/2020/190 October 01, 2020

To,

1. All recognized Stock Exchanges
2. All recognized Depositories
3. All recognized Custodians

Dear Sir / Madam,

Subject: Framework for monitoring of foreign holding in Depository Receipts

1. The framework for issuance of Depository Receipts ('DRs') by a Listed Company was notified by SEBI vide Circular dated October 10, 2019.
2. The said Circular, at Para 2.19 to 2.21, inter-alia, provided the obligations of Indian Depository and Domestic Custodian, whereby, Indian Depositories were required to develop a system to monitor the foreign holding, including that held by way of DRs, as per the limits prescribed under the Foreign Exchange Management Act, 1999 and applicable SEBI Regulations, and disseminate the information regarding outstanding DRs and available limit for conversion. For this purpose, the Circular provided that Indian Depositories shall have necessary arrangement with the Domestic Custodian and / or Foreign Depository.

3. Based on discussion with market participants, the broad operational guidelines for the above purpose are placed at **Annexure**. Indian Depositories, in consultation with each other and market participants, may prescribe the formats and other details, as may be necessary to operationalize the above.

4. Stock Exchanges and Depositories are advised to:

   a) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above circular; and

   b) bring the provisions of this circular to the notice of the issuers, Domestic Custodians and also to disseminate the same on the website.

5. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992.

Yours faithfully,

Sudeep Mishra
General Manager
+91-22-26449365
sudeepm@sebi.gov.in

Annexure

1. Listed Company shall appoint one of the Indian Depository as the Designated Depository for the purpose of monitoring of limits in respect of Depository Receipts.

2. The Designated Depository in co-ordination with Domestic Custodian, other Depository and Foreign Depository (if required) shall compute, monitor and disseminate the Depository Receipts (DRs) information as prescribed in the framework. The said information shall be disseminated on website of both the Indian Depositories. For this purpose, the Designated Depository shall act as a Lead Depository and the other depository shall act as a Feed Depository.

3. Domestic Custodian shall:

3.1. Provide one-time details of DRs in the format and manner as may be prescribed by the Indian Depositories.

3.2. Provide the requisite information as may be prescribed by Designated Depository for the purpose of computation of information in respect of Depository Receipts as and when requested.

3.3. Ensure that the underlying permissible securities, pertaining to a listed company, against which DRs are issued in the Permissible Jurisdiction, are held in a demat account, under a separate Type & Sub-Type as prescribed by the Indian Depositories for the purpose of issue of DRs.

3.4. Provide certificate / declaration / information, to the Designated Depository in the prescribed format upon termination/cancellation of DR program. For this, the issuer or Foreign Depository shall be required to report such termination / cancellation to the Domestic Custodian.

4. Procedure for the purpose of monitoring of limits

4.1. The Designated Depository shall forward the list of such companies (ISINs) for which it will be monitoring the DR issuance to Feed Depository. For any addition or deletion of ISINs, the Designated Depository shall communicate to the Feed Depository regarding the same through Incremental information sent on a periodic basis.

4.2. Feed Depository shall provide the ISIN wise demat holdings of investors tagged with separate sub-type to the Designated Depository on a daily basis.

4.3. The Designated Depository shall ascertain the details of holdings pertaining to Foreign Depository lying under demat account(s) tagged under such separate Type & Sub-Type as well as other investors with 'DR' sub type held at both depositories and consolidate such holdings to arrive at the outstanding Permissible Securities against which the DRs are outstanding.

4.4. Calculation of headroom i.e. 'the limit up to which Permissible Securities can be converted to DRs', may be undertaken in the following manner:

Particulars	
(A)	Number of DRs originally issued including corporate action
(B)	Outstanding Permissible Securities against which the DRs are outstanding
(C)	Re-issuance approval granted by Domestic Custodian (unutilized) at End of Day
Headroom = A - (B + C)	**the limit up to which Permissible Securities can be converted to DRs**

4.5. The Indian Depositories shall exchange with each other their respective list of ompanies, for dissemination of DR headroom related information, which shall be consolidated by both depositories and thereafter published on their respective websites.

5. Re-issuance mechanism

5.1. For the purpose of re-issuance of permissible securities, a Foreign Investor shall request SEBI registered Broker with requisite quantity of securities (based on available headroom) required for re-issuance of depository receipts which shall be forwarded to the Domestic Custodian.

5.2. Based on last available headroom disseminated by Designated Depository, the Domestic Custodian shall grant approval (*T- day where T is date of approval granted by Domestic Custodian*) to such request received from SEBI registered Broker for re-issuance purpose which shall be valid for a period of 3 trading days (T+3) from the date of approval of request granted by Domestic Custodian.

5.3. The Domestic Custodian shall report such request approvals along with requisite quantity granted to Designated Depository on same day (i.e. T day) and based on which the Designated Depository shall block the quantity for the purpose of calculation of Headroom.

5.4. The Domestic Custodian shall report the status of utilisation of such approved request to the Designated Depository upon receipt of securities in the demat account of Foreign Depository for the purpose of calculation of Headroom. The domestic custodian shall report the final utilisation status of such approved request with respect to receipt of securities on D+1 basis (where D is a date of credit of security in the Foreign Depository's account) before such time as may be prescribed by Designated Depository. In case of non-receipt of securities within the specified timeline, Custodian shall unblock the requisite quantity of approval granted and report the same to Designated Depository.

6. Monitoring of Investor group limits

6.1. FPI shall report the details of all such FPIs forming part of the same investor group as well as Offshore Derivative Instruments (ODI) subscribers and / or DR holders having common ownership, directly or indirectly, of more than fifty percent or on the basis of common control, to its Designated Depository Participant (DDP). The investor group may appoint one such FPI to act as a Nodal entity for reporting the aforesaid grouping information to its DDP in the format enclosed at **Annexure A**. Further, such Nodal FPI shall report the investment holding in the underlying Indian security as held by ODI subscriber and / or as DR holder, including securities held in the Depository Receipt account upon conversion ('DR conversion' account), to its Domestic Custodian on a monthly basis (by the 10th of every month) in the format enclosed at **Annexure B**. Similarly, the FPIs who do not belong to the same investor group shall report such investment holding details in the underlying Indian security as ODI subscriber and / or as DR holder, including securities held in the 'DR conversion' account, to its Custodian in the aforesaid format on a monthly basis (by 10th of the month).

6.2. The DDP shall report FPI grouping information as reported by Nodal FPI to such Indian Depository (by 17th of the month) where FPI group demat accounts are held in the manner and format as specified by such Indian Depository. Similarly, the Custodian of Nodal entity (who also happen to be the DDP) shall report the investment holdings in the underlying Indian security as held by the ODI subscriber and / or DR holder in respect of the aforesaid FPI group on monthly basis to such Indian Depository (by 17th of the month) where FPI group demat accounts are held in the manner and format as specified by such Indian Depository.

6.3. The Depository which monitors the FPI group limits shall club the investment pertaining to DR holding, ODI holding and FPI holding of same investor group and monitor the investment limits as applicable to FPI group in a Listed Indian company on a monthly basis. However, in respect of FPIs which do not belong to the same investor group, responsibility of monitoring the investment limits of FPI shall be with the respective DDP / Custodian. The Custodian of such FPIs not forming part of investor group shall club the investment as held by FPIs as well as investment as held by such FPI in the capacity of ODI subscriber and / or DR holder and monitor the investment limits as applicable to single FPI. In case where the investment holding breaches the prescribed limits, the Indian Depository / Custodian, as the case may be, shall advise the concerned investor / investor group, to divest the excess holding within 5 trading days similar to requirement prescribed under SEBI Circular dated November 05, 2019 on 'Operational Guidelines for FPIs & DDPs under SEBI (Foreign Portfolio Investors), Regulations 2019 and for Eligible Foreign Investors.

Annexure - A

Sr. No.	Name of reporting FPI (Nodal Entity)	Registration No. of Reporting FPI (Nodal Entity) mentioned in column B	Name of FPI / ODI Subscriber with whom the applicant shares, ownership of more than 50% common control	Type of Client viz. FPI or ODI subscriber or DR holder	Registration No. of FPI mentioned at Column D	LEI No. of entity mentioned at Column D (for ODI subscriber or DR holder)	If ODI subscriber, please mention name of dealing FPI	Jurisdiction / Country of entity mentioned at Column D
A	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**

Annexure - B									
Sr. No.	Name of reporting FPI (Nodal Entity)	Registration No. of Reporting FPI (Nodal Entity) mentioned in column B	Name of ODI Subscriber or DR holder having investment in Indian Securities through ODI or DR route	LEI No. of ODI subscriber or DR holder mentioned at Column D	ISIN of the Indian Security	ISIN Description or name of the security	Quantity of securities held (in ratio as being held in India)	Value of securities held	As on date (DD-MMM-YYYY)
A	B	C	D	E	F	G	H	I	J

Circular No.: NSDL/POLICY/DDP/0012

Date: October 13, 2020

Subject: Write-off of shares held by FPIs.

Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) are invited to SEBI Circular No. SEBI/HO/IMD/FPI&C/CIR/P/2020/177 dated September 21, 2020 (copy enclosed) regarding write-off of shares held by FPIs.

DDP/Custodians are requested to note that NSDL is in process of bringing in new freeze reason code viz., '**Write-off of shares held by FPIs**' in respect of FPI clients in the NSDL DPM system. Till such time, the aforesaid new freeze reason code is not introduced in NSDL DPM system, DDPs/Custodians may continue to use '**Others**' freeze reason code on NSDL eDPM system along with remark being specified as 'Write-off of shares held by FPIs'. Subsequent to effecting of freeze as per abovementioned process, DDP/Custodians are requested to change the existing client type & client sub type of such frozen depository accounts held under FPI category as under:

Existing Client Type	Existing Client Sub Type	New Client Type	New Client Sub Type
Foreign Portfolio Investor (Corporate)	Category I	Body Corporate	Foreign Bodies
	Category II		
	Category III		
Foreign Portfolio Investor (Individual)	Category II	Foreign National	FN
	Category III		

NSDL shall provide facility for DDP/Custodians to modify the client type & client sub type as mentioned above on NSDL DPM system.

DDPs/Custodians are advised to take note of the same and ensure compliance.

CIRCULAR

SEBI/HO/IMD/FPI&C/CIR/P/2020/177 September 21, 2020

To,

1. **Foreign Portfolio Investors ("FPIs")**
2. **Designated Depository Participants ("DDPs") and Custodians**
3. **All Recognized Stock Exchanges/ Clearing Corporations**
4. **All recognized Stock Exchanges and Clearing Corporations in International Financial Services Centres**
5. **The Depositories (NSDL and CDSL)**

Dear Sir / Madam,

Subject: Write-off of shares held by FPIs

1. SEBI, vide circular number IMD/FPI&C/CIR/P/2019/124 dated November 05, 2019, had issued an Operational Guidelines for FPIs and DDPs under SEBI (Foreign Portfolio Investors), Regulations 2019.
2. In the said Operational Guidelines, write-off of securities held by FPIs who wish to surrender their registration was permitted only in respect of shares of companies which are unlisted/illiquid/ suspended/delisted. However, in view of the requests received from various stake holders, it has been decided to permit said FPIs to write-off shares of all companies which they are unable to sell. In this regard, the process detailed at para 17 of Part C of the said Operational Guidelines shall be complied with.
3. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.
4. A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

AMIT TANDON

General Manager

Tel No.: 022-26449373

E-mail: amitt@sebi.gov.in

Circular No.: NSDL/POLICY/DDP/ 2020/0011 September 21, 2020	***Subject: Temporary relaxation in processing of documents pertaining to FPIs due to COVID-19.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) are invited to SEBI Circular No. SEBI/HO/FPI&C/CIR/P/2020/162 dated August 31, 2020 (copy enclosed) regarding temporary relaxation in processing of documents pertaining to FPIs due to COVID-19.

CIRCULAR

SEBI/HO/FPI&C/CIR/P/2020/162 August 31, 2020

To,

1. All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities.
2. Designated Depository Participants ("DDPs")/ Custodians.
3. All Recognized Stock Exchanges/ Clearing Corporations
4. All recognized Stock Exchanges and Clearing Corporations in International Financial Services Centres
5. The Depositories (NSDL and CDSL)
6. Stock Brokers through Recognized Stock Exchanges
7. Depository Participants through Depositories
8. KYC Registrations Agencies (KRAs)

Dear Sir / Madam,

Subject: Temporary relaxation in processing of documents pertaining to FPIs due to COVID-19

1. SEBI vide Circular No. SEBI/HO/FPI&C/CIR/P/2020/056 dated March 30, 2020 had prescribed temporary relaxation in processing of documents pertaining to FPIs due to COVID-19. Further, vide Circular No. SEBI/HO/FPI&C/CIR/P/2020/104 dated June 23, 2020, the temporary relaxations were extended till August 31, 2020.
2. It is understood that while lockdown has been lifted in many jurisdictions, certain jurisdictions continue to be under lockdown in view of the prevailing situation due to COVID-19 pandemic.
3. In view of the representations received from various stakeholders, it has been decided that for the entities from jurisdictions which are still under lockdown, the temporary relaxations shall be extended to the entities from such jurisdictions till the time lockdown is lifted from such jurisdictions. However, in-transit applications shall be processed on the basis of provisions of aforesaid circular dated March 30, 2020.
4. It may be noted that for the entities from jurisdictions where lockdown has already been lifted, the relaxation provided under the aforesaid circular dated March 30, 2020 shall not be applicable.
5. All other terms and conditions specified in the aforesaid circular dated March 30, 2020 shall remain unchanged.
6. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Sub-rule 14(i) of Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
7. A copy of this circular is available at the web page “Circulars” on our website www.sebi.gov.in.
8. DDPs & Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
General Manager
Tel No.: 022-26449619
achals@sebi.gov.in

Circular No.: NSDL/POLICY/ DDP/2020/0009 Date: June 29, 2020	***Subject: Temporary relaxation in processing of documents pertaining to FPIs due to COVID-19.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) are invited to SEBI circular no. SEBI/HO/FPI&C/CIR/P/2020/056 dated March 30, 2020 (informed vide NSDL Circular no. NSDL/POLICY/DDP/2020/0005 dated April 1, 2020) regarding temporary relaxation in processing of documents pertaining to FPIs due to COVID-19. In this context, SEBI had vide Circular No. SEBI/HO/FPI&C/CIR/P/2020/056 dated March 30, 2020 prescribed temporary relaxation in processing of documents pertaining to FPIs due to COVID-19. Accordingly, in view of the prevailing situation due to COVID-19 pandemic and representations received from various stakeholders, it has been decided vide SEBI Circular no. SEBI/HO/FPI&C/CIR/P/2020/104 dated June 23, 2020 (copy enclosed) that the temporary relaxations shall be extended to August 31, 2020. It is stated at **point no. 2 & 3** of aforesaid SEBI circular dated June 23, 2020 as under: ***"2. In view of the prevailing situation due to COVID-19 pandemic and representations received from various stakeholders, it has been decided that the temporary relaxations shall be extended to August 31, 2020.*** ***3. All other terms and conditions specified in the aforesaid circular dated March 30, 2020 shall remain unchanged."*** DDPs/Custodians are advised to take note of the same and ensure compliance.

CIRCULAR

SEBI/HO/FPI&C/CIR/P/2020/104 **June 23, 2020**

To,

1. **All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities.**
2. **Designated Depository Participants ("DDPs")/ Custodian of Securities.**
3. **All Recognized Stock Exchanges/ Clearing Corporations**
4. **All recognized Stock Exchanges and Clearing Corporations in International Financial Services Centres**
5. **The Depositories (NSDL and CDSL)**
6. **Stock Brokers through Recognized Stock Exchanges**
7. **Depository Participants through Depositories**
8. **KYC Registrations Agencies (KRAs)**

Dear Sir / Madam,

Subject: Temporary relaxation in processing of documents pertaining to FPIs due to COVID-19

1. SEBI vide Circular No. SEBI/HO/FPI&C/CIR/P/2020/056 dated March 30, 2020 had prescribed temporary relaxation in processing of documents pertaining to FPIs due to COVID-19.
2. In view of the prevailing situation due to COVID-19 pandemic and representations received from various stakeholders, it has been decided that the temporary relaxations shall be extended to August 31, 2020.
3. All other terms and conditions specified in the aforesaid circular dated March 30, 2020 shall remain unchanged.
4. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Sub-rule 14(i) of Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
5. A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in
6. DDPs & Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
General Manager
Tel No.: 022-26449619
achals@sebi.gov.in

Circular No.: NSDL/POLICY/ DDP/2020/0008 April 15, 2020	***Subject: DEA order dated April 13, 2020 - Entities from Mauritius under SEBI (Foreign Portfolio Investors) Regulations, 2019.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) / Custodian of Securities are invited to Ministry of Finance [Department of Economic Affairs (DEA)] order no. F. No. 10/6/2019-EM dated April 13, 2020 (copy enclosed) regarding entities from Mauritius under SEBI (Foreign Portfolio Investors) Regulations, 2019. It is stated in the aforesaid DEA order dated April 13, 2020 that "***the central Government hereby specifies Mauritius as an eligible country for the purposes of regulation 5 (a)(iv) of SEBI (Foreign Portfolio Investors) Regulations 2019***". Designated Depository Participants (DDPs) / Custodian of Securities are requested to take note of the same.

F. No 10/6/2019-EM
Ministry of Finance
Department of Economic Affairs
Financial Markets Division

North Block, New Delhi
Dated: 13th April 2020

ORDER

Subject- Entities form Mauritius under SEBI (Foreign Portfolio Investors) Regulations 2019

As per the Regulation 5 (a)(iv) of the SEBI (Foreign Portfolio Investors) Regulations 2019, the "Category I foreign portfolio investor" shall include entities from the Financial Action Task Force member countries or from any country specified by the Central Government by an order or by way of an agreement or treaty with other sovereign Governments, which are –

I. appropriately regulated funds;

II. unregulated funds whose investment manager is appropriately regulated and registered as a Category I foreign portfolio investor:

Provided that the investment manager undertakes the responsibility of all the acts of commission or omission of such unregulated fund;

III. university related endowments of such universities that have been in existence for more than five years;

2. Accordingly, the Central Government hereby specifies Mauritius as an eligible country for the purposes of Regulation 5 (a)(iv) of SEBI (Foreign Portfolio Investors) Regulations 2019 .

Jaipal
Deputy Director (ECB)

The Chairman
Securities and Exchange Board of India
SEBI Bhawan,Bandra Kurla Complex
Bandra (E),Mumbai -400 051

Circular No.: NSDL/POLICY/ DDP/2020/0007 April 9, 2020	**Subject: Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2020** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) / Custodian of Securities (Custodians) is invited to Gazette Notification No. SEBI/LAD-NRO/GN/2020/09 dated April 7, 2020 regarding the Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2020 (copy enclosed). In the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, following is being amended: **"I. In regulation 5, in clause (a), in sub-clause (iv), after the words —member countries and before the words —which are, the words and symbol —, or from any country specified by the Central Government by an order or by way of an agreement or treaty with other sovereign Governments, shall be inserted."** Designated Depository Participants (DDPs) / Custodian of Securities are requested to take note of the same.

रजिस्ट्री सं. डी.एल.- 33004/99 REGD. NO. D. L.-33004/99

भारत का राजपत्र
The Gazette of India

सी.जी.-एम.एच.-अ.-07042020-219016
CG-MH-E-07042020-219016

असाधारण
EXTRAORDINARY

भाग III—खण्ड 4
PART III—Section 4

प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं. 145] नई दिल्ली, मंगलवार, अप्रैल 7, 2020/चैत्र 18, 1942
No. 145] NEW DELHI, TUESDAY, APRIL 7, 2020/CHAITRA 18, 1942

भारतीय प्रतिभूति और विनिमय बोर्ड

अधिसूचना

मुम्बई, 7 अप्रैल, 2020

भारतीय प्रतिभूति और विनिमय बोर्ड (विदेशी पोर्टफोलियो निवेशक) (संशोधन) विनियम, 2020

सं. सेबी/एल.ए.डी.-एन.आर.ओ./जी.एन./2020/09.—भारतीय प्रतिभूति और विनिमय बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 की धारा 11 की उप-धारा (1), धारा 11 की उप-धारा (2) के खंड (खक) तथा धारा 12 की उप-धारा (1) एवं (1क) के साथ पठित धारा 30 की उप-धारा (1) द्वारा, और निक्षेपागार अधिनियम, 1996 की धारा 25 के तहत, प्रदत्त शक्तियों का प्रयोग करते हुए, एतद्द्वारा, भारतीय प्रतिभूति और विनिमय बोर्ड (विदेशी पोर्टफोलियो निवेशक) विनियम, 2019 का और संशोधन करने के लिए निम्नलिखित विनियम बनाता है, अर्थात्,—

(1) इन विनियमों को भारतीय प्रतिभूति और विनिमय बोर्ड (विदेशी पोर्टफोलियो निवेशक) (संशोधन) विनियम, 2020 कहा जा सकेगा।

(2) वे राजपत्र में उनके प्रकाशन की तारीख को प्रवृत्त (लागू) होंगे।

(3) भारतीय प्रतिभूति और विनिमय बोर्ड (विदेशी पोर्टफोलियो निवेशक) विनियम, 2019 में,-

I. विनियम 5 में, खंड (क) में, उप-खंड (iv) में, शब्दों "के सदस्य देशों से हों" के पश्चात् और चिह्न तथा शब्द ", जो" से पूर्व, चिह्न तथा शब्द ", अथवा केन्द्रीय सरकार द्वारा आदेश के जरिए या अन्य

प्रभुतासंपन्न (सॉवरिन) सरकारों के साथ किए गए करार या की गई संधि के जरिए निर्धारित किए गए किसी देश से हों" अंतःस्थापित किए जाएँगे।

अजय त्यागी, अध्यक्ष

[विज्ञापन-III/4/असा./01/2020]

पाद टिप्पण:

1. भारतीय प्रतिभूति और विनिमय बोर्ड (विदेशी पोर्टफोलियो निवेशक) विनियम, 2019, सं. सेबी/एल.ए.डी.-एन.आर.ओ./जी.एन./2019/36 द्वारा, 23 सितम्बर, 2019 को भारत के राजपत्र में प्रकाशित हुए थे।
2. भारतीय प्रतिभूति और विनिमय बोर्ड (विदेशी पोर्टफोलियो निवेशक) विनियम, 2019 तत्पश्चात्,-

   (1) 19 दिसम्बर 2019 को भारतीय प्रतिभूति और विनिमय बोर्ड (विदेशी पोर्टफोलियो निवेशक) (संशोधन) विनियम 2019, सं. सेबी/एल.ए.डी.-एन.आर.ओ./जी.एन./2019/44, द्वारा

संशोधित हुए थे।

SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 7th April, 2020

Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2020

No. SEBI/LAD-NRO/GN/2020/09.—In exercise of the powers conferred by sub-section (1) of Section 30 read with sub-section (1) of Section 11, clause (ba) of sub-section (2) of Section 11 and sub-sections (1) and (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992, and under Section 25 of the Depositories Act, 1996, the Securities and Exchange Board of India hereby, makes the following regulations, to further amend the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, namely,—

(1) These regulations may be called the Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2020.

(2) They shall come into force on the date of their publication in the Official Gazette.

(3) In the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019

I. In regulation 5, in clause (a), in sub-clause (iv), after the words "member countries" and before the words "which are", the words and symbol ", or from any country specified by the Central Government by an order or by way of an agreement or treaty with other sovereign Governments," shall be inserted.

AJAY TYAGI, Chairman

[ADVT.-III/4/Exty./01/2020]

Footnote:

1. The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 were published in the Gazette of India on September 23, 2019 *vide* No. SEBI/LAD-NRO/GN/2019/36
2. The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 were subsequently amended on, –

   (1) 19th December, 2019 by Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2019 *vide* No. SEBI/LAD-NRO/GN/2019/44.

Uploaded by Dte. of Printing at Government of India Press, Ring Road, Mayapuri, New Delhi-110064
and Published by the Controller of Publications, Delhi-110054.

SARVESH KUMAR Digitally signed by SARVESH KUMAR 18/04/2020

Circular No.: NSDL/POLICY/ DDP/2020/0006 April 3, 2020	***Subject: RBI Notification: Investment by Foreign Portfolio Investors (FPI): Investment limits*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) / Custodian of Securities (Custodians) is invited to RBI Notification - No. RBI/2019-20/199 A.P. (DIR Series) Circular No. 24 dated March 30, 2020 (copy enclosed). The revised investment limits for FPI investment in corporate bonds shall be effective from April 1, 2020 and October 1, 2020 as prescribed in the aforementioned RBI notification.

RBI/2019-20/199

A.P.(DIR Series) Circular No.24 March 30, 2020

To,

All Authorized Persons

Madam / Sir

Investment by Foreign Portfolio Investors (FPI): Investment limits

1. Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Schedule 1 to the Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide **Notification No.FEMA.396/2019-RB dated October 17, 2019**, as amended from time to time and the relevant directions issued thereunder. A reference is also invited to **A.P. (DIR Series) Circular No. 26 dated March 27, 2019** on the captioned subject.

2. **Investment Limits for FY 2020-21**

   a. The limit for FPI investment in corporate bonds is increased to 15% of outstanding stock for FY 2020-21. Accordingly, the revised limits for FPI investment in corporate bonds, after rounding off, shall be as under (Table - 1):

Table-1: Limits for FPI investment in corporate bonds for FY 2020-21

(₹ Crore)

Current FPI limit	3,17,000
Revised limit for HY Apr 2020-Sep 2020	4,29,244
Revised limit for HY Oct 2020-Mar 2021	5,41,488

   b. The revised limits for FPI investment in Central Government securities (G-secs) and State Development Loans (SDLs) for FY 2020-21 will be advised separately. Till such time, the current limits (as in Table - 2), shall continue to be applicable.

Table-2: Limits for FPI investments in G-Sec and SDL

(₹ Crore)

	G-Sec General	G-Sec Long Term	SDL General	SDL Long Term
FPI investment limits	2,46,100	1,15,100	61,200	7,100

3. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

4. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/ approval, if any, required under any other law.

Yours faithfully,

(Dimple Bhandia)

General Manager-in-Charge

Circular No.: NSDL/POLICY/ DDP/2020/0004 March 3, 2020	***Subject: SEBI Press Release - Inclusion of Mauritius in the FATF list of "Jurisdictions under Increased Monitoring"*** Attentions of Participants who are registered with SEBI as Designated Depository Participants (DDPs) / Custodian of Securities (Custodians) are invited to SEBI Press Release No. 10/2020 dated February 25, 2020 (copy enclosed). Designated Depository Participants (DDPs) / Custodians are requested to take note of the same. Feb 25, 2020 PR No.: 10/2020 **Inclusion of Mauritius in the FATF list of "jurisdictions under increased monitoring"** The Financial Action Task Force on February 21, 2020, has placed Mauritius in the list of "jurisdictions under increased monitoring", commonly referred to as the "grey list" and has stated the following: *"In February 2020, Mauritius made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/ CFT regime. Since the completion of its MER in 2018, Mauritius has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including amending the legal framework to require legal persons and legal arrangements to disclose of beneficial ownership information and improving the processes of identifying and confiscating proceeds of crimes. Mauritius will work to implement its action and complex cases; (4) implementing a risk based approach for supervision of its NPO sector to prevent abuse for TF purposes, and 5) demonstrating the adequate implementation of targeted financial sanctions through outreach and supervision." plan, including by: (1) demonstrating that the supervisors of its global business sector and DNFBPs implement riskbased supervision; (2) ensuring the access to accurate basic and*

	beneficial ownership information by competent authorities in a timely manner; (3) demonstrating that LEAs have capacity to conduct money laundering investigations, including parallel financial investigations There have been apprehensions among market participants that whether inclusion of Mauritius in the 'grey list' would have an effect on the registration of FPIs from Mauritius. SEBI (Foreign Portfolio Investors) Regulations, 2019 inter-alia states that an applicant is eligible to become a FPI if it is not resident in the country identified in the public statement of FATF as- i) a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies. This condition was also in SEBI (Foreign Portfolio Investors) Regulations, 2014. It is noted from FATF website that when a jurisdiction is placed under increased monitoring, it construes that the country has committed to resolve swiftly the identified strategic deficiencies within agreed timeframes and is subject to increased monitoring. The FATF does not call for the application of enhanced due diligence to be applied to these jurisdictions, but encourages its members to take into account this information in their risk analysis. The intermediaries should take note of the same. Additionally, FATF identifies jurisdictions that have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation. For all such countries, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and in the most serious cases, countries are called upon to apply Inclusion of Mauritius in the FATF list of "jurisdictions under increased monitoring"
Circular No.: NSDL/POLICY/DDP/ 2020/0003 February 24, 2020	***Subject: Investment by Foreign Portfolio Investors (FPI) in Debt.*** Attentions of Participants who are registered with SEBI as Designated Depository Participants (DDPs) / Custodian of Securities (Custodians) are invited to RBI notification no. RBI/2019-20/150 [A.P. (DIR Series) Circular No.18] dated January 23, 2020 (copy enclosed). DDPs/Custodians are requested to take note of the same and bring the contents of this circular to the notice of their FPI clients.

RBI/2019-20/150

A.P. (DIR Series) Circular No.18 January 23, 2020

To
All Authorised persons
Madam / Sir,

Investment by Foreign Portfolio Investors (FPI) in Debt

1. Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide Notification No. FEMA. 396/2019-RB dated October 17, 2019, as amended from time to time, and the relevant directions issued thereunder. A reference is also invited to the A.P. (DIR Series) Circular No. 31 dated June 15, 2018 (hereinafter, Directions) read with A.P. (DIR Series) Circular No. 19 dated February 15, 2019.

2. On a review, the following changes are made to the Directions: -
   a) In terms of paragraph 4(b) (i) of the Directions, short-term investments by an FPI shall not exceed 20% of the total investment of that FPI in either Central Government Securities (including Treasury Bills) or State Development Loans. This short-term investment limit is hereby increased from 20% to 30%.
   b) In terms of paragraph 4(b) (ii) of the Directions, short-term investments by an FPI shall not exceed 20% of the total investment of that FPI in corporate bonds. This short-term investment limit is hereby increased from 20% to 30%.
   c) FPI investments in Security Receipts are currently exempted from the short-term investment limit (paragraph 4 (b)(ii)) and the issue limit (paragraph 4(f)(iii)). These exemptions shall also extend to FPI investments in the following securities:
      i. Debt instruments issued by Asset Reconstruction Companies; and
      ii. Debt instruments issued by an entity under the Corporate Insolvency Resolution Process as per the resolution plan approved by the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016

3. The updated Directions are attached.

4. These directions are issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/ approvals, if any, required under any other law.

Yours faithfully
(Saswat Mahapatra)
Deputy General Manager (O-i-C)

Circular No.: NSDL/POLICY/DDP/ 2020/0002 February 10, 2020	***Subject: Exemption from clubbing of investment limit for foreign Government agencies and its related entities.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) / Custodian of Securities (Custodians) are invited to SEBI circular no. IMD/FPI&C/CIR/P/2020/07 dated January 16, 2020 (copy enclosed). Further, the amended operational guidelines as prescribed by SEBI are annexed herewith. DDPs/Custodians are requested to take note of the same and bring the contents of this circular to the notice of their FPI clients.

CIRCULAR

IMD/FPI&C/CIR/P/2020/07 January 16, 2020

To,

1. **All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities.**
2. **Designated Depository Participants ("DDPs")/ Custodian of Securities.**
3. **All Recognized Stock Exchanges/ Clearing Corporations**
4. **All recognized Stock Exchanges and Clearing Corporations in International Financial Services Centres**
5. **The Depositories (NSDL and CDSL)**
6. **Stock Brokers through Recognized Stock Exchanges**
7. **Depository Participants through Depositories**
8. **KYC Registrations Agencies (KRAs)**

Dear Sir / Madam,

Subject: Exemption from clubbing of investment limit for foreign Government agencies and its related entities

1. SEBI vide notification dated 19 December 2019 amended the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 and omitted the following regulation:
   "Regulation 20 (9)
   In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it."
2. In line with rule 1(a)(iv) of Schedule II of Foreign Exchange Management (Non-debt Instruments) Rules, 2019 regarding "Investments by Foreign Portfolio Investors", certain foreign Government agencies and its related entities are exempt from clubbing of investment limit requirements and other investment conditions either by way of an agreement or treaty with other sovereign governments or by an order of the Central Government.
3. In view of the above, clause 1(x) of Part C of Operational guidelines for FPIs & DDPs and EFIs regarding "Monitoring of investment limit at investor group level" has been amended accordingly. The amended operational guidelines are annexed herewith.
4. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992.
5. A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH

General Manager

Tel No.: 022-26449619

achals@sebi.gov.in

Enclosed: Operational guidelines for FPIs & DDPs and EFIs

OPERATIONAL GUIDELINES FOR FOREIGN PORTFOLIO INVESTORS, DESIGNATED DEPOSITORY PARTICIPANTS AND ELIGIBLE FOREIGN INVESTORS

These consolidated operational guidelines ("Operational Guidelines") for foreign portfolio investors (FPIs) and Designated Depository Participants (DDPs) are issued to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 ("the Regulations").

The existing Circulars, FAQs, operating guidelines, other guidance issued by SEBI (Annexure-A) shall stand withdrawn with the issue of these Operating Guidelines. With respect to the directions or other guidance issued by SEBI, as specifically applicable to FPIs, shall continue to remain in force.

Terms not defined in these Operational Guidelines will have the same meaning as provided under the Regulations.

PART A - FPI REGISTRATION RELATED ACTIVITIES

1. Change in category of FPIs upon notification of the Regulations

The process for re-categorisation of FPIs shall be as under:-

i. All existing FPIs registered as Category I FPIs under the SEBI (Foreign Portfolio Investors) Regulations, 2014 (2014 Regulations) shall be deemed to have been registered as Category I FPIs under the Regulations.

ii. All existing FPIs registered as Category III FPIs under the 2014 Regulations shall be deemed to have been registered as Category II FPIs under the Regulations.

iii. For sake of clarity, there will be no deemed re-categorization of registration for eligible entities from Category III FPI registration under 2014 Regulations to Category I FPI under the Regulations.

iv. All existing FPIs registered as Category II FPIs under the 2014 Regulations shall be deemed to have been registered either as Category I FPI or Category II FPI under the Regulations, depending on the eligibility criteria met by such FPIs under the Regulations, as illustrated below:

Table 1

Existing Categories as per 2014 Regulations	New Categories as per the Regulations
Appropriately regulated broad based funds such as mutual funds, investment trusts, insurance/reinsurance companies;	(i) All Insurance entities – Category I; (ii) Funds from FATF member countries – Category I; (iii)Funds from non-FATF member countries – Category II
Appropriately regulated persons such as banks, asset management companies, investment managers/ advisors, portfolio managers, broker dealers and swap dealers	All are re-categorized as Category I
University funds and pension funds	All are re-categorized as Category I
university related endowments already registered with the Board as foreign institutional investors or sub-accounts	All are re-categorized as Category I
Unregulated funds/entity categorized as Cat II by virtue of Regulated Investment Manager also registered as Category II FPI	Unregulated funds/entity where regulated Investment Manager is from: (i) FATF member country and also registered as Category I FPI – Category I (ii) non-FATF member country – Category II

v. No incremental fees is payable upon deemed re-categorization.

vi. To ensure transition of existing FPIs, re-categorization of registration shall be done by NSDL in consultation with the respective DDPs.

After the exercise of deemed re-categorisation as mentioned above, an FPI desirous to be re-categorized from Category II FPI to Category I, can request to DDP along with requisite information, documents and payment of applicable fees.

2. Guidance for Processing of FPI applications by DDPs

FPI applicant shall submit duly filled prescribed application form (Annexure B) supported by required documents and applicable fees. The application form should be duly signed with all signatures in original. Where the application form is incomplete, or lacks clarity, the applicant shall be advised by the DDP to clarify or furnish the desired information within a reasonable time.

However, DDP may continue to accept in-transit FPI applications received in Form A under 2014 Regulations (without insisting for new form) for a period of 90 days from date of issuance of these operational guidelines. DDP may however satisfy itself on any incremental due diligence requirement to process the application under the Regulation.

DDPs shall consider the following checks for determination of eligibility at the time of processing FPI application:-

i. Country Check - The residency status of the FPI applicant may be ascertained from the place of incorporation/ establishment through appropriate document or information such as any identification / registration document issued by applicable regulator or the Income Tax authority. The country code in the FPI registration number shall be the country of its registered/residence address. For due diligence, DDP may verify the country as below –

Table 2

Sl. No.	Countries	Source for verification from website of
(a)	List of countries where the securities market regulator is a signatory to IOSCO MMOU shall be verified by the DDP.	IOSCO
(b)	List of countries that have bilateral MOU with SEBI	SEBI
(c)	The list of countries whose Central Bank is a member of the BIS	BIS.
(d)	List of countries that are listed in the public statements issued by FATF and list of FATF member country	FATF.

With respect to the eligibility of FPI applicants from a country where there are separate securities market regulators for different provinces/ states within that country, applicants from only those provinces / states whose securities market regulator is a signatory to IOSCO MMOUs or has entered into a Bilateral Memorandum of Understanding with SEBI would be eligible for grant of registration as FPI.

Any reference in the Regulations and in these Operating Guidelines, an entity 'from a FATF member country' will mean that the entity has its primary place of business in a FATF member country and, if regulated, is appropriately regulated in a FATF member country.

ii. Non-resident Indian (NRI) / overseas citizens of India (OCI) / resident Indians (RI) check - DDP may obtain requisite declaration from applicant for satisfying eligibility criteria under regulation 4 of the Regulations and the conditions mentioned below relating to NRIs, OCIs and/ or RIs being constituents of the applicant.

Where NRIs or OCI or RIs are constituents of the applicant –

a. the contribution of a single NRI or OCI or RI shall be below twenty-five percent of the total contribution in the corpus of the applicant;

b. the aggregate contribution of NRIs, OCIs and RIs shall be below fifty percent of the total contribution in the corpus of the applicant.

Explanation: The contribution of RI is permitted, if made through the Liberalised Remittance Scheme (LRS) approved by Reserve Bank of India in global funds whose Indian exposure is less than 50%.

c. the NRIs, OCIs and RIs shall not be in control of the applicant. This is not applicable if the applicant is an 'offshore fund' for which 'No Objection Certificate' has been issued by the Board in terms of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, or is controlled by an Investment Manager which is controlled and/or owned by NRI or OCI or RI if the following conditions are satisfied:

   i. such Investment Manager is appropriately regulated in its home jurisdiction and registered with the Board as a non-investing FPI, or

   ii. such Investment Manager is incorporated or setup under the Indian laws and appropriately registered with the Board.

d. The above shall not apply to non-investing FPI or if the applicant proposes to invest or invests only in units of schemes floated by mutual funds in India.

e. An applicant or an existing FPI not meeting above requirements shall comply within a period of two years from the date of registration or by 31st December 2020, whichever is later. A foreign portfolio investor who remains non-compliant even after the period specified above shall be prohibited from making any fresh purchase of securities and such foreign portfolio investor shall liquidate its existing position in the Indian securities market within a period of one hundred and eighty days.

f. In case of temporary breach of above investment limits after December 31. 2020, the foreign portfolio investor shall comply with the eligibility conditions within ninety days of its breach. In case the foreign portfolio investor remains non-compliant with the said requirement even after ninety days, then no fresh purchases shall be permitted and such foreign portfolio investor shall liquidate its existing position in Indian securities market within a period of the next one hundred and eighty days.

iii. Fit and proper person check - DDP may obtain declaration from the applicants about their meeting eligibility criteria specified under Regulation 4 of the Regulations and shall exercise its due diligence, as applicable.

iv. Category I FPI check - DDP may verify the eligibility of Category I FPI (under Regulation 5(a)(i)) based on relevant details under which the entity has been established – e.g. Government Charter, Act, Legislation, the shareholding pattern provided by the FPI applicant.

v. Regulatory check - The DDP may verify if the applicant is regulated or supervised by the securities market regulator or banking regulator and that its registration/license granted by

its regulator has not been cancelled and is still valid through any one of the following:

a) Obtain a copy of certificate issued by such regulator or;

b) verify the registration details directly from the registry or the website of such regulator.

Explanation: Certain type of structures in some of the jurisdictions permitted by SEBI in the past shall continue to be considered as appropriately regulated.

vi. Any past action taken by FPI applicant's regulator may not necessarily render such an applicant ineligible as long as such action did not result in cancellation of its registration. Further, if an FPI applicant, which is present in multiple jurisdictions, is suspended by one of its foreign regulator and if this suspension does not affect the entity or any of its affiliates' ability to trade in any other country around the world, DDP can consider such an applicant eligible for grant of FPI registration subject to fulfillment of applicable eligibility requirements.

vii. DDP shall mention name of its signatory(ies) in the FPI registration approval while communicating registration approval to the FPI.

viii. The applicant may also add the name of its investment manager/ umbrella fund/trustee, etc. as a suffix to its name.

3. Guidance for certain specific entities

i. Bank or Subsidiary of Bank applicant

An FPI applicant under bank category (other than a central bank) would be deemed to be appropriately regulated if it is regulated by the unified financial sector regulator in its home jurisdiction or by a banking sector regulator in its home jurisdiction.

In case an applicant/ its group entity is (i) bank or its subsidiary and has a bank branch/ representative office in India or (ii) a central bank or its subsidiary, the respective DDP shall forward the application form to SEBI. SEBI would in turn request RBI to provide its comments. Based on the comments received from RBI, SEBI would notify the comments of RBI to DDP to consider while processing such applications. No such reference to SEBI/ RBI shall be required for continuance of registration.

In case a bank FPI applicant is regulated by the banking sector regulator in its home jurisdiction, but the central bank of that country is not a member of BIS, the FPI can seek registration under Category II.

ii. Insurance/Reinsurance entity

Insurance and reinsurance entities shall be deemed to be appropriately regulated for the purpose of the Regulations, if they are regulated or supervised by the relevant regulator in their concerned foreign jurisdiction in the same capacity in which they propose to make investments in India.

iii. Pension funds

Pension funds shall include superannuation or similar schemes that provides retirement benefits to employees/ contributors.

iv. Appropriately regulated entities investing on behalf of clients

Appropriately regulated entities such as banks and merchant banks, asset management companies, investment managers, investment advisors, portfolio managers, insurance & reinsurance entities, broker dealers and swap dealers will be permitted to undertake investments on behalf of their clients as Category II FPIs in addition to undertaking proprietary investment by taking separate registrations as Category I FPI.

Where such entities are undertaking investments on behalf of their clients, Category II FPI registration shall be granted subject to following conditions:

i. Clients of FPI can only be individuals and family offices.

ii. Clients of FPI should also be eligible for registration as FPI and should not be dealing on behalf of third party.

iii. If the FPI is from a Financial Action Task Force member country, then the KYC including identification & verification of beneficial owner of the clients of such FPI should be done by the FPI as per requirements of the home jurisdiction of the FPI. FPIs from non-Financial Action Task Force member countries should perform KYC of their clients including identification & verification of beneficial owner as per Indian KYC requirements.

iv. FPI has to provide complete investor details of its clients (if any) on quarterly basis (end of calendar quarter) by end of the following month to DDP as below.

Table 3

Name of FPI-

FPI Registration number-

We herewith submit the investor details of our clients-

Details of clients				
Sr. No.	Name	Country	Address	Type (Individual/ Family office)

v. Investments made by each such client, either directly as FPI and/or through its investor group shall be clubbed with the investments made by such clients (holding more than 50% in the FPI) through the above referenced appropriately regulated FPIs.

v. Applicant incorporated or established in an International Financial Services Centre:
The proviso under Regulation 4 of the Regulations will be applicable to those applicants incorporated or established in an International Financial Service Centre under SEBI (International Financial Services Centres) Guidelines and rules therein, as amended from time to time.

4. Multiple Investment Managers (MIM)

i. Where an entity engages multiple investment managers (MIM) for managing its investments, the entity can obtain multiple FPI registrations mentioning name of Investment Manager for each such registration. There should be external investment managers in case of MIM structures and such applicants can appoint different DDPs for each such registration. Investments made under such multiple registrations shall be clubbed for the purposes of monitoring of investment limits.

ii. In case of MIM structures, if the entity has already furnished registration details to a DDP at the time of its registration, then, the entity will not be required to again provide the registration details for each new FPI registration under this structure, unless there has been a change in the registration details provided to a DDP earlier. However, such FPI need to provide the name of its Investment Manager at the time of request for new FPI registration along with the confirmation that information provided in earlier application is updated and valid. Such FPIs registered under MIM structure shall have the same PAN. Where the entity seeks registration under this structure with another custodian/DDP, the investor or existing custodian/DDP shall provide certified true copy of the application form to new custodian/DDP.

5. Continuance of Registration

i. FPIs who wish to continue with their registration for the next block of three years, should pay the fees to their DDPs and inform change in information, if any, as submitted earlier.

ii. In case of no change in information, FPIs shall give declaration that there is no change in the information, as previously furnished.

iii. FPI shall provide the additional information, if applicable, along with supporting documents including fees for continuance of its registration at least 15 days prior to current validity of its registration in order to facilitate a smooth continuance process. FPI is required to submit a reason for delay if any in delayed submission of such information/fees.

iv. If DDP is in receipt of registration fees prior to validity date but the due-diligence including KYC review is not complete by the validity date due to non-submission of information by the FPI, no further purchases may be permitted till the intimation of continuance is given by DDP.

v. Where the FPI has not paid fees for continuance of its registration, its FPI registration shall cease to be valid after the date, up to which, the last registration fees were duly paid by the FPI.

vi. An FPI cannot apply for continuance after expiry of its registration. However, if such entity intends to have FPI registration, it will have to make a fresh application for registration after surrender of its earlier FPI registration.

6. Certificate of Registration

The designated depository participant shall grant the certificate of registration, bearing registration number generated by National Securities Depositories Limited in a centralised manner.

7. Rejection of FPI application

i. A DDP may consider an FPI application, which has been previously rejected by another DDP. However, before considering such an application, the DDP shall ascertain the reasons for which the application was rejected. In case the application was rejected on technical grounds, the DDP shall ensure that such deficiencies have been rectified by the applicant, before assessing the application afresh on its own merits. If the application has been rejected for any other reason, then the DDP shall assess the application on its own merit as per FPI Regulations.

ii. The depositories (NSDL and CDSL) shall maintain a database of FPI applicants. Every DDP shall input the details of FPI applicants in the database. Where an FPI application is rejected by a DDP, the DDP shall mention the reason for such rejection in the database, which would be accessible to all DDPs.

8. Obligations of DDPs:

i. Infrastructure: Every DDP shall have necessary infrastructure, including adequate office space, adequate and competent manpower and computer systems capability required to discharge its activities as DDP in compliance with Regulations and other guidelines, circulars, issued thereunder.

ii. Manual: Every DDP shall have a manual setting out systems and procedures to be followed for the effective and efficient discharge of its functions as a DDP.

iii. Monitoring of systems and controls: Every DDP shall have adequate mechanisms for the purposes of reviewing, monitoring and evaluating its controls, systems, procedures and safeguards.

9. Reporting:

i. Every DDP shall submit to SEBI monthly reports on application received from FPI applicants as per the format set out in Annexure C hereto and such other reports as may be required by SEBI. The report pertaining to a month may be submitted by DDPs to SEBI latest by 10th of the following month.

ii. Depository/DDP shall submit to SEBI monthly reports of the fees collected for all the FPIs registered by it as per the format set out in Annexure D hereto and such other reports as may be required by SEBI.

10. Name change

i. In case the FPI has undergone a change in name, the request for updation/ incorporation of new name should be submitted by the FPI to the DDP accompanied by documents certifying the name change. Such name change can be evidenced by:

- Information available on the website of the home regulator; or
- Certified copy of document(s) from home regulator; or
- Certified copy of document(s) from Registrar of Company (or equivalent authority) (wherever applicable) issued; or
- Where above is not applicable, a Board Resolution or equivalent authorizing the name change

ii. An undertaking by the FPI shall be given stating that it is a mere name change and does not involve change in beneficial ownership, category or structure. Where FPIs has delayed in submitting details of name change beyond 6 months, DDP shall provide details of all such instances with reasons.

iii. Upon receipt of the request for name change along with abovementioned documents, the DDP shall effect the change in name in the certificate. The DDP shall issue a letter and fresh registration certificate to such applicant acknowledging the change in name. NSDL shall make necessary arrangements for DDPs to provide fresh registration certificate as an acknowledgement from its database including a statement that the name change has been granted without prejudice to any tax liability/ implication in India.

iv. FPI shall forthwith apply for appropriate change in name in the PAN records, pursuant to its name change.

11. Surrender of Registration

i. DDP shall seek a “No Objection Certificate” (NOC) from the Board to process such surrender after ensuring that the holdings of the concerned applicant in security account and bank account is nil and there are nil outstanding derivative positions.

ii. DDP shall process such surrender applications post receipt of NOC from the Board and shall issue a confirmation to the FPI in this regard

12. Change in Custodian/DDP

i. In case, an FPI or its Global Custodian wishes to change the local custodian/DDP, the request for change shall be forwarded to new local custodian/DDP. In case, the Global Custodian of FPI wishes to change the local custodian/DDP, then the request for change can be sent by the Global Custodian on behalf of its underlying FPI clients provided such Global Custodian has been explicitly authorized to take such steps by the client.

ii. Upon receipt of no objection from the transferor local custodian/DDP, the transferee local custodian/DDP shall approve the change. In case, the request for change in local custodian/DDP is received from Global Custodian, the transferee local custodian/DDP shall inform Compliance Officer of the concerned FPI(s) regarding the change in their local custodian/DDP.

iii. Once the change of DDP/Custodian is approved by DDP, the FPI will need to transfer accounts and assets to the new DDP/Custodian within a period of 30 days. In case the transition does not take place within the stipulated time, the FPI shall provide reasons for the same and seek extension from DDP for a further period of 30 days. Once the transition is complete, transferee local custodian/DDP shall intimate SEBI about the change. Both the DDPs will provide joint confirmation on completion of transition of data and documents to SEBI.

iv. With respect to the process of change of local custodian/DDP by an FPI, the new DDP (i.e. transferee) may rely on the due diligence carried out by the old DDP. However, the new DDP is required to carry out adequate due diligence at the time when the FPI applies for continuance of its registration.

13. Requirement for segregated portfolios

i. Funds investing in India include those with sub-funds or separate classes of shares or equivalent structure with segregated portfolio for such sub-funds or separate classes of shares or equivalent structure. The assets & liabilities across such sub-funds or separate classes of shares or equivalent structure may be ring fenced from each other as directed by FPI. FPIs having segregated portfolio(s) are required to provide BO declaration for each fund/sub-fund/ share class/equivalent structure that invests in India. Further, in case of addition of fund / sub fund / share class /equivalent structure with segregated portfolio that invests in India, the FPI shall be required to provide BO information prior to investing in India through such new fund/ sub fund/share class/equivalent structure.

ii. Existing FPIs with segregated portfolio are required to provide the BO details for each fund/ sub-fund/share class/equivalent structure that invests in India at the time of continuance of registration or within six months from the date of notification of the Regulations, whichever is later. In case of non-submission of BO details within six months, the FPI shall not be allowed to make fresh purchases till the time it is compliant with the said requirement.

iii. For deletion of sub-fund/share classes/equivalent structure that invests in India, an intimation should be provided to DDP forthwith.

iv. The FPI shall also ensure that funds/sub funds/share classes/equivalent structure that do not adhere to the above requirement shall not invest in India in future.

14. Reclassification

If an FPI registered under a particular category/sub-category fails to comply with applicable eligibility requirements, it shall promptly notify this change to its DDP to be reclassified under appropriate category/sub-category. FPI may be required to provide to the DDP with additional KYC documents, as applicable. The concerned DDP / Custodian shall not allow (block) such FPI to make fresh purchases till additional KYC requirements (if any) are complied with. However, such FPI shall be allowed to continue to sell the securities already purchased by it. If such FPI continues to hold securities 180 days after blocking, such FPI shall be referred to SEBI for any further action.

15. Change in Material Information

i. In terms of Regulation 22(1)(c), if there is any change in the material information previously furnished by the FPI to the DDP and/or SEBI, which has a bearing on the certificate granted by the DDP on behalf of the Board or relating to any direct or indirect change in its structure or ownership or control, change in regulatory status, merger, demerger or restructuring, change in category/ sub-category / structure/ jurisdiction/ name of FPI/ beneficial ownership etc, of the FPI, it shall forthwith inform the DDP and/or the Board in writing.

ii. The DDP shall examine all such material changes and re-assess the eligibility of the FPI including requiring FPIs to seek fresh registration. However, DDP shall not process any request for change in jurisdiction of the FPI and in such cases, FPI may apply for new FPI registration.

iii. Where there is a delay of more than six months in intimation of material change by the FPI to the DDP, the DDP shall, forthwith, inform all such cases to SEBI for appropriate action, if any, along with reason for delay.

16. Change in Status of a Compliant Jurisdiction

i. If a jurisdiction, which was a compliant jurisdiction at the time of grant of registration to FPI, becomes non-compliant jurisdiction i.e. ceases to be member of IOSCO/ Bilateral Memorandum of Understanding with SEBI/ BIS or the concerned jurisdiction of FPI is listed in FATF public statement as "high risk" and "non-cooperative" jurisdiction or the concerned jurisdiction of FPI then concerned Custodian shall not allow such FPIs to make fresh purchases till the time the jurisdiction/FPI is compliant with the Regulations. However, the FPI shall be allowed to sell the securities or continue to hold the securities already purchased by it. The concerned DDP shall inform to SEBI details of such FPIs upon such change.

Further, in case the FPI itself or its underlying investors contributing twenty-five percent or more in the corpus of the FPI or identified on the basis of control, come under the Sanctions List notified by the United Nations Security Council, custodian shall not allow any further buy/ sell in the account of such FPI and shall forthwith notify such instances to SEBI.

17. Other Changes relating to FPI

i. DDP shall take note of the other changes such as change in Compliance Officer, change in contact details and address and update the records accordingly.

PART B – KNOW YOUR CLIENT REQUIREMENTS FOR FOREIGN PORTFOLIO INVESTORS (FPIs)

FPIs are required to provide KYC related documents based on the category under which it is registered. Once the KYC is completed, the intermediary will upload the Form and supporting documents on the KRA portal for other market intermediaries to access and complete their KYC requirements. Apart from the KYC requirement stated below, each intermediary may have additional documentation requirement for conducting enhanced due diligence as per their internal policies.

1. KYC documentation requirements for FPI

KYC documentation applicable for FPIs shall be as under:-

Table 4

Sr. No	Document Type	KYC Documentation Details	Category - I	Category - II
1	**Applicant Level**	Constitutive Docs (MoA, COI, prospectus etc.)	Required	Required
2		Proof of Address[1]	Required	Required
3		PAN	Required	Required
4		Board Resolution[2]	Not required	Required
5		FATCA / CRS form	Required	Required
6		Form/ KYC Form	Required	Required
7	**Authorised Signatories**	List of Signatures[2]	Required	Required
8	**Ultimate Beneficial Owner (UBO)**	List of UBO including the details of Intermediate BO[3]	Required	Required
9		Proof of Identity	Not Required	Required

[1] Power of Attorney having address provided to Custodian is accepted as address proof.

[2] Power of Attorney granted to Global custodian/ local custodian is accepted in lieu of Board Resolution (BR). BR and the authorized signatory list (ASL) is not required if SWIFT is used as a medium of instruction.

[3] UBO is not required for Government and Government related entities.

Notes to the Table:

i. FPIs to provide an undertaking that upon demand by Regulators/ Law Enforcement Agencies the exempted / relevant document/s would be submitted to the intermediary.

ii. For FPI Category - I coming from high-risk jurisdiction (other than those registered under Regulation 5(a)(i)), the KYC documentation equivalent to FPI Category II shall apply.

iii. FPI Category – II registered under Regulation 5(b)(i), shall provide KYC documentation equivalent to FPI Category - I. However, BO details need to be provided in specified format.

iv. For non-PAN related KYC documents (including KYC form), a local custodian can rely on KYC carried out by another entity of the same financial group (like a Global Custodian or Investment Manager) which is regulated and coming from an FATF member country, where KYC is carried out as per their home jurisdiction standards. Where this reliance is placed, such entity/ FPI shall provide an undertaking to the effect that the relevant KYC documents, would be submitted to the DDP/ Local Custodian when required by regulator/law enforcement agency/ government departments/ tax authority, etc. However, the Custodian / local intermediary will be required to collect constitution documents and BO related declarations (wherever applicable) of the FPI and also, upload the evidence of KYC reliance on KRA.

v. Prospectus and Information Memorandum are acceptable in lieu of an official constitutional document.

vi. Valid FATCA / CRS documentations is required to be submitted at the time of account opening.

vii. Intermediary can verify the PAN of FPIs online from website authorized by the Income-Tax department. To clarify no certification of PAN document required from FPI. Alternatively, e-PAN issued by CBDT can also be produced by FPI for KYC compliance without requiring any certifications. In such situations where the broker is relying on KRA, it shall verify the PAN and download the available documents from KRA. PAN is not mandatory for UBO, senior management and authorized signatories of FPI.

viii. PAN is not mandatory for UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.

ix. Board Resolution and the authorized signatory list (ASL) is also not required if there is no exchange of physically signed documents / agreements between the local Broker and the FPI or its authorized representative being an Investment Manager regulated in FATF member country.

x. Existing risk based KYC requirement applicable to FPIs should also be made applicable to securities account of FDI, FVCI/DR and FCCB accounts/entities if the same entities are registered as FPIs.

xi. If all information required in KYC Form (Part I and II) is provided in Form itself, no separate KYC Form (Part I and II) will be required to be submitted.

2. Sharing of KYC documents with banks towards opening of bank accounts of FPIs

i. Intermediaries are advised to share the relevant KYC documents with the banks concerned based on appropriate authorization.

ii. Accordingly, a set of hard copies of the relevant KYC documents furnished by the FPIs to intermediaries may be transferred to the concerned bank through their authorised representative.

iii. While transferring such documents, intermediaries shall certify that the documents have been duly verified with the original or notarised documents have been obtained, where applicable. In this regard, a proper record of transfer of documents, both at the level of the Intermediaries as well as at the bank, under signatures of the officials of the transferor and transferee entities, may be kept.

3. Depository Account by Foreign Portfolio Investor:

In case, a FPI holds separate depository accounts in both NSDL and CDSL, it is allowed to appoint only one custodian.

4. Identification and verification of Beneficial Owners

i. Beneficial Owners (BOs) are the natural persons who ultimately own or control an FPI and should be identified in accordance with Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (hereinafter referred as PMLA Rules). FPIs are required to maintain a list of BOs and should provide such list of their BOs as below:-

Table 5

Sl. No.	Name & Address of the Beneficial Owner (Natural Person)	Date of Birth	Tax Residency Jurisdiction	Nationality	Whether acting alone or together through one or more natural persons as group, with their name & address	BO Group's percentage Shareholding / Capital / Profit ownership in the FPIs	Tax Residency Number/ Social Security Number/ Passport Number of BO/ any other Government issued identity document number (example driving license) (Please provide any) #

 # Not required for Category I FPIs.

i. BOs of FPIs having General Partner/Limited Partnership structure shall be identified on ownership or entitlement basis and control basis.

ii. Category I FPI registered under Regulation 5(a)(i) are exempt from providing BO details.

iii. In respect of FPIs (other than Category I FPI registered under Regulation 5(a)(i)) coming from "high risk jurisdictions" as identified by intermediary, the intermediaries may apply lower materiality threshold of 10% for identification of BO. For category I FPIs (other than registered under regulation 5(a)(i)) from high risk jurisdictions KYC documentation as applicable for category II FPIs need to be collected.

iv. The materiality threshold to identify the beneficial owner should be first applied at the level of FPI and next look through basis shall be applied to identify the beneficial owner of the intermediate shareholder/ owner entity. Beneficial owner and intermediate shareholder/ owner entity with holdings equal & above the materiality thresholds in the FPI need to be identified through the look through basis. For intermediate material shareholder/ owner entity/ies, name, country and percentage holding shall also be disclosed as per Annexure E. In case the intermediate shareholder/ owner entity is eligible for registration as Category I FPI under Regulation 5(a)(i), there is no need for further identification and verification of beneficial owner of such intermediate shareholder/ owner entity.

v. The term senior managing official (SMO), for identification as BO, means individual(s) as designated by the FPI who holds a senior management position and makes key decisions relating to the FPI.

vi. No foreign company shall be entitled to exemption under Rule 9(3)(f) of PMLA Rules.

vii. In case of companies/ trusts represented by service providers like lawyers/ accountants, FPIs should provide information of the real owners/ effective controllers of those companies / trusts. If the BO exercises controls through means like voting rights, agreements, arrangement etc., that should also be specified. It is clarified that BO should not be a nominee of another person and real BO should be identified.

5. Periodic KYC review

KYC review means steps taken to ensure that documents, data or information collected under the due-diligence process are kept up-to-date and relevant by undertaking reviews of existing records on a periodical basis.

i. At the time of KYC review, custodian may seek confirmation from FPI whether there is any change in the documents/ information provided earlier. If there is any change, the FPI shall provide the updated documents/ information to the custodian.

Table 6

Jurisdiction	FPI Category - I	FPI Category - II -
High Risk	Registered under Regulation 5(a)(i) - During continuance of registration i.e. every 3 years. Others - Annually	Annually
Non-High Risk	During continuance of registration i.e. every 3 years.	Regulated entities during continuance of registration i.e. every 3 years. Others- Annually.

6. Data security

The KYC Registration Agencies (KRAs) shall secure personal information provided with regard to beneficial owner including SMO of FPI. Such information should be made available to intermediaries only on 'need to know basis' using an authentication method wherein an intermediary, can access the information from KRA using the authentication (similar to One Time Password "OTP") after the KRA gets confirmation from the FPI or its Global custodian or Investment Manager. For this purpose, KRAs need to maintain email ids of the FPI and/ or its representative. This functionality will be optional and it will be deactivated only upon receipt of instruction from the FPI to KRA.

The Key features as below:

a. Up to 3 email ids of the FPI can be recorded with 1 mandatory id and 2 optional email ids

b. Download Consent Flag – Yes / No (Default value is set as "Yes")

   i. 'Yes' means Consent required for download

   ii. 'No' means download without consent

c. Where Download Consent Flag is "Yes", an email with the consent link with decision tab "Approve" or "Reject", will be sent to the authorised representative of FPI (as per the details updated in "a" above) , requesting their consent to provide the KYC records to the requesting intermediary.

d. KRA will send an email to the requesting intermediary that consent request email has been sent to the authorised representative of the FPI, to enable them to follow up for the consent.

e. KRA will permit download of KYC records and information once the consent is received from the authorised representative of the FPI.

f. Whenever KYC details of client are modified by intermediaries, KRA system sends unsolicited download of KYC information to all intermediaries who have either uploaded/downloaded/ modified KYC information of the FPI. The unsolicited KYC download including UBO details of the FPI will be available to the intermediaries who have uploaded/downloaded/modified, such FPIs KYC details in the past, even when the Download Consent Flag is set as "Yes" or otherwise.

g. In case the FPI closes the account with an intermediary, the FPI or the intermediary shall inform KRA to delink the KYC of such FPI, so that unsolicited download request can be discontinued.

7. Period for maintenance of records

The Custodian should maintain the KYC records in original for a minimum period of five years from the date of cessation of the transactions with the said FPI. In case any litigation is pending, these records should be maintained till the completion of the proceedings.

8. Guidelines for KYC:

i. Copies of all the documents submitted by the applicant should be accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents. Additional requirement of self-certification of documents is no longer required.

ii. If any proof of identity or address is in a foreign language, then translation into English is required.

iii. Name & address of the applicant mentioned on Form, should match with the documentary proof submitted.

iv. If more than one address is provided, proof should be enclosed.

v. The Global Custodian or the Local Custodian may fill the Form, if authorized through the Power of Attorney (PoA).

vi. In person verification is not applicable for a non-individual Client. IPV for individual clients through web camera shall be allowed.

vii. Reliance on information available from reliable public sources- In addition to information provided by the client, the intermediaries can rely on documents / information available from reliable public sources (for e.g. websites of Regulators, Exchanges, SROs, Registrars) while collecting documents / information required for an FPI. Attestation of these documents (by way of mentioning the source of the document and signature against the same) may be carried out by a duly authorized official of the Intermediary. No further attestation of such documents is required.

viii. **List of people authorized to attest the documents:** Notary Public, officials of Multinational Foreign Banks or any Bank regulated by Reserve Bank of India (Name, Designation & Seal should be affixed on the copy).

9. List of supporting documents:

A. Proof of Identity (POI): - *List of documents admissible as Proof of Identity:*

For individuals only

i. Identity card/ document with applicant's Photo such as Passport, Driving license etc, issued by any of the following:
Central/State Government and its Departments, Statutory/Regulatory Authorities, Tax Authorities.

B. Proof of Address : - *List of documents admissible as Proof of Address:*

(Documents having an expiry date should be valid on the date of submission.)

i. Document specifying the address issued by any of the following:
Central/State Government and its Departments, Statutory/Regulatory Authorities, Tax Authorities such as Passport, Driving license, etc. Intermediaries may place reliance on address appearing on website of regulator/ registrar for address proof

ii. Utility bills like Telephone Bill, Electricity bill or Gas bill - Not more than 2 months old.

iii. Bank Account Statement/Passbook/letter -- Not more than 3 months old.

iv. Power of Attorney given by FPI to Custodians specifying the address (duly notarized and/ or apostilled or consularised).

v. Intermediary may rely on constitutive documents to establish Proof of residency for multilateral organisations.

Proof of address to be submitted only if the submitted POI does not have an address or address as per POI is invalid or not in force.

PART C - Investment Conditions / Restriction on Foreign Portfolio Investors registered SEBI (Foreign Portfolio Investor) Regulations, 2019

1. Monitoring of investment limit at investor group level

i. Where multiple FPIs belong to the same investor group as provided under Regulation 22(3) of the Regulations, the investment limits of all such FPIs taken together shall be clubbed at the investment limit as applicable to a single FPI. For individuals registered as FPIs, the individual and his/her relatives who is/are also registered as FPI(s) should also be considered for the purposes of investor group. **The definition of "relative" shall be as per Section 2 Sub section 77 of the Companies Act, 2013**.

ii. Where different FPIs belonging to the same investor group are serviced by different custodians, the custodians shall report the holdings of such FPIs to both the depositories. The depositories shall club the investments of such FPIs and ensure that combined holdings of all these FPIs remains below 10% of the total paid up equity capital in a listed or to be listed company on a fully diluted basis at any time.

iii. The depositories shall monitor the aggregate investment limits of FPI group based on demat holdings data, daily on an end of day basis.

iv. The depositories shall put in place appropriate systems, procedures and mechanisms to capture and maintain the details of FPIs belonging to the same investor group, based on the information provided by the DDPs, from time to time.

v. The depositories shall put in place appropriate systems, procedures and mechanisms to monitor the investment limit/ holdings of FPIs belonging to the same investor group.

vi. The depositories shall forthwith report the details of those FPIs who are responsible for breach of investment limit to SEBI.

vii. FPIs forming part of an investor group may approach NSDL to get information regarding the aggregate percentage holdings of their group entities in any particular scrip before making investment decision.

viii. Government of India, vide letter No. 10/06/2010-ECB dated January 06, 2016 has exempted World Bank Group viz. IBRD, IDA, MIGA and IFC from clubbing of the investment limits for the purpose of application of below 10% limit for FPI investments in a single company.

ix. The investment by foreign Government/ its related entities from provinces/ states of countries with federal structure shall not be clubbed if the said foreign entities have different BO identified in accordance with PMLA Rules.

x. The investment by foreign Government agencies shall be clubbed with the investment by the

foreign Government/ its related entities for the purpose of calculation of 10% limit for FPI investments in a single company, if they form part of an investor group. However, certain foreign Government agencies and its related entities may be exempt from such clubbing requirements and other investment conditions either by way of an agreement or treaty with other sovereign governments or by an order of the Central Government.

2. Monitoring of Investment Limit at individual level

In order to facilitate the listed Indian companies to ensure compliance with the various foreign investment limits, architecture of the System has been explained as under:-

Housing of the System

A. The system for monitoring the foreign investment limits in listed Indian companies shall be implemented and housed at the depositories (NSDL and CDSL).

Designated Depository

B. A Designated Depository is a depository which has been appointed by an Indian company to facilitate the monitoring of the foreign investment limits of that company. As defined at Rule 2(y) of FEMA (Non-debt Instruments) Rules, 2019 (hereinafter referred as FEMA Rules), the term 'Indian company' means a company incorporated in India.

C. The Designated Depository shall act as a lead depository and the other depository shall act as a feed depository.

Company Master

D. The company shall appoint any one depository as its Designated Depository for the purpose of monitoring the foreign investment limit.

E. The stock exchanges (BSE, NSE and MSEI) shall provide the data on the paid-up equity capital of an Indian company to its Designated Depository. This data shall include the paid-up equity capital of the company on a fully diluted basis.

F. The depositories shall provide an interface wherein the company shall provide the following information to its Designated Depository:

i. Company Identification Number (CIN)
ii. Name
iii. Date of incorporation
iv. PAN number
v. Applicable Sector
vi. Applicable Sectoral Cap
vii. Permissible Aggregate Limit for investment by FPIs
viii. Permissible Aggregate Limit for investment by NRIs
ix. Details of shares held by FPI, NRIs and other foreign investors, on repatriable basis, in demat as well as in physical form
x. Details of indirect foreign investment which are held in both demat and physical form
xi. Details of demat accounts of Indian companies making indirect foreign investment in the capital of the company
xii. Whether the Indian company that has foreign investment in it is either owned and

controlled by resident Indian Citizens or is owned or controlled by person's resident outside India

xiii. ISIN-wise details of the downstream investment in other Indian companies

The information provided by the companies shall be stored in a Company Master database. The Designated Depository, if required, may seek additional information from the company for the purpose of monitoring the foreign investment limits. The companies shall ensure that in case of any corporate action, the necessary modification is reflected immediately in the Company Master database.

G. In the event of any change in any of the details pertaining to the company, such as increase/ decrease of the aggregate FPI/NRI limits or the sectoral cap or a change of the sector of the company, etc. the company shall inform such changes along with the supporting documentation to its Designated Depository.

Reporting of trades

H. At present, as per SEBI guidelines, the custodians are reporting confirmed trades of their FPI clients to the depositories on a T+1 basis. This reporting shall continue and the data shall be the basis of calculating FPI investments/holding in Indian companies.

I. With respect to NRI (repatriable) trades, Authorized Dealer (AD) Banks shall continue to report the transactions of their NRI clients to the depositories. The AD Banks shall be guided by the circulars issued by RBI in this regard.

Activation of a Red Flag Alert

J. The monitoring of the foreign investment limits shall be based on the paid-up equity capital of the company on a fully diluted basis to ensure that all foreign investments are in compliance with the foreign investment limits.

K. A red flag shall be activated whenever the foreign investment is 3% or less than 3% of the aggregate NRI/FPI limits or the sectoral cap. This shall be done as follows :

Aggregate NRI investment limit in the company

a. The system shall calculate the percentage of NRI holdings in the company and the investment headroom available as at the end of the day with respect to the aggregate NRI investment limit

b. If the available headroom is 3% or less than 3% of the aggregate NRI investment limit, a red flag shall be activated for that company.

c. Thereafter, the depositories and exchanges shall display the available investment headroom, in terms of available shares, for all companies for which the red flag has been activated, on their respective websites.

d. The data on the available investment headroom shall be updated on a daily end-of-day basis as long as the red flag is activated.

Aggregate FPI investment limit of the company

e. The system shall calculate the percentage of FPI holding in the company and the investment headroom available as at the end of the day with respect to the aggregate FPI investment limit

f. If the available headroom is 3% or less than 3% of the aggregate FPI investment limit, a red flag shall be activated for that company.

g. Thereafter, the depositories and exchanges shall display the available investment headroom, in terms of available shares, for all companies for which the red flag has been activated, on their respective websites.

h. The data on the available investment headroom shall be updated on a daily end-of-day basis as long as the red flag is activated.

Sectoral cap of the company

i. The system shall calculate the total foreign investment in the company by adding the aggregate NRI investment, the aggregate FPI investment and other foreign investment in the company as provided by the company in the company master.

j. If the total foreign investment in a company is within 3% or less than 3% of the sectoral cap, then a red flag shall be activated for that company.

k. Thereafter, the depositories and exchanges shall display the available investment headroom, in terms of available shares, for all companies for which the red flag has been activated, on their respective websites.

l. The data on the available investment headroom shall be updated on a daily end-of-day basis as long as the red flag is activated.

L. The depositories shall inform the exchanges about the activation of the red flag for the identified scrip. The exchanges shall issue the necessary circulars/public notifications on their respective websites. Once a red flag has been activated for a given scrip, the foreign investors shall take a conscious decision to trade in the shares of the scrip, with a clear understanding that in the event of a breach of the aggregate NRI/FPI limits or the sectoral cap, the foreign investors shall be liable to disinvest the excess holding within five trading days from the date of settlement of the trades.

Breach of foreign investment limits

M. Once the aggregate NRI/FPI investment limits or the sectoral cap for a given company have been breached, the depositories shall inform the exchanges about the breach. The exchanges shall issue the necessary circulars/public notifications on their respective websites and shall halt all further purchases by :

m. FPIs, if the aggregate FPI limit is breached

n. NRIs, if the aggregate NRI limit is breached

o. All foreign investors, if the sectoral cap is breached

N. In the event of a breach of the sectoral cap/aggregate FPI limit/aggregate NRI limit, the foreign investors shall divest their excess holding within 5 trading days from the date of settlement of the trades, by selling shares only to domestic investors.

Method of disinvestment

O. The proportionate disinvestment methodology shall be followed for disinvestment of the excess shares so as to bring the foreign investment in a company within permissible limits. In this method, depending on the limit being breached, the disinvestment of the breached quantity shall be uniformly spread across all foreign Investors/FPIs/NRIs which are net buyers of the shares of the scrip on the day of the breach.

P. This method has been illustrated with the help of an example provided below.

Table 7

Total shares that can be purchased by foreign investors till sectoral cap is not breached	600
Total quantity purchased by foreign investors on T day	1000
Breach quantity	400

Time	Foreign Investor	Purchased quantity	Cumulative Purchase by foreign investor	Quantity to be disinvested by the foreign investor
1000 hrs	ABC	100	100	40
1015 hrs	XYZ	250	350	100
1145 hrs	TYU	50	400	20
1230 hrs	POI	180	580	72
1300 hrs	QSX	120	700	48
1400 hrs	REW	150	850	60
1410 hrs	LOP	150	1000	60
Total		**1000**		**400**

Q. As can be observed from the above table, the foreign investors/FPIs/NRIs which are required to disinvest shall be identified and shall be informed of the excess quantity that they are required to disinvest.

R. In the case of FPIs which have been identified for disinvestment of excess holding, the depositories shall issue the necessary instructions to the custodians of these FPIs for disinvestment of the excess holding within 5 trading days of the date of settlement of the trades.

S. In the case of NRIs which have been identified for disinvestment of excess holding, the depositories shall issue the necessary instructions to the Authorized Dealer (AD) Banks for disinvestment of the excess holding within 5 trading days of the date of settlement of the trades.

T. The depositories shall utilize the FPI trade data provided by the custodians, post custodial confirmation, on T+1 day, where T is the trade date. The breach of investment limits (if any) shall be detected at the end of T+1 day and therefore, the announcement pertaining to the breach shall be made at the end of T+1 day. The foreign investors who have purchased the shares of the scrip during the trading hours on T+1 day shall also be given a time period of 5 trading days from the date of settlement of such trades, to disinvest the holding accruing from the aforesaid purchase trades. In other words, the purchase trades of such foreign investors which have taken place on T+1 day, shall be settled on T+3 day and thereafter a time period from T+4 day to T+8 day shall be available to them to disinvest their entire holding arising from purchases on T+1 day.

U. If T+1 is a settlement holiday, then the custodial confirmation of the trade executed on T day shall be done on T+2 day and the subsequent settlement of the trade on T+3 day. In such a scenario, the breach would be detected at the end of T+2 day.

V. A table summarizing the breach-disinvestment scenario is given below

Table 8

Parameter	Purchase on T Day	Purchase on T+1
Date of breach	T day	T day
Date of trade	T day	T+1 day
Date of detection of breach	T+1 day (End of day) T+2 day (End of Day, if T+1 is a settlement holiday	T+1 day (End of day) T+2 day (End of Day), if T+1 is a settlement holiday
Date of settlement of transaction	T+2 day T+3 day, if either T+1 day or T+2 day is a settlement holiday	T+3 day T+4 day, if either T+2 day or T+3 day is a settlement holiday
Disinvestment time frame	5 trading days from the date of settlement of the transactions which were executed on the day of the breach i.e. 5 trading days from T+2 day If T+1 day or T+2 day is a settlement holiday, then 5 trading days from T+3 day	5 trading days from the date of settlement of the transactions which were executed on T+1 day i.e. 5 trading days from T+3 day If T+2 day or T+3 day is a settlement holiday, then 5 trading days from T+4 day

W. In the event the foreign shareholding in a company comes within permissible limit during the time period for disinvestment, on account of sale by other FPI or other group of FPIs, the original FPIs, which have been advised to disinvest, would still have to do so within the disinvestment time period, irrespective of the fresh availability of an investment headroom during the disinvestment time period.

X. There shall be no annulment of the trades which have been executed on the trading platform of the stock exchanges and which are in breach of the sectoral caps/aggregate FPI limits/ aggregate NRI limits.

ailure to disinvest within 5 trading days

Y. If a breach of the investment limits has taken place on account of the FPIs and the identified FPIs have failed to disinvest within 5 trading days, then the matter shall be referred to SEBI.

3. Off-Market transfer of securities

i. In addition to the transactions set out under Regulation 20(4)(d) of the Regulations with domestic or foreign investors, FPIs shall also be permitted to **request for 'Off Market' transfer of assets between FPIs operating under MIM structure** (with same PAN issued by Income Tax Department) to their DDPs and such requests can be processed by DDPs at their end.

ii. Any such approval of off market transactions of assets by DDPs will be without prejudice to provisions of taxation.

iii. FPIs are permitted to sell off-market unlisted, illiquid, suspended, and delisted shares in accordance with the pricing guidelines for such sale as per FEMA Rules.

4. "To be listed" shares

FPIs shall be permitted to acquire "to be listed" shares pursuant to initial public offer (IPO), follow-on public offer (FPO), rights issue, private placement or shares received through involuntary corporate actions including a scheme of a merger or demerger.

5. Short sale of securities

FPIs are not allowed to short sell in Indian market except as allowed under Securities Lending & Borrowing (SLB) or any other framework specified by the Board. Further, sales against open purchases are not permitted for FPIs and FPIs can sell such securities only after their settlement.

6. Investment by FPI through primary market issuances

i. As per Regulation 20(7) of the Regulations, the purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of total paid-up equity capital on a fully diluted basis of the company.

ii. To ensure compliance of the above, at the time of finalization of basis of allotment during primary market issuances, Registrar and Transfer Agents ('RTAs') shall use PAN issued by Income Tax Department of India for checking compliance for a single FPI. Also, RTAs should obtain validation from Depositories for the FPI investor group who have invested in the particular primary market issuance to ensure there is no breach of investment limit within the timelines specified by SEBI for issue procedure.

iii. Bids by FPIs submitted under MIM structure with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple bids.

7. Transfer of Right entitlements

FPI shall ensure that the transfer of rights entitlements shall be at market price or fair value, as applicable.

8. Risk management framework for FPIs

i. Margining of trades undertaken by FPIs in the Cash Market

a) The trades of FPIs shall be margined on a T+1 basis as specified by SEBI.

b) However, the trades of Category II FPIs who are corporate bodies, Individuals or Family offices shall be margined on an upfront basis as per the extant margining framework for the non-institutional trades.

ii. Facility for allocation of trades among related FPIs: The following framework may be implemented to facilitate allocation of trades among the FPIs:

a) Entities who trade on behalf of FPIs shall inform the stock brokers of the details of FPIs on whose behalf the trades would be undertaken.

b) The stock broker, in turn, shall inform the stock exchanges the details of such related FPIs.

c) Stock exchanges shall put-in place suitable mechanism to ensure that allocation of trade is permitted only among such related FPIs.

9. FPIs investments in debt securities

i. With respect to FPIs investments into government (Central and State) securities, exchange traded currency and interest rate derivatives, FPIs shall be guided by directions issued by RBI from time to time.

ii. In respect of investment conditions in the corporate debt securities, the FPI shall also comply with terms, conditions or directions, specified or issued by RBI, from time to time. No separate circular(s) shall be issued by SEBI. The intermediaries may take steps required to operationalize the RBI notifications.

iii. FPIs are eligible to invest in corporate debt issues which are "to be listed" without any end-use restriction as applicable to unlisted debt securities. However, if the listing does not happen within 30 days or the issue is not meeting end use restriction, FPI shall immediately dispose such investment to either domestic investor or issuer

iv. The investments by FPIs in debt oriented mutual fund schemes shall be reckoned as investments in corporate debt.

10. Allocation of corporate debt limit

FPI corporate debt investments are subject to Corporate Debt Investment Limits (CDIL) as announced by RBI from time to time.

i. The CDIL shall be available on tap for investment by foreign investors till the overall investment reaches 95% of the CDIL.

ii. In the event the overall FPI corporate debt investments exceeds 95% of the CDIL (as indicated by the debt utilisation status updated daily on the websites of NSDL and CDSL), the following procedure shall be followed:

a. The depositories (NSDL and CDSL) shall direct the custodians to halt all FPI purchases in corporate debt securities.

b. The depositories shall then inform the exchanges (NSE and BSE) regarding the unutilised debt limits for conduct of auction. Upon receipt of information from the depositories, the exchange (starting with BSE) shall conduct an auction for the allocation of unutilised debt limits on the second trading day from the date of receipt of intimation from the depositories. Thereafter, the auction shall be conducted alternately on NSE and BSE.

c. The auction shall be held only if the free limit is greater than or equal to INR 100 cr. However, if the free limit remains less than INR 100 cr for 15 consecutive trading days, then an auction shall be conducted on the sixteenth trading day to allocate the free limits.

d. The auction shall be conducted in the following manner:

Table 9

Particulars	Details
Duration of bidding:	2 hours (15:30 to 17:30 hrs)
Access to platform	Trading members or custodians
Minimum bid	INR 1 crore
Maximum bid	One-tenth of free limit being auctioned

Particulars	Details
Tick Size	INR 1 crore
Allocation Methodology	Price time priority
Pricing of bid	Minimum flat fees of INR 1000 or bid price whichever is higher
Time period for utilization of the limits	10 trading days from the date of allocation

e. Once the limits have been auctioned, the FPIs will have a utilisation period of 10 trading days within which they have to make the investments. The limits not utilised within this period shall come back to the pool of free limits.

f. Upon sale/redemption of debt securities, the FPI will have a re-investment period of 2 trading days. If the re-investment is not made within 2 trading days, then the limits shall come back to the pool of free limits.

g. A single FPI/ FPI investor group cannot bid for more than 10% of the limits being auctioned.

iii. The subsequent auction would be held 12 trading days after the previous auction, subject to the fulfilment of the condition mentioned at clause (ii)(c) above.

iv. The auction mechanism shall be discontinued and the limits shall be once again available for investment on tap when the debt limit utilisation falls below 92%. It is clarified that in such a scenario, the reinvestment facility mentioned at clause (ii)(f) above shall be terminated and cannot be availed for the same limits when the utilisation crosses 95% again. The custodians shall monitor and report the reinvestment facility availed by the FPIs to the depositories.

11. Position limits available to FPIs for stock and stock index derivative contracts

Stock derivative

i. Position limits available to Category I FPIs for stock derivative contracts shall continue to have 20% of market wide position limit (MWPL). Position limits available to Category II FPIs (other than FPIs in sub-category individuals, family offices, corporates) shall have 10% of MWPL. Position limits for individuals, family offices, and corporates shall be 5% of MWPL.

Stock Index derivative

ii. The position limit in index for Category I FPIs will remain at INR 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per exchange.

In addition, category I FPIs shall take exposure in equity index derivatives subject to the following limits:-

(a) Short positions in index derivatives (short futures, short calls and long puts) not exceeding (in notional value) the FPI's holding of stocks.

(b) Long positions in index derivatives (long futures, long calls and short puts) not exceeding (in notional value) the FPI's holding of cash, government securities, T bills and similar instruments.

iii. The position limit in index derivative for Cat. II FPI shall be as under:-

(a) Higher of INR 300 crore or 10% of open interest for cat II FPIs (other than individuals, family offices and corporates).

(b) Higher of INR 100 crore or 5% of open interest for Cat II FPIs under subcategory of Individuals, family offices, corporates.

iv. The above limits shall be separately applicable for equity index futures and equity index options as per the current mechanism for all categories of FPIs.

12. FPI Position Limits in Exchange Traded Interest Rate Futures (IRF)

i. Following position limits shall be applicable for Category I & II FPIs other than FPIs in sub-category individuals, family offices, corporates):

a) A limit of INR 5,000 crore on aggregate basis to FPIs for taking long position in IRFs

b) This limit will be calculated as follows:

i. For each interest rate futures instrument, position of FPIs with a net long position will be aggregated. FPIs with a net short position in the instrument will not be reckoned.

ii. No FPI can acquire net long position in excess of INR 1,800 crore at any point of time.

c) The limits prescribed for investment by FPIs in Government Securities shall be exclusively available for investment in Government Securities and shall not be reckoned for the purpose of computing utilisation under above mentioned limit of INR 5,000 crore.

d) The Position Limits for FPI across all contracts will be as below:

i. Category I and II FPIs (other than individuals, family offices and corporates) – Trading member level Position limits

ii. Category II FPIs (Individuals, family offices and corporates – Client level position limits will apply.

Category	8-11 years maturity bucket	4-8 and 11-15 year maturity bucket
Trading Member Level	10% of Open Interest or INR 12 billion whichever is higher	10% of Open Interest or INR 6 billion, whichever is higher
Client Level	3% of Open Interest or INR 4 billion, whichever is higher	3% of Open Interest or INR 2 billion, whichever is higher

iii. The total gross short (sold) position of an FPI in IRF shall not exceed its long position in the government securities and in Interest Rate Futures, at any point in time.

iv. Monitoring mechanism

a) Stock Exchanges shall put in place necessary mechanism for monitoring and enforcing limits of FPIs in IRFs.

b) Stock Exchanges shall aggregate net long position in IRF of all FPIs taken together at the end of the day and shall jointly publish/ disseminate the same on their website on daily basis.

c) Once 90% of the limit is utilized, Stock Exchanges shall put in place necessary mechanism to get alerts and publish on their websites the available limit, on a daily basis.

d) In case, there is any breach of the threshold limit, the FPI/s whose investment caused the breach shall square off their excess position/s within five trading days or by expiry of contract, whichever is earlier.

13. Participation of FPIs in the Currency Derivatives segment and Position limits for currency derivatives contracts

FPIs are permitted to trade in the currency derivatives segment of stock exchanges, subject to terms and conditions as mentioned below:

i. **Position limits of Category I and II FPIs other than individuals, family offices and corporates:** The gross open positions of the above FPIs across all contracts in the respective currency pairs shall not exceed the limits as mentioned below.

Currency Pairs	Position Limits
USD-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or USD 100 million, whichever is higher.
EUR-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or EUR 50 million, whichever is higher.
GBP-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or GBP 50 million, whichever is higher.
JPY-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or JPY 2000 million, whichever is higher.

ii. **Position limits of category II FPIs that are individuals, family offices and corporates:** The gross open positions of the above FPI across all contracts in the respective currency pairs shall not exceed the limits as mentioned below. For the purpose of computing the FPI level gross open position, Long position shall be considered as Long Futures, Long Calls, and Short Puts and Short Position shall be considered as Short Futures, Short Calls, and Long Puts

Currency Pairs	Position Limits
USD-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or USD 10 million, whichever is higher.
EUR-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or EUR 5 million, whichever is higher.
GBP-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or GBP 5 million, whichever is higher.
JPY-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or JPY 200 million, whichever is higher.

iii. In case of positions taken to hedge underlying exposure, the position limit linked to open interest shall be applicable at the time of opening a position. Such positions shall not be required to be unwound in the event a drop of total open interest in a currency pair at a stock exchange. However, participants shall not be allowed to increase their existing positions or create new positions in the currency pair till they comply with the position limits.

iv. Limits for FPIs and Domestic Clients based on Underlying Exposure:

- FPIs may take long or short positions without having to establish existence of underlying exposure, upto a single limit of USD 100 million equivalent, across all currency pairs involving INR, put together, and combined across all the stock exchanges.
- FPIs shall ensure that their short positions at all stock exchanges across all contracts in FCY-INR pairs do not exceed USD 100 million. In the event a FPI breaches the short

position limit, stock exchanges shall restrict the FPI from increasing its existing short positions or creating new short positions in the currency pair till such time FPI complies with the said requirement.

- To take long positions in excess of USD 100 million in all contracts in FCY-INR pairs, FPIs shall be required to have an underlying exposure in Indian debt or equity securities, including units of equity/debt mutual funds

v. FPIs are allowed to take positions in the exchange traded cross-currency futures and option contracts in the EUR-USD, GBP-USD and USD-JPY currency pairs and exchange traded currency option contracts in EUR-INR, GBP-INR and JPY-INR currency pairs, subject to terms and conditions as mentioned below

Position limits of Category I and II FPIs other than individuals, family offices and corporates:

Currency Pairs	Position Limits
EUR-USD	Gross open position across all contracts shall not exceed 15% of the total open interest or EUR 100 million, whichever is higher.
GBP-USD	Gross open position across all contracts shall not exceed 15% of the total open interest or GBP 100 million, whichever is higher.
USD-JPY	Gross open position across all contracts shall not exceed 15% of the total open interest or USD 100 million, whichever is higher. The aforementioned limits shall be the total limits available to the stock brokers for taking positions on proprietary basis and for positions of their clients.

Position limits of category II FPIs that are individuals, family offices and corporates:

Currency Pairs	Position Limits
EUR-USD	Gross open position across all contracts shall not exceed 6% of the total open interest or EUR 10 million, whichever is higher.
GBP-USD	Gross open position across all contracts shall not exceed 6% of the total open interest or GBP 10 million, whichever is higher.
USD-JPY	Gross open position across all contracts shall not exceed 6% of the total open interest or USD 10 million, whichever is higher.

vi. The following shall be implemented by the clearing corporations and the custodians of the FPIs for enabling monitoring of positions of FPIs:

- The clearing corporation shall provide details on the FPI's day-end and day's highest open positions at end of day to the custodians of the FPI.
- The custodian of the FPI shall aggregate the positions taken by the FPI on the currency derivatives segments of all the stock exchanges and forward such details to the designated bank of the FPI. The custodian of securities of the FPI shall also provide the market value of applicable underlying exposure of the FPI to the designated bank of the FPI.

vii. The onus of complying with the above provisions shall rest with the FPI and in case of any contravention, the FPI shall render itself liable to any action that may be warranted by RBI as per the provisions of Foreign Exchange Management Act, 1999 and Regulations, Directions, etc. framed thereunder. These limits shall be monitored by stock exchanges and/or clearing corporations and breaches, if any, shall be reported to RBI. In this regard, stock exchanges / clearing corporations shall devise a suitable mechanism to monitor the aforesaid limits, subject to appropriate regulatory concurrence

14. Investments by FPIs in REITs, InvITs, AIFs

i. FPIs are permitted to invest in units of REITs, InvITs and Category III AIFs in terms of Regulation 21 (1) of SEBI (FPI) Regulations, 2019 subject to such other terms and conditions as may be prescribed by SEBI from time to time.

ii. A FPI shall not hold more than twenty five percent stake in a category III AIF.

iii. Investments in REITs and InvITs shall be captured under the category "Hybrid Security" for the purpose of capturing and disseminating FPI investment data.

15. Investments by FPIs in corporate bonds under default

i. FPIs are permitted to acquire NCDs/bonds, which are under default, either fully or partly, in the repayment of principal on maturity or principal instalment in the case of an amortising bond. FPIs shall be guided by RBI's definition of an amortising bond in this regard.

ii. The revised maturity period for such NCDs/bonds restructured based on negotiations with the issuing Indian company, should be as per the norms prescribed by RBI from time to time, for FPI investments in Corporate Debt.

iii. The FPIs shall disclose to the Debenture Trustees, the terms of their offer to the existing debenture holders/beneficial owners of such NCDs/bonds under default, from whom they propose to acquire.

iv. All investments by FPIs in such bonds shall be reckoned against the prevalent corporate debt limit. All other terms and conditions pertaining to FPI investments in corporate debt securities shall continue to apply.

16. Clarification regarding adherence to below 10% investment limit

In the event an FPI and its investor group reach 10% or more of the total paid up equity capital of a company on a fully diluted basis, they must follow extant FEMA rules in this regard. If such FPI and its investor group opt to treat their entire investment into a company as FDI under Regulation 22(3), such FPI including its investor group shall not make further portfolio investment in that company under the Regulations. Such FPI/ its investor group shall inform respective custodians of the choice who in turn will report this to the board, depositories and the issuer. Such investments shall be treated as FDI subject to norms as prescribed by RBI from time to time and will be 40 marked as FDI in custodian records. However, FPI and its investor group will be able to sell these securities only through the route as they were acquired and appropriate reporting (i.e. LEC reporting) will be made by the respective custodian.

17. Write-off of securities held by FPIs

Where an FPI is not able to sell through permitted off-market transaction of unlisted, illiquid, suspended, and delisted shares, they can write-off such securities as per below process. as follows (only for FPIs whose registration is not valid or who intends to surrender their registration):

i. Custodian to obtain authorization from FPI to write-off securities. The FPI should also provide undertaking that it is giving away all its rights as the beneficial owner of the security(ies).

ii. Upon receipt of instruction from FPI, Custodian will extinguish the security from the safekeeping account (held in banks internal books/system) of the FPI - Securities written off should be reported to SEBI and RBI as sale trade with NIL sale proceeds.

iii. As securities in the electronic form in the demat account of the FPI cannot be extinguished, Custodian shall freeze depository account with reason being 'Write off securities as per client request' in the depository system and intimate such action to Depositories. To facilitate easy identification of such accounts in future depositories may issue guidance to the custodians for making make necessary changes in the existing FPI client 'type/ subtype' to the type of legal entity in the depository system of such demat accounts.

iv. Such FPI shall apply for surrender of its registration and the DDP of such FPI shall process the surrender after obtaining the approval from the Board.

v. Monetary corporate benefits if received by the Custodians shall be credited to the Investors Protection and Education Fund of SEBI not later than 30 days from the date of receipt of the same.

vi. Non-monetary corporate benefits if received shall accumulate in the demat account.

PART D - Issuance of Offshore Derivative Instruments by Foreign Portfolio Investors under SEBI (Foreign Portfolio Investor) Regulations, 2019

This section consolidates the requirements prescribed by SEBI relating to issuance of Offshore Derivative Instruments (ODIs) by Foreign Portfolio Investors (FPIs) and matters connected therewith.

1. Conditions for issuance of ODIs

i. FPIs shall not be allowed to issue ODIs referencing derivatives. Further, no FPI shall be allowed to hedge their ODIs with derivative positions on stock exchanges in India.

ii. As an exception to above clause (i), the following is permitted through a separate FPI registration of an ODI issuing FPI under Category I:

(a) Derivative positions that are taken on stock exchanges by the FPI for **'hedging of equity shares' held by it in India, on a one to one basis;** and/or ***The term "hedging of equity shares" means taking a one-to-one*** *position in only those derivatives, which have the same underlying as the equity share held by the FPI in India.*

(b) An ODI issuing FPI may hedge the ODIs referencing equity shares with derivative positions in Indian stock exchanges, subject to a position limit of 5% of market wide position limits for single stock derivatives. The permissible position limit for stock index derivatives is higher of INR 100 crores or 5% open interest; and/or

For avoidance of any doubt on ODIs reference/ underlying and their allowance or otherwise, as stated under (i) and (ii) above, the following table shall be referred:

Table 10

Sl. No.	ODI reference/ underlying	ODI issuer's holding in India against the ODI	Allowed	Exception
1	Cash equity/ debt securities / any permissible investment by FPI (other than derivatives)	Cash equity/ debt securities / any permissible investment by FPI (other than derivatives), for life of ODI	Yes	None. Separate registration required to undertake any proprietary derivative transactions by such ODI issuing FPI.
2	Cash equity	Cash equity on date of writing the ODIs and then move to derivative positions thereafter.	No	Allowed through separate FPI registration, subject to the above 5% limit.
3	Cash equity	Derivative on date of writing the ODI or thereafter except in manner referred at (2) above in table.	No	None
4	Derivatives	Derivatives	No	Allowed through separate FPI registration, if FPI is holding cash equity and has short future position exactly against the cash equity in the same security (one-to-one basis). FPI to retain the cash equity for the life of ODI.
5	Derivatives	Cash equity	No	None

Note: All reference to derivatives above include instruments or contracts or agreements referencing index.

An ODI issuing FPI, which hedges its ODI only by investing in securities (other than derivatives) held by it in India, cannot undertake proprietary derivative positions through the same FPI registration. Such FPI must segregate its ODI and proprietary derivative investments through separate FPI registrations. Such separate registrations should be in the name of FPI with "ODI" as suffix under same PAN. Where such addition is being requested for an existing FPI, this addition of suffix will not be considered change in name of of FPI and DDP may process this request and issue a new FPI registration certificate. An ODI issuing FPI cannot co-mingle its non-derivative proprietary investments and ODI hedge investments with its proprietary derivative investment or vice versa in same FPI registration.

iii. No fresh derivative position which are not in compliance with above requirements shall be allowed henceforth. FPIs have 90 days' time from date of publication of the Operating Guidelines to comply with above requirements. Off-market transfer of assets/ positions will be allowed for FPIs intending to transfer assets/ position from one FPI account to another FPI account to comply with above requirements.

iv. An ODI subscriber who became ineligible under the Regulation may continue to hold their existing positions till December 31, 2020. No renewal/rollover of existing positions by such ODI subscribers shall be permitted and fresh issuance of ODIs shall be made only to eligible subscribers.

In determining whether a derivative instrument issued is an ODI or not, the threshold for trades with non-proprietary indices (e.g. MSCI World or MSCI EM Asia) as underlying shall be taken as 20%, i.e. those trades for which the materiality of Indian underlying is less than 20% of the index would not be regarded as ODIs, even if such exposure is hedged onshore in India. However, trades with custom baskets as underlying if hedged onshore would always be regarded as ODIs regardless of percentage of Indian component that is hedged onshore in India.

vi. Synthetic short activities, where ODI are issued which has the effect of short sale in the Indian securities, continue to be prohibited for FPIs.

vii. ODI issuer shall ensure that it has collected documents/ information enough to satisfy itself with regard to the relationship between the ODI subscriber and its Investment Manager from a FATF member country as allowed in explanation under Regulations 21 (1) (b) of the Regulations.

viii. Investment restrictions prescribed under the Regulation 20(7) of SEBI (Foreign Portfolio Investor) Regulations, 2019 shall apply to ODI subscribers also.

a) For this purpose, two or more ODI subscribers having common ownership, directly or indirectly, of more than fifty percent or common control shall be considered together as a single ODI subscriber, in the same manner as is being done in the case of FPIs.

b) Further, where an investor has investments as FPI and also holds positions as an ODI subscriber, these investment restrictions shall apply on the aggregate of FPI investments and ODI positions held in the underlying Indian Company. In other words, the investment as FPI and positions held as ODI subscriber will be clubbed together with reference to the said investment restrictions.

2. Know Your Client (KYC) norms for ODI subscribers and reporting of suspicious transactions

i. KYC requirement table, applicable for ODI subscribers is placed below:-

Table 11

Document required	
ODI subscriber	Constitutive Documents
	Proof of Address
	Board Resolution
	List
	Proof of Identity
Beneficial Owner (BO) of ODI subscriber	Proof of Address
Senior Management (Whole Time Directors/ Partners/ Trustees etc.)	List

ii. The ODI issuing FPIs shall maintain with them at all times the KYC documents regarding ODI subscribers and should be made available to SEBI on demand.

iii. Offshore Derivative Instrument (ODI) issuing FPIs shall identify and verify the BOs in the ODI subscriber entities, as applicable to FPIs. Beneficial owner and intermediate shareholder/ owner entity with holdings equal & above the materiality thresholds in the ODI subscriber need

to be identified through the look through basis. The list of BOs of ODI subscribers be maintained as per Table 6. ODI issuing FPIs shall also continue to collect identification document number (such as passport, driving license) of BO of ODI subscriber.

iv. For intermediate material shareholder/ owner entity/ies, name, country and percentage holding shall also be disclosed as per Annexure E.

v. The KYC review shall be done on the basis of the risk criteria as determined by the ODI issuers, as follows:

a) In case of high risk ODI subscribers, on yearly basis

b) In case of all other ODI subscribers, once every three years.

vi. ODI issuing FPIs shall file suspicious transaction reports, if any, with the Indian Financial Intelligence Unit, in relation to the ODIs issued by it.

3. Reporting of ODIs and Maintenance of Control Systems

i. Reporting of complete transfer trail of ODIs - Presently, the details of the holder of ODIs have to be mandatorily reported to SEBI on a monthly basis. The ODI issuers are also required to capture the details of all the transfers of the ODIs issued by them and these can be made available to SEBI on demand. The Board decided that in the monthly reports on ODIs all the intermediate transfers during the month would also be required to be reported.

ii. Reconfirmation of ODI positions - ODI Issuers shall be required to carry out reconfirmation of the ODI positions on a semiannual basis. In case of any divergence from reported monthly data, the same should be informed to SEBI in format provided

iii. Periodic Operational Evaluation - ODI Issuers shall be required to put in place necessary systems and carry out a periodical review and evaluation of its controls, systems and procedures with respect to the ODIs. A certificate in this regard should be submitted on an annual basis to SEBI by the Chief Executive Officer or equivalent of the ODI Issuer. The said certificate should be filed within one month from the close of every calendar year.

iv. Report Details - Following reports need to be submitted by the 10th of every month for the previous month in the format prescribed by SEBI as per the reporting format at **Annexure F** with effect from 1st January 2020 i.e. for the month of December 2019 the report to be filed by 10th January 2020 needs to be in the reporting format as annexed. Till such time, FPIs can continue to file the report in the existing format.

Table 12

S. No.	Heading
1.	Monthly Summary Report (MSR)- Statement of Outstanding Positions of Offshore Derivative Instruments (ISIN Wise) as on (last day of previous month)
2.	Annexure A - Offshore Derivative Instruments Activity For The Period ( )
3.	Details of Underlying Trade(s) in Indian Market - For the Period of ___ to ____(Month) - Equity - Annexure B _ Equity
4.	Details of Underlying Trade(s) in Indian Market - For the Period of ___ to ____(Month) - Debt - Annexure B _ Debt

S. No.	Heading
5.	Details of Underlying Trade(s) in Indian Market - For the Period of ___ to ____(Month) - Derivative - Annexure B _ Derivative
6.	Details of Underlying Trade(s) in Indian Market - For the Period of ___ to ____(Month) - Hybrid - Annexure B _ Hybrid
7.	Details of Assets Under Management in Indian Market - Equity as on _____ (Last reporting date of the Month) - Annexure C _ Equity
8.	Details of Assets Under Management in Indian Market - Debt as on _____ (Last reporting date of the Month)- Annexure C _Debt
9.	Details of Assets under Management in Indian Market - Derivative as on _____ (Last reporting date of the Month) - Annexure C _ Derivative
10.	Details of Assets Under Management in Indian Market - Hybrid as on _____ (Last reporting date of the Month) - Annexure C _ Hybrid
11.	Annexure D - Statement on Beneficial owners of ODI subscribers*
12.	Annexure E - Reconciliation/Reconfirmation Report

v. ODI Issuing FPI should compulsorily reflect all their ODIs to Indian underlying in each row of MSR in a true & fair manner. Thus, advise given vide circular dated June 15, 2011 that "The ODI Issuers shall link hedges to the extent that such a link can be made" shall be withdrawn. Format of the monthly ODI reports to be uploaded on SEBI website shall be as per **Annexure G.**

PART E - Guidelines for participation/functioning of Eligible Foreign Investors (EFIs) in International Financial Services Centre (IFSC)

EFIs operating in International Financial Services Centre (IFSC) shall not be treated as entities regulated by SEBI. Further, SEBI registered FPIs, proposing to operate in IFSC, shall be permitted, without undergoing any additional documentation and/or prior approval process.

Following are eligibility and KYC norms for EFIs:

i. **Eligibility norms**: EFIs are those foreign investors who are eligible to invest in IFSC by satisfying the following conditions:

a) the investor is not resident in India

b) the investor is not resident in a country identified in the public statement of Financial Action Task Force as:

I. a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or

II. a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies;

c) the investor is not prohibited from dealing in securities market in India.

ii. **KYC norms**: Intermediary operating in IFSC needs to ensure that records of their clients are maintained as per Prevention of Money-laundering Act, 2002 and rules made thereunder. The following KYC norms may be made applicable to EFIs:

a. In case of participation of an EFI, not registered with SEBI as an FPI, but desirous of operating in IFSC, a trading member of the recognized stock exchange in IFSC, may rely upon the due diligence carried out by a bank, which is permitted by RBI to operate in IFSC, during the account opening process of EFI.

b. In case of EFIs that are not registered with SEBI as FPI and also not having bank account in IFSC, KYC as applicable to Category II FPI as per the new FPI categorization shall be made applicable. However, PAN shall not be applicable for KYC of EFIs in IFSC.

c. In case of participation of FPI in IFSC, due diligence carried out by SEBI registered Intermediary during the time of account opening & registration shall be considered.

iii. **Segregation of accounts**: FPIs, who presently operate in Indian securities market and propose to operate in IFSC also, shall be required to ensure clear segregation of funds and securities. Custodians shall, in turn, monitor compliance of this provision for their respective FPI clients. Such FPIs shall keep their respective custodians informed about their participation in IFSC

Annexure-A

The following circulars issued by the Board shall stand rescinded:

Date of Circular	Reference	Title
15-Apr-10	CIR/IMD/FIIC/1/2010	Additional information regarding PCC, MCV or equivalent structure by FIIs.
19-Dec-13	CIR/IMD/FIIC/21/ 2013	Declaration and Undertaking regarding PCC, MCV or equivalent structure by FIIs
8-Jan-14	CIR/IMD/FIIC/02/2014	Operational Guidelines for Designated Depository Participants
28-Apr-14	CIR/IMD/FIIC/ 09/ 2014	Infrastructure facilities and submission of periodic reports
04-Jan-17	IMD/HO/FPIC/ CIR/P/2017/003	Guidelines for participation/functioning of Eligible Foreign Investors(EFIs) and FPIs in International Financial services Centre (IFSC)
12-Jun-15	CIR/IMD/FIIC/05/2015	Clarification on grant of registration as a Foreign Portfolio Investor (FPI) to Registered Foreign Venture Capital Investors (FVCI)
15-Feb-18	CIR/IMD/FPIC/ 26 /2018	Easing of Access Norms for investment by FPIs
13-Mar-18	CIR/IMD/ FPIC/47/2018	Clarifications in respect of investment by certain Category II FPIs
21-Mar-18	IMD/ FPIC/ CIR/P/2018/53	Due diligence and reporting requirements under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)
10-Apr-18	SEBI/HO/IMD/FPIC/ CIR/P/2018/66	Clarification on clubbing of investment limits of foreign Government/ foreign Government related entities

Date of Circular	Reference	Title
21-Sep-18	CIR/IMD/FPIC/ CIR/P/2018/132	Eligibility conditions for Foreign Portfolio Investors (FPIs)
21-Sep-18	CIR/IMD/FPIC/ CIR/P/2018/131	Know Your Client requirements for Foreign Portfolio Investors (FPIs)
11-Oct-18	SEBI/HO/FPIC/ CIR/P/2018/135	Monthly report of FPI registration on SEBI's website
13-Dec-18	SEBI/HO/IMD/FPIC/ CIR/P/2018/150	Clarification on clubbing of investment limits of Foreign Portfolio Investors ("FPIs")
5 -Sep-12	CIR/MIRSD/ 11 /2012	Know Your Client Requirements
12-Sep-13	CIR/MIRSD/ 07 /2013	KYC Requirements for Eligible Foreign investors
16-Jun-14	CIR/IMD/FIIC/11/2014	KYC for FPIs
17-Nov-16	CIR/IMD/ FPIC/123/2016	Review of requirement of copy of PAN card to open accounts of FPIs
30-Jun-17	SEBI/HO/IMD/FIIC/ CIR/P/2017/068	Acceptance of e-PAN card for KYC purpose
10-Apr-18	CIR/IMD/FPIC/ CIR/P/2018/64	Know Your Client Requirements for Foreign Portfolio Investors (FPIs)
21-Aug-18	IMD/FPIC/ CIR/P/2018/124	Amendment to SEBI Circular No. CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 on Know Your Client Requirements for Foreign Portfolio Investors (FPIs)
21-Sep-18	CIR/IMD/FPIC/ CIR/P/2018/131	Know Your Client Requirements for Foreign Portfolio Investors (FPIs)
31-Oct- 01	FITTC/CUST/14/2001	Issuance of Derivative Instruments by Registered Foreign Institutional Investors (FII
12-Mar-19	IMD/FPIC/ CIR/P/2019/37	Review of Investment by Foreign Portfolio Investors (FPI) in Debt Securities
05-Apr-06	IMD/FII/20/2006	FII investments in Debt Securities
19-Jan-07	IMD/FII & C/25/2007	FII investments in Debt Securities
31-Jan-08	IMD/FII & C/27/2008	FII investments in Debt Securities
06-Jun-08	IMD/FII & C/29/2007	FII investments in Debt Securities
06-Feb-09	IMD/FII & C/37/2009	Allocation methodology of debt investment limits to FIIs
12-May-09	IMD/FII & C/39/2009	Allocation methodology of debt investment limits to FIIs
04-Sep-09	IMD/FII & C/40/2009	Allocation methodology of debt investment limits to FIIs
15-Dec-09	IMD/FII & C/41/2009	Allocation methodology of debt investment limits to FIIs
11-Jun- 10	CIR/IMD/FII/3/2010	Allocation of Corporate debt investment limits to FIIs

Date of Circular	Reference	Title
06-Aug-10	CIR/IMD/FIIC/9/2010	Allocation of Government debt & Corporate debt investment limits to FIIs
26- Nov-10	CIR/IMD/FIIC/18/2010	Allocation of Government debt & Corporate debt investment limits to FIIs
08-Mar-11	CIR/IMD/FIIC/3/2011	Allocation of Government debt long term & corporate debt -old investment limits to FIIs
31-Mar- 11	CIR/IMD/FIIC/5/2011	FII Investment in corporate bonds infra long term category
29-Jul-11	CIR/IMD/FIIC/11/2011	Allocation of Government debt long term limits to FIIs
26-Aug-11	CIR/IMD/FIIC/15/2011	Infrastructure Finance Companies(IFCs)-- as eligible issuers for FIIs investment limit in debt instrument for infrastructure
30-Sep-11	CIR/IMD/FIIC/18/2011	Revisions in FII Investments in corporate debt long term infra category
18-Nov-11	CIR/IMD/FIIC/20/2011	Increase in FII debt limit in Government & Corporate debt category
03-Jan-12	CIR/IMD/FIIC/1/2012	Changes in Re-investment period of FII debt limit
13-Jan-12	CIR/IMD/FII&C/3/2012	Investment by Qualified Foreign Investors (QFI) in Indian equity shares.
17-Feb-12	CIR/IMD/FIIC/5/2012	Allocation of Corporate debt long term category to FIIs.
12-Mar-12	CIR/IMD/FIIC/09/2012	Allocation of debt limits in corporate debt old and Government Debt long term category to FIIs
27-Apr-12	CIR/IMD/FIIC/12/2012	Auction calender for allocation of FII debt limit
07-Jun-12	CIR/IMD/ FII&C/13/2012	Revision in framework for Qualified Foreign Investor (QFI) investment in Equity Shares and Mutual Fund schemes
26-Jun-12	CIR/IMD/ FII&C/15/2012	FII Investment in Government debt long term and corporate debt log term infra category
07-Nov-12	CIR/IMD/FIIC/22/2012	Debt Allocation Mechanism for FII
01-Jan-13	CIR/IMD/FIIC/1/2013	Debt Allocation Mechanism for FII
08-Feb-13	CIR/IMD/FIIC/3/2013	Increase in FII debt limit for Government and Corporate Debt category
01-Apr-13	CIR/IMD/FIIC/6/2013	Rationalisation of Debt Limits
12-Jun-13	CIR/IMD/FIIC/8/2013	Enhancement in Foreign Investment limits in Government debt
31-Jul-13	CIR/IMD/FIIC/11/2013	Utilisation period for Government Debt Limits
13-Sep-13	CIR/IMD/FIIC/15/2013	Debt Allocation Mechanism for FII/QFI-Government debt securities
29-Jan-14	CIR/IMD/FIIC/3/2014	Change in Government Debt Investment Limits

Date of Circular	Reference	Title
14-Feb-14	CIR/IMD/FIIC/4/2014	FII/QFI investments in Commercial papers
07-Apr-14	CIR/IMD/FIIC/8/2014	Change in investment conditions / restrictions for FII/QFI investments in government debt securities
23-Jul-14	CIR/IMD/FIIC/17/2014	Change in Government Debt Investment Limits
09-Oct-14	CIR/IMD/FIIC/19/2014	Clarification on Government Debt Investment Limits
05-Feb-15	CIR/IMD/FIIC/2/2015	Change in investment conditions for FPI investments in Government Debt securities
06-Oct-15	CIR/IMD/FIIC/8/2015	Investments by FPIs in Government securities
29-Mar-16	IMD/FPIC/ CIR/P/2016/45	Investments by FPIs in Government securities
03-Oct-16	IMD/FPIC/ CIR/P/2016/107	Investments by FPIs in Government securities
03-Apr-17	IMD/FPIC/ CIR/P/2017/30	Investments by FPIs in Government securities
04-Jul-17	IMD/FPIC/ CIR/P/2017/74	Investments by FPIs in Government securities
04-Oct-17	IMD/FPIC/ CIR/P/2017/113	Investments by FPIs in Government securities
20-Dec-17	IMD/FPIC/ CIR/P/2017/129	Investments by FPIs in Government securities
29-Mar-11	CIR/IMD/FIIC/4/2011	Dissemination of further information about FII activity-Discontinues of Reporting
09-Jul-13	CIR/IMD/FIIC/9/2013	FII/QFI investments in Security Receipts
28-Nov-13	CIR/IMD/FIIC/19/2013	Investments by FII/QFIs in Credit Enhanced Bonds
20-Jan-14	CIR/MRD/ DRMNP/2/2014	FII Position Limits in Exchange Traded Interest Rate Futures (IRF)
17-Jun-17	CIR/IMD/FIIC/13/2014	Investments by FPIs in Non-Convertible/Redeemable preference shares or debentures of Indian companies
03-Feb-15	CIR/IMD/FIIC/1/2015	Change in investment conditions/restrictions for FPI investments in Corporate Debt securities
15-Mar-16	CIR/IMD/ FPIC/39/2016	Investments by FPIs in REITs, InvIts, AIFs and corporate bonds under default
04-Aug-16	SEBI/HO/IMD/FPIC/ CIR/P/2016/67	Foreign Investment in Rupee denominated bonds issued overseas by Indian Corporates
02-Jan-17	IMD/HO/FPIC/ CIR/P/2017/001	Reference to Circular no. FITTC/FII/02/2002 dated May 15, 2002-In regard to credit of proceeds due to write off of securities held by Foreign Portfolio Investors/deemed Foreign Portfolio Investors

Date of Circular	Reference	Title
28-Feb-17	SEBI/HO/IMD/FPIC/ CIR/P/2017/16	Investments by FPIs in corporate debt securities
20-Jul-17	IMD/FPIC/ CIR/P/2017/81	Investments by FPIs in Coporate Debt
29-Sep-17	SEBI/HO/IMD/FPIC/ CIR/P/2017/112	Foreign Portfolio Investment in Corporate debt securities
15-Nov-17	IMD/FPIC/ CIR/P/2017/121	Investments by FPIs in Hybrid Securities
08-Mar-18	IMD/FPIC/ CIR/P/2018/46	Separate limit of Interest Rate Futures (IRFs) for Foreign Portfolio Investors (FPIs)
12-Apr-18	SEBI/IMD/FPIC/ CIR/P/2018/70	Investments by FPIs in Government and Corporate debt securities
27-Apr-18	IMD/FPIC/ CIR/P/2018/74	Amendment to SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated April 5,2018 on Monitoring of Foreign Investment limits in listed Indian companies
17-May-18	SEBI/HO/IMD/FPIC/ CIR/P/2018/81	Amendment to SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated April 5,2018 and Circular No. IMD/FPIC/CIR/P/2018/74 dated April 27,2018 on Monitoring of Foreign Investment limits in listed Indian companies
15-June-18	IMD/FPIC/ CIR/P/2018/101	Review of Investment by Foreign Portfolio Investors (FPI) in Debt
13-Jul-18	IMD/FPIC/ CIR/P/2018/114	Investment by Foreign Portfolio Investors (FPI) through primary market issuances
13-Dec-18	SEBI/HO/IMD/FPIC/ CIR/P/2018/150	Clarification on clubbing of Investment limits of Foreign Portfolio Investors ("FPIs")
08-May-19	IMD/FPIC/ CIR/P/2019/62	Permitting Foreign portfolio Investors (FPI) to invest in Municipal Bonds
31-Oct-01	FITTC/CUST/14/2001	Issuance of Derivative Instruments by Registered Foreign Institutional Investors (FII
08-Aug-03	IMD/CUST/8/2003	Issuance of Offshore Derivative Instruments by Registered Foreign Institutional Investors (FII
20-Nov- 03	IMD/CUST/9/2003	Issuance of Offshore Derivative Instruments by Registered Foreign Institutional Investors (FII)
02-Apr-04	IMD/CUST/15/2004	Reporting of Offshore Derivative Instruments by Registered Foreign Institutional Investors (FII)
17-Jan-11	CIR/IMD/FIIC/1/2011	Reporting of Offshore Derivative Instruments(ODIs)/ Participatory Notes(PNs) activity
18-Jan-11	CIR/IMD/FIIC/2/2011	Addendum to the Circular No. CIR/IMD/FIIC/1/2011
12-May-11	CIR/IMD/FIIC/6/2011	Reporting of Offshore Derivative Instrument s(ODIs)/ Participatory Notes(PNs) activity

Date of Circular	Reference	Title
15-Jun-11	CIR/IMD/FII&C/7/2011	Reporting of Offshore Derivative Instruments(ODIs)/ Participatory Notes(PNs) activity
07-Jun12	CIR/IMD/FIIC/14/2012	Reporting of Offshore Derivative Instruments (ODIs)/ Participatory Notes (PNs) activity
24-Nov- 14	CIR/IMD/FIIC/ 20 /2014	Conditions for issuance of Offshore Derivative Instruments under SEBI (Foreign Portfolio Investor) Regulations, 2014
10-Jun-16	CIR/IMD/ FPI&C/59/2016	Know Your Client (KYC)norms for ODI subscribers, transferability of ODIs, reporting of suspicious transactions, periodic review of systems and modified ODI reporting format.
29-Jun-16	CIR/IMD/ FPI&C/61/2016	Clarification regarding grandfathering of ODI issuers and modification of replies of FAQ 70 and FAQ 71 of SEBI FAQs to SEBI (FPI) Regulations, 2014
07-Jul-17	CIR/IMD/ FPI&C/76/2017	Guidelines for issuance of ODIs, with derivative as underlying, by the ODI issuing FPIs.

Annexure B

Form

SECURITIES AND EXCHANGE BOARD OF INDIA (FOREIGN PORTFOLIO INVESTORS) REGULATIONS, 2019

Application Form for Grant of Certificate of Registration as Foreign Portfolio Investor (FPI)

1. Details of the applicant:

1.1 Name of the applicant:

1.2 Registered /Residence Address of the applicant:

Address			
Postal Code		Country	
Telephone No.		Fax No	
Web-site			

1.3 Date of Birth/ incorporation /establishment/ formation: dd/mm/yyyy

1.4 Date of commencement of business dd/mm/yyyy

1.5 Place and Country of Birth/ incorporation/establishment/ formation:

Place		Country	

In case of Foreign Individual applicant, please specify the nationality and passport no. of the applicant:

Nationality		Passport No.	

1.6 Legal Entity Identifier:

1.7 Information pertaining to compliance officer (not applicable to individuals):

Name		
Job Title		
Telephone no	Fax No	
E-mail id		

2 Category of the applicant

2.1 Classification of applicant (please select the most appropriate category)*:

Type of Category	Name of Sub-Category
Category – I	
Category - II	

**The applicant should select only one category and sub-category, which is most appropriate for it. If the applicant selects more than one category or selects an incorrect category or sub-category, the application form shall be deemed to be defective and is liable to be rejected.*

2.2 Details for appropriately regulated entities seeking registration under Category I FPI

☐ Investing entity ☐ Non- Investing entity

2.3 Separate registration for the purposes of hedging the ODIs with derivatives as underlying in India? (applicable only for Category I)

☐ Yes ☐ No

2.4 Whether the applicant is seeking registration under Multi Investment Manager (MIM) structure?

☐ Yes ☐ No

2.5 If segregated portfolio is maintained for each sub-funds or share classes/ equivalent structures of the applicant, names of such sub-funds or share classes/ equivalent structures that intend to invest in India.

Sr. No.	Name of sub-funds or share classes/ equivalent structures that intend to invest in India

(Details can be provided under separate annexure)

2.6 Details of Investment Manager of FPIs which are registered under regulation 5 (a) of SEBI (FPI) Regulations, 2019 (as amended from time to time), if applicable or FPI seeking registration under MIM structure

Sr. No.	Name of Investment Manager	SEBI Registration No., if any

2.7 Details of eligible Category I entity registered under 5(a)(v)(B) of SEBI (FPI) Regulations, 2019 (as amended from time to time)

Name of entity	Country	Entity type as per Regulation 5(a)

2.8 Bank or subsidiary of bank declaration

☐ We are not a bank or a subsidiary of a bank

☐ We are a bank or a subsidiary of a bank and we/ group companies have a branch office or representative office in India

Name of entity

☐ We are a bank or a subsidiary of a bank and we/group companies do not have any branch office or representative office in India

2.9 Information regarding foreign investor groups:

☐ We share common ownership, directly or indirectly, of more than fifty percent or common control with other FPIs and are not exempt from regulation 22(4). Details of investor group are as below

Sr. No.	Name of FPI/ ODI subscriber with whom the applicant shares, ownership of more than 50% or common control	If ODI subscriber, please mention the name of dealing FPI	Registration No. of FPI

In case Clubbing of investment limits of FPIs having common control is not being done in case of public retail funds as referred in Regulation 22(4), please provide following details:

Sr. No.	Name of FPI	FPI Registration Number	Name of Common Controlling Person

3. Details of Regulatory authority by which the applicant is regulated (If applicable)

Name		
Country	Web-site	
Registration Number/ Code with Regulator, if any		
Category / Capacity in which the applicant is Regulated		

4. Disciplinary History

Whether there has been any instance of violation or non-adherence to the securities laws , code of ethics/ conduct, code of business rules, for which the applicant or its parent/holding company or associate / or promoter/ investment manager may have been subjected to criminal liability or

suspended from carrying out its operations or the registration, has been revoked, temporarily or permanently or any regulatory actions that have resulted in temporary or permanent suspension of investment related operations in the applicant's home jurisdiction and has a bearing on obtaining FPI registration for investing in India?

☐ Yes ☐ No

If yes, please furnish details in annexure

5. Details of the designated depository participant, custodian and designated bank appointed

5.1 Details of the DDP/Custodian

Name	
SEBI Registration number	

5.2 Details of designated bank:

Name of the Bank and Branch	
Address	

6. Details of prior association with the Indian securities market.

6.1 Whether the applicant was anytime registered as FPI, FII, sub account, QFI or FVCI with the Securities and Exchange Board of India.

☐ Yes ☐ No

Name of the entity	Registered/associated as	SEBI Registration No. (if applicable)

7. Declaration and Undertaking

I/We, the applicant, do hereby declare that what is stated in the aforesaid application form (including the enclosed documents/annexures) is complete and true to the best of my/ our information and belief. I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it. I/we hereby apply for registration as Foreign Portfolio Investor in accordance with the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. Further, I/We have read and understood the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 and its operating guidelines issued by SEBI and shall abide with any other terms and conditions specified by SEBI from time to time. I/We hereby declare that I/ we fulfill all the eligibility requirements under Regulation 4 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, including the fit and proper person criteria, under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 and I/we am/are eligible to register as a FPI.

We also declare that we have complied and will continue to comply with FEMA Act 1999 and rules & regulations made thereunder. I/We shall provide any additional information or documents or declarations and undertakings as may be required to ensure compliance with the Prevention of

Money Laundering Act, 2002 and rules and regulations prescribed thereunder, FATF standards and circulars issued from time to time by SEBI, RBI or any other regulators from time to time.

I/ We undertake to abide by operational instructions/ directives as may be issued by Securities and Exchange Board of India, Reserve Bank of India or any other authority from time to time under provisions of the Act or any other applicable law.

Signature of Authorized Signatory(ies)	
Name	
Designation **(not applicable to individual persons)**	
Date	dd/mm/yyyy

Annexure to Form

(***Only applicable sections to be submitted***)

1. NON RESIDENT INDIANS (NRIs) AND/OR OVERSEAS CITIZEN OF INDIA (OCIs) AND/OR RESIDENT INDIAN (RI) DECLARATION

(not applicable for entities seeking registration under regulation 5(a)(i))

SECTION A- I: NRI/OCI/RI - Control:

1. ☐ There is no NRI/OCI/RI who exercises control over the FPI

OR

☐ NRI/OCI/RI exercise control in us and we confirm that we will meet eligibility conditions mentioned within two years from the date of registration

2. ☐ The applicant is not controlled by an investment manager who in turn is controlled by NRI/ OCI/RI.

OR

☐ NRIs/OCI/RIs controlled Investment Manager (IM) is in control of the applicant and the said IM is: Appropriately regulated and is registered with SEBI as a non-investing FPI.

OR

☐ Incorporated/setup under Indian laws and appropriately registered with SEBI.

3. ☐ We are a non-investing FPI directly or indirectly fully owned and/ or controlled by a NRI/ OCI/ RI.
4. ☐ We are an offshore fund for which no-objection certificate has been provided by SEBI in terms of SEBI (Mutual Funds) Regulations, 1996

SECTION B - II: NRI/OCI/RI - Entitlement in FPI

1. ☐ We confirm that there are no NRI/OCI/RI who are constituents/investors in the FPI
2. ☐ We confirm that NRIs/ OCIs/ RIs* as investors in the FPI and contributions by single NRI/ OCI/RI including those of NRI/OCI/RI controlled Investment Manager are below 25 percent of the corpus of the FPI and in aggregate is below 50 percent of the corpus of FPI

** Explanation: Resident Indian's contribution, if any, that is made through Liberalised Remittance Scheme (LRS) approved by Reserve Bank of India in our funds and our Indian exposure is less than 50%.*

OR

3. ☐ Investments by NRI/OCI/RI in the FPI are not meeting above condition(s) and we confirm that we will meet the condition(s) within two years from the date of registration.

OR

4. ☐ None of the above restrictions/conditions mentioned in Section A & B are applicable to us as we are/shall be investing only in mutual funds in India through our FPI registration

2. Applicants undertaking investments on behalf of its clients

(Applicable only for entities seeking registration under regulation 5(b)(vii))

i. Clients are individuals and/or family offices.

ii. Clients are eligible for registration as FPI and are not dealing on behalf of third party.

iii. Applicable KYC prescribed by SEBI has been performed on the clients.

iv. The complete investor details of its clients is as below and we shall provide the same on quarterly basis (end of calendar quarter) by end of the following month to DDP.

Details of client				
Sr. No.	**Name**	**Country**	**Address**	**Type (Individual/ Family office)**

Date:

Name of Applicant

(Signature block for Applicant)

Signature(s) of Authorised Person(s)

3. UNDERTAKING FROM INVESTMENT MANAGER UNDER REGULATION 5(a)(iv)(II) or 5(a)(v)(A), AS APPLICABLE

We ( ) are the Investment manager of ( ) and are responsible for investment activity of the fund. We also undertake that we shall be responsible and liable for all acts of commission and omission of (name of the Applicant) and other deeds and things done by them under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. We continue to meet eligibility requirements as applicable to Category I FPI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

Place:

Date:

(Signature block)

Signature(s) of Authorised Person(s)

4. UNDERTAKING FROM ELIGIBLE CATEGORY I ENTITY UNDER REGULATION 5(a)(v)(B)

We ( ), undertake that we shall be responsible and liable for all acts of commission and omission of (name of the Applicant) and other deeds and things done by them under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. We continue to meet eligibility requirements as applicable to Category I FPI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

Place:

Date:

(Signature block)

Signature(s) of Authorised Person(s)

5. ADDITIONAL KYC DETAILS

i. Correspondence Address of FPI Applicant ((if different from Registered Address)

Address			
Postal Code		Country	
Telephone No.		Fax No	
Web-site			

ii. Specify the proof of address submitted for address

iii. Contact Details (email ID is mandatory)

Tel. (Off.)	Tel. (Res.)
Fax No.	Mobile No.
Email ID	

iv. Latest available Net worth in INR (cannot be older than one year from the date of application; please provide date)

Net worth in INR	**As on**
	dd/mm/yyyy

v. Whether the applicant or the applicant's authorized signatories/ senior management is:

A politically exposed person	YES/NO
Related to a politically exposed person	YES/NO

vi. Does FPI wish KRAs to seek consent prior to permitting any intermediary to download their KYC information (YES / NO)

(If Yes, please provide below information)

Name of authorized representative of FPI (optional)	
Email id 1 (Mandatory) :	
Email id 2 (Optional) :	
Email id 3 (Optional) :	
Mobile number (optional):	

vii. Information in respect of authorized signatories/ senior management of FPI applicant

Sr. No. (1)	Name (2)	Relationship with applicant (i.e., directors, authorized signatory etc.) (3)	PAN (if applicable) (4)	Nationality (5)	Date of Birth (DD/MM/YYYY) (6)	Residential/ Registered Address (7)	Any government issued identity document number (example driving license) (8)
1.							
2.							

Note: Column 8 be provided by Category II FPI only.

DEPOSITORY & BANK ACCOUNT OPENING RELATED INFORMATION

i. Mode of Operation for Sole/First Holder (in case of joint holdings, all the holders must sign) [applicable to Non-individuals]

☐ Any one single	
☐ Jointly by	
☐ As per resolution	
☐ Others (please specify)	

ii. I/We hereby request Depository Participant viz., _____ to open Depository account in my/our name as mentioned in the application form.

iii. I/We hereby request to open Special Non Resident Rupee Account (SNRA) in my/our name.

iv. Declaration and undertaking

a. **I/we acknowledge the receipt of copy of the document, "Rights and** Obligations of the Beneficial Owner and Depository Participant

b. We authorize custodian to operate the account through Power of Attorney (PoA) and not to receive credits automatically into our account.

c. We authorize custodian to send statement of account in electronic form and we will ensure the confidentiality of the password of the email, as applicable.

d. We authorize custodian to maintain appropriate house account details on depository platforms for the purpose of collection of monetary corporate benefits and any other similar activities on our behalf.

FOR OFFICE USE ONLY

Name of Depository Participant			
Address of Depository Participant			
DP ID		Client ID	

Emp. Name _____ Emp. Code _____

Emp. Designation _____ Emp. Branch _____

_____

Signature

INSTITUTION DETAILS

Name _____

Code _____

ANNEXURE C
Monthly Applications Report

The report pertaining to a month to be submitted by DDPs to SEBI by 10th of the following month in the format prescribed under:

Summary of the applications received and disposed during the month

Name of the DDP	Application type *	Opening balance	Received during the month	Disposed during the month	Pending as on last day of month	Average time taken for registration during the month**	No. of applications pending for registration for more than 30 days of receipt of application **	Reasons given regarding application(s) pending for more than 30 days **

* Indicate application type as

1. Fresh Registration
2. Continuance

** Applicable for application type Fresh Registration only.

ANNEXURE D

Fee report

The report pertaining to a month to be submitted by DDPs/Depository to SEBI in the format prescribed under:

Sr. No.	Name of DDP	Name of FPI	Type of Fees (Registration/ Continuance of registration/ Change in category)	Category of FPI	Amount of Fees (US$)	Date of remittance in SEBI's Bank A/c	Registration Period for which the fee is paid	Payment reference no./ Transaction ID

The Bank account details to which the payment is to be done electronically is as follows-

Bank Account Details:

Name of Bank Account	SECURITIES AND EXCHANGE BOARD OF INDIA
Name of Bank, Branch	Bank of India, Bandra Kurla Complex, Bandra (East), Mumbai 400051.
Saving Bank Account No	012210210000007
IFSC Code	BKID0000122
MICR Code No.	400013119
Swift Code No.	BKIDINBBBKC

If a DDP has not granted any registration/continuance of registration during the previous month, then it is required to send a "Nil" report.

ANNEXURE E

Information of intermediate material shareholder/ owner entity illustration:

- FPI ABC, a trust, is held 75% by XYZ Ltd. (intermediate material shareholder/ owner) – therefore XYZ needs to be identified and the identification of underlying individuals / non-individuals having controlling ownership interest in the FPI OR control of XYZ should be identified
- XYZ is further controlled by PQR fund (trust)– Hence, PQR fund also needs to be identified on a look through basis.
- Mr. ST is holding 35% in PQR fund and Mr. UV is holding 15% in PQR fund - So, Mr. ST needs to be identified as BO.

Information of Intermediate material shareholder/ owner- on Ownership basis Name	Direct / Indirect Stake	Names of the entity(ies) through which the stake in the FPI is held indirectly	Percentage stake held in the applicant	Country/ Nationality	Individual /Non-Individual
XYZ Ltd.	Direct		*75*		Non-Individual

Information of Intermediate material shareholder/ owner- on control basis

Name	Method of Control (Give Details including names of the intermediate structures, if any, through which control is exercised)	Percentage control on the applicant, if applicable	Country/ Nationality	Individual/ Non-Individual
PQR fund	Management Share in XYZ Ltd.			Non-Individual
Mr. ST	Holds 35% shares of PQR Fund			Individual

ANNEXURE F

Monthly reports by ODI issuing FPIs to SEBI

ODI Format.xlsx

ANNEXURE G

Monthly ODI statement on SEBI website

Outstanding Notional Value of Offshore Derivative Instruments (ODIs) hedged by securities in India Vs Assets Under Custody (AUC) of FPIs.

[₹ Crore]

Month	Notional value of ODIs on Equity, Debt, Hybrid Securities & Derivatives *	Notional value of ODIs on Equity, Debt & Hybrid Securities excluding Derivatives *	Notional value of ODIs on Equity *	Notional value of ODIs on Debt *	Notional value of ODIs on Hybrid Securities *	Notional value of ODIs on Derivatives *	AUC of FPIs #	Notional value of ODIs on Equity, Debt & Hybrid Securities excluding Derivatives as % of B
	A1	A2	A3	A4	A5	A6	B	C

**Figures compiled based on reports submitted by FPIs issuing ODIs*

#Figures compiled based on reports submitted by custodians & does not includes positions taken by FPIs in derivatives.

Column A2 is being provided which depicts the Total Value of ODI issued -with underlying as Equity ,Debt & Hybrid Securities but excluding derivatives

Column A3 is being provided which depicts the Total Value of ODI issued -with underlying as Equity

Column A4 is being provided which depicts the Total Value of ODI issued -with underlying as Debt

Column A5 is being provided which depicts the Total Value of ODI issued -with underlying as Hybrid Securities.

Column A5 is being provided which depicts the Total Value of ODI issued -with underlying as derivatives.

Column C is being provided which depicts the Total Value of ODI issued -with underlying as Equity, Debt & Hybrid Securities but excluding derivatives- as percentage of Assets under custody

Circular No.: NSDL/POLICY/DDP/ 2020/0001 February 6, 2020	***Subject: Common Application Form for Foreign Portfolio Investors.*** Attention of Participants who are registered with SEBI as Designated Depository Participants ("DDPs") / Custodian of Securities / Depository Participants ("DPs") is invited to SEBI circular no. IMD/FPI&C/CIR/P/2020/022 dated February 4, 2020 (copy enclosed). DDPs / Custodian of Securities are requested to take note of the same and bring the contents of this circular to the notice of their FPI clients.

CIRCULAR

IMD/FPI&C/CIR/P/2020/022 **February 04, 2020**

To,

1. **All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities.**
2. **Designated Depository Participants ("DDPs")/ Custodian of Securities.**
3. **All Recognized Stock Exchanges/ Clearing Corporations**
4. **All recognized Stock Exchanges and Clearing Corporations in International Financial Services Centres**
5. **The Depositories (NSDL and CDSL)**
6. **Stock Brokers through Recognized Stock Exchanges**
7. **Depository Participants through Depositories**
8. **KYC Registrations Agencies (KRAs)**

Dear Sir / Madam,

Subject: Common Application Form for Foreign Portfolio Investors

1. The Government of India vide notification number F. No. 4/15/2016-ECB dated January 27, 2020 notified the Common Application Form (CAF) for the purpose of (a) registration of Foreign Portfolio Investors (FPIs) with Securities and Exchange Board of India, (b) allotment of Permanent Account Number (PAN) and (c) carrying out of Know Your Customer (KYC) for opening of Bank & Demat Account.
2. The applicants seeking FPI registration shall be required to duly fill CAF and 'Annexure to CAF' and provide supporting documents and applicable fees for SEBI registration and issuance of PAN. The other intermediaries dealing with FPIs may rely on the information in CAF for the purpose of KYC.
3. DDP may continue to accept in-transit FPI registration applications, for a period of 60 days from date of issuance of this Circular, received in the form prescribed in operational guidelines issued on November 05, 2019.
4. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Sub-rule 14(i) of Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

5. A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
General Manager
Tel No.: 022-26449619
achals@sebi.gov.in

Enclosed:
1. CAF notified by Government of India
2. Annexure to CAF (Declarations and Undertakings)
3. Operational guidelines for FPIs & DDPs and FPIs

ANNEXURE TO COMMON APPLICATION FORM

A: Declaration & Undertaking:

1) I/ We have read and understood the extant Indian laws, rules, regulations including SEBI (FPI) Regulations, 2019, FEMA Act 1999 and rules & regulations made thereunder, Depository and Depository Participants Regulations, circulars, guidelines issued therein and shall in relation to my/ our activities as FPI, at all times, comply with and subject myself/ ourselves to any other terms and conditions specified by SEBI, RBI, Depository or any other regulators from time to time.
2) I/ We undertake to provide additional information/documents (including KYC documents exempted by SEBI and RBI)/ declarations and undertakings as may be required by you/demand from any regulator/ law enforcement agency/exchange without delay to ensure compliance with the Prevention of Money Laundering Act, 2002 and rules and regulations prescribed thereunder, FATF standards and circulars issued from time to time by SEBI, RBI or any other regulators in compliance with said requirement.
3) I/ We undertake to abide by operational instructions/ directives as may be issued by Securities and Exchange Board of India, Reserve Bank of India or any other authority from time to time under provisions of the Act or any other applicable law.
4) I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".
5) We authorize custodian to operate the account through Power of Attorney (PoA) and not to receive credits automatically into our account.
6) We authorize custodian to send statement of account in electronic form and we will ensure the confidentiality of the password of the email, as applicable
7) We authorize custodian to maintain appropriate house account details on depository platforms for the purpose of collection of monetary corporate benefits and any other similar activities on our behalf.

ADDITIONAL INFORMATION

1. **Separate registration for the purposes of hedging the ODIs with derivatives as underlying in India?(applicable only for Category I)**

☐ Yes ☐ No

Sr. No.	Name of sub-funds or share classes/ equivalent structures that intend to invest in India

(BO declaration is required for each fund/sub-fund/share class/equivalent structure that invests in India)

3. **Details of eligible Category I entity registered under 5(a)(v)(B) of SEBI (FPI) Regulations, 2019 (as amended from time to time)**

Name of entity	Country	Entity type as per Regulation 5(a)

4. **Bank or subsidiary of bank declaration**

☐ We are not a bank or a subsidiary of a bank

☐ We are a bank or a subsidiary of a bank and we/ group companies have a branch office or representative office in India

Name of entity

☐ We are a bank or a subsidiary of a bank and we/group companies do not have any branch office or representative office in India

5. **Non-resident Indians (NRIs) and/or Overseas Citizen of India (OCIs) and/or Resident Indian (RI) declaration**

(not applicable for entities seeking registration under regulation 5(a)(i))

SECTION A- I: NRI/OCI/RI - CONTROL:

1. ☐ There is no NRI/OCI/RI who exercises control over the FPI

OR

☐ NRI/OCI/RI exercise control in us and we confirm that we will meet eligibility conditions mentioned within two years from the date of registration

OR

2. ☐ The applicant is not controlled by an investment manager who in turn is controlled by NRI/OCI/RI.

OR

☐ NRIs/OCI/RIs controlled Investment Manager (IM) is in control of the applicant and the said IM is:

☐ Appropriately regulated and is registered with SEBI as a non-investing FPI.

OR

☐ Incorporated/setup under Indian laws and appropriately registered with SEBI.

OR

3. ☐ We are a non-investing FPI directly or indirectly fully owned and/ or controlled by a NRI/ OCI/ RI.

OR

4. ☐ We are an offshore fund for which no-objection certificate has been provided by SEBI in terms of SEBI (Mutual Funds) Regulations, 1996

SECTION B – II: NRI/OCI/RI – Entitlement in FPI

1. ☐ We confirm that there are no NRI/OCI/RI who are constituents/investors in the FPI

OR

2. ☐ We confirm that NRIs/ OCIs/ RIs* as investors in the FPI and contributions by single NRI/OCI/RI including those of NRI/OCI/RI controlled Investment Manager are below 25 percent of the corpus of the FPI and in aggregate is below 50 percent of the corpus of FPI

** Explanation: Resident Indian's contribution, if any, that is made through Liberalised Remittance Scheme (LRS) approved by Reserve Bank of India in our funds and our Indian exposure is less than 50%.*

OR

3. Investments by NRI/OCI/RI in the FPI are not meeting above condition(s) and we confirm that we will meet the condition(s) within two years from the date of registration.

OR

4. None of the above restrictions/conditions mentioned in Section A & B are applicable to us as we are/ shall be investing only in mutual funds in India through our FPI registration

6. Applicants undertaking investments on behalf of its clients

(Applicable only for entities seeking registration under regulation 5(b)(vii))

i. Clients are individuals and/or family offices.

ii. Clients are eligible for registration as FPI and are not dealing on behalf of third party.

iii. Applicable KYC prescribed by SEBI has been performed on the clients.

iv. The complete investor details of its clients is as below and we shall provide the same on quarterly basis (end of calendar quarter) by end of the following month to DDP.

Details of client				
Sr. No.	Name	Country	Address	Type (Individual/ Family office)

7. Does FPI wish KRAs to seek consent prior to permitting any intermediary to download their KYC information

☐ Yes ☐ No

Name of authorized representative of FPI (optional)	
Email id 1 (Mandatory) :	
Email id 2 (Optional) :	
Email id 3 (Optional) :	
Mobile number (optional):	

8. Information in respect of Authorized signatories to Form/ senior management of FPI applicant

Sr. No.	Name	Relationship with Applicant (i.e. promoters, directors, Signatory etc.)	PAN (if applicable)	Nationality/ Country of Residence	Date of Birth (DD/MM/ YYYY)	Residential/ Registered Address	Any government issued identity document number (example driving license)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.							

 # Column 6, 7 & 8 is not applicable for Category I FPI as well as Category II FPIs with sub-category 5(b)(i) viz. 'Appropriately regulated fund not eligible as Category I FPIs.

9. INFORMATION REGARDING INTERMEDIATE MATERIAL SHAREHOLDER/ OWNER ENTITY

(For determining Beneficial owner details as per circular issued by SEBI from time to time)

a) Details on the basis of ownership or entitlement:

☐ We declare that there is no entity holding >= __% of ownership/ entitlement through shares/ units, economic benefit participation etc. including cumulative direct / indirect holding held through single or multiple entities.

OR

☐ Details of entities holding >= % of ownership/ entitlement through shares/units, economic benefit participation etc. including cumulative direct / indirect holding held through single or multiple entities are provided as under:

Name of Beneficial owner	Direct / Indirect Stake	Names of the entity(ies) through which the stake in the FPI is held indirectly	Country of Incorporation / Nationality	Percentage stake held in the applicant	Individual / Non-Individual

b) Beneficial Ownership by Control:

☐ We declare that there is no entity who controls through means like voting rights, agreements, arrangements, etc.

OR

☐ Details of controlling entity is provided as under:

Name of Beneficial owner	Method of Control (Give Details including names of the intermediate structures, if any, through which control is exercised)	Country of Incorporation / Nationality	Percentage control on the applicant, if applicable	Individual/Non-Individual

Date:

Name of Applicant:

(Signature block for Applicant)

Signature(s) of Authorised Person(s)

C. UNDERTAKING FROM INVESTMENT MANAGER UNDER REGULATION 5(a)(iv)(II) or 5(a)(v)(A), AS APPLICABLE

We ( ) are the Investment manager of ( ) and are responsible for investment activity of the fund. We also undertake that we shall be responsible and liable for all acts of commission and omission of (name of the Applicant) and other deeds and things done by them under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. We continue to meet eligibility requirements as applicable to Category I FPI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

Place:

Date:

(Signature block)

Signature(s) of Authorised Person(s)

D. UNDERTAKING FROM ELIGIBLE CATEGORY I ENTITY UNDER REGULATION 5(a)(v)(B)

We ( ), undertake that we shall be responsible and liable for all acts of commission and omission of (name of the Applicant) and other deeds and things done by them under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. We continue to meet eligibility requirements as applicable to Category I FPI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

Place:

Date:

(Signature block)

Signature(s) of Authorised Person(s)

रजिस्ट्री सं. डी.एल.- 33004/99 REGD. NO. D. L.-33004/99

भारत का राजपत्र
The Gazette of India

सी.जी.-डी.एल.-अ.-01022020-215852
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असाधारण
EXTRAORDINARY
भाग I—खण्ड 1
PART I—Section 1
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं. 26] नई दिल्ली, मंगलवार, जनवरी 28, 2020/माघ 8, 1941
No. 26] NEW DELHI, TUESDAY, JANUARY 28, 2020/MAGHA 8, 1941

वित्त मंत्रालय

(आर्थिक कार्य विभाग)

अधिसूचना

नई दिल्ली, 27 जनवरी, 2020

फा. सं. 4/15/2016-ईसीबी.—केंद्रीय सरकार, भारत के राजपत्र में दिनांक 21 अगस्त, 2019 को प्रकाशित भारत सरकार के वित्त मंत्रालय (आर्थिक कार्य विभाग) की अधिसूचना सं. 4/15/2016-ईसीबी का अधिक्रमण करते हुए, एतद्द्वारा भारत में विदेशी पोर्टफोलियो निवेशकों (एफपीआई) द्वारा पंजीकरण, बैंक और डीमैट खाते खोलने, और स्थाई खाता संख्या के लिए आवेदन करने के प्रयोजनार्थ अनुबंध 1 के रूप में संलग्न सामान्य आवेदन प्रपत्र अधिसूचित करती है।

आनन्द मोहन बजाज, संयुक्त सचिव

केवल 'व्यक्ति' हाल ही में खिचवाई गई तस्वीर चिपकाएँ (3.5सेमी×2.5सेमी)

फोटो पर हस्ताक्षर/बाएँ हाथ के अंगूठे का निशान इस तरह लगाएँ कि आधा तस्वीर पर तथा आधा फॉर्म पर आए

सामान्य आवेदन फॉर्म

[सेबी के पास विदेशी पोर्टफोलियो निवेशक (एफपीआई) के रूप में रजिस्ट्रीकरण, स्थायी खाता संख्या (पैन) आबंटन तथा बैंक एवं डीमैट खाता खोलने हेतु अपने ग्राहक को जानिये (केवाईसी) के लिए एक संयुक्त आवेदन फॉर्म]

गलतियों से बचने के लिए, कृपया फॉर्म भरने से पहले इस फॉर्म के साथ दिए हुए अनुदेशों और उदाहरणों को देखें

केवल 'व्यक्ति' हाल ही में खिचवाई गई तस्वीर चिपकाएँ (3.5सेमी×2.5सेमी)

हस्ताक्षर/बाएं हाथ के अंगूठे का निशान

महोदय,

मैं/हम एतद्द्वारा अनुरोध करता हूँ/करते हैं कि मुझे/हमें **स्थायी खाता संख्या और एफपीआई रजिस्ट्रीकरण संख्या** आबंटित की जाए। इस संदर्भ में, मैं/हम आवश्यक विवरण नीचे प्रस्तुत करता/करती हूँ/करते है:

भाग क - केवाईसी सूचना संबंधी जानकारी

1) आवेदक का नाम (पूरा नाम लिखें जैसा पहचान के सबूत / पते के सबूत के तौर पर दिए गए दस्तावेजों में उल्लेख हों : संक्षिप्ताक्षरों की अनुमति नहीं है)

कृपया शीर्षक चुनें, ☑ जैसा लागू हो ☐श्री ☐श्रीमती ☐कुमारी/सुश्री ☐मैसर्स

अंतिम नाम/उपनाम

प्रथम नाम

मध्य नाम

2) नाम के संक्षिप्ताक्षर, जैसे आप स्थायी खाता संख्या (पैन) कार्ड पर मुद्रित कराना चाहते हों

3) क्या आप कभी किसी अन्य नाम से जाने गए हैं ? ☐ हाँ ☐ नहीं (जो लागू हो, उस पर सही का निशान लगाएँ)

यदि हाँ,कृपया वह नाम बताएँ

कृपया शीर्षक चुनें, ☑ जैसा लागू हो ☐श्री ☐ श्रीमती ☐ कुमारी/सुश्री ☐ मैसर्स

अंतिम नाम/उपनाम

प्रथम नाम

मध्य नाम

4) व्यष्टियों (व्यक्तियों) के निकाय या व्यक्तियों के संगम के जन्म/निगमन/करार/गठन की तारीख (दिन/महीना/वर्ष)

	विवरण	तारीख (दिन/महीना/वर्ष)
क)	व्यक्तियों (व्यष्टियों) के निकाय या व्यक्तियों (व्यष्टियों) के संगम के जन्म/निगमन/करार/भागीदारी या न्यास विलेख/स्थापना/गठन की तारीख	
ख)	कारबार शुरू करने की तारीख (व्यष्टियों के लिए लागू नहीं)	

5) जन्म/निगमन/स्थापना/गठन का स्थान और देश

स्थान _____ देश ☐ आईएसडी देश कोड: ☐☐☐☐

यदि आवेदक विदेशी व्यक्ति (व्यष्टि) हो, तो कृपया आवेदक की राष्ट्रीयता और पासपोर्ट संख्या का उल्लेख करें:

राष्ट्रीयता/नागरिकता: _ ☐ आईएसडी देश कोड: ☐☐☐ पासपोर्ट सं_____

6) विधिक एंटिटी पहचानकर्ता और कर अधिवासिता प्रमाण पत्र के ब्यौरे

	विवरण	ब्यौरे	
क)	विधिक एंटिटी पहचानकर्ता (एलईआई) सं.		
ख)	कर अधिवासिता प्रमाणपत्र (टीआरसी) सं.		कर अधिवासिता देश ☐

+ जोड़ें (अनेक कर अधिवासिता देशों के मामले में पंक्ति जोड़ें)

आवेदक के हस्ताक्षर _____

7) पता और पत्र-व्यवहार के लिए पते के ब्यौरे

क) रजिस्ट्रीकृत /आवास का पता

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/ / /
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ख) कार्यालय का पता

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/

ग) पत्र-व्यवहार के लिए पता ☐ / ☐ (.)

घ) संपर्क संबंधी ब्यौरे:

क्रम सं.	विवरण	रजिस्ट्रीकृत/आवास			कार्यालय		
		देश कोड	क्षेत्र/एसटीडी कोड	संख्या	देश कोड	क्षेत्र/एसटीडी कोड	संख्या
1	:						
2	:						
3	.						
4	-						
5							

8) अंतिम हिताधिकारी स्वामी (अंतिम प्रकृत व्यक्ति) के संबंध में जानकारी

क) /

%

- / :

क्र.सं.	हिताधिकारी स्वामी (प्रकृत व्यक्ति) का नाम और पता	जन्म की तारीख	कर अधिवासिता संबंधी अधिकार क्षेत्र	राष्ट्रीयता	क्या स्वयं या मिलजुल कर, अथवा एक या एक से अधिक प्रकृत व्यक्ति के जरिए समूह में कार्य कर रहे हैं? उन व्यक्तियों के नाम और पते।	एफपीआई में बीओ समूह की शेयरधारिता / पूँजी / लाभ स्वामित्व का प्रतिशत	बीओ की कर अधिवासिता सं./सामाजिक सुरक्षा सं./ पासपोर्ट सं./ सरकार द्वारा जारी कोई अन्य पहचान पत्र सं. (जैसे ड्राइविंग लाइसेंस) [कृपया किसी एक का उल्लेख करें।]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

ख) इस पर कुछ व्यक्तियों या एक ही परिवार के व्यक्तियों का हिताधिकारी स्वामित्व और नियंत्रण है?

☐ हाँ ☐ नहीं

9) आय के ब्यौरे

क) आय के स्रोत: ☐ **कारोबार / व्यवसाय कोड** ☐

ख) कुल वार्षिक आय (भारतीय रुपये में): _____

शुद्ध-मालियत (आस्तियों में से देयताएं घटाने के बाद) (भारतीय रुपये में): _____ : _____ (दिन/महीना/वर्ष) तक की स्थिति के अनुसार

10) व्यवसाय के ब्यौरे: **व्यष्टियों के लिए** ☐ **गैर-व्यष्टियों के लिए** ☐

11) केवाईसी हेतु पहचान के सबूत और पते के सबूत के रूप में प्रस्तुत किए जाने वाले दस्तावेज

पहचान का सबूत (पीओआई) ☐ **पते का सबूत (पीओए)** ☐

12) क्या आवेदक या आवेदक के प्राधिकृत हस्ताक्षरकर्ता/संप्रवर्तक/भागीदार/न्यासी/पूर्णकालिक निदेशक/पदाधिकारी निम्नलिखित हैं

क) राजनीतिक जोखिम वाले व्यक्ति ☐ हाँ ☐ नहीं

ख) राजनीतिक जोखिम वाले व्यक्ति से संबंधित ☐ हाँ ☐ नहीं

भाग ख – विदेशी पोर्टफोलियो निवेशक के रजिस्ट्रीकरण संबंधी जानकारी

13) आवेदक की श्रेणी

आवेदक का वर्गीकरण (कृपया सबसे उपयुक्त श्रेणी चुनें। 'अनुदेश / दिशानिर्देश' देखें')

क) श्रेणी का प्रकार ☐ उप-श्रेणी का नाम ☐

ख) निवेश करने वाली / निवेश न करने वाली एंटिटी (केवल निवेश प्रबंधक के लिए लागू) ☐

14) क्या आवेदक बहु-निवेश प्रबंधक (एमआईएम) संरचना के तहत रजिस्ट्रीकरण की मांग कर रहा है?

☐ **हाँ** ☐ **नहीं**

15) एफपीआई के निवेश प्रबंधक के ब्यौरे, जो एफपीआई विनियम, 2019 (समय-समय पर यथा संशोधित) के विनियम 5(क) के तहत रजिस्ट्रीकृत है या एमआईएम संरचना के तहत रजिस्ट्रीकरण की मांग कर रहा है।

क्र.सं.	निवेश प्रबंधक का नाम	सेबी द्वारा दी गई रजिस्ट्रीकरण सं.

16) क्या आवेदक ने वैध स्व-प्रमाणन/एफएटीसीए/सीआरएस घोषणा फॉर्म दे दिया है ?

☐ **हाँ** ☐ **लागू नहीं**

17) अनुपालन अधिकारी के संबंध में जानकारी

नाम			
व्यवसाय का नाम			
दूरभाष सं.			
ई-मेल आई डी		**फैक्स संख्या**	

18) उस विनियामक प्राधिकरण के ब्यौरे जिसके दायरे में आवेदक आता है (यदि लागू हो)

नाम			
देश		**वेबसाइट**	
विनियामक, यदि कोई हो, द्वारा दी गई रजिस्ट्रीकरण संख्या / कोड			
श्रेणी / क्षमता जिसके तहत आवेदक विनियमित है			

आवेदक के हस्ताक्षर _____

19) क्या आवेदक वैश्विक अभिरक्षक के जरिए आ रहा है? ☐

यदि हाँ, तो वैश्विक अभिरक्षक का नाम बताएँ	
विनियामक का नाम	
विनियामक, यदि कोई हो, द्वारा दी गई रजिस्ट्रीकरण संख्या / कोड	
पता	

20) अभिहित निक्षेपागार सहभागी, प्रतिभूति अभिरक्षक और नियुक्त नामनिर्दिष्ट एडी श्रेणी I बैंक के ब्यौरे

क) डीडीपी / प्रतिभूति अभिरक्षक / निक्षेपागार सहभागी का नाम

नाम	सेबी द्वारा दी गई रजिस्ट्रीकरण संख्या	

ख) नामनिर्दिष्ट एडी श्रेणी I बैंक का ब्यौरा (भारतीय रिज़र्व बैंक द्वारा अनुमोदित)

बैंक और शाखा का नाम	
पता	

21) अनुशासन संबंधी इतिहास

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22) निवेश सीमा को एक साथ मिलाया जाना

22(4)

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क्र.सं.	उस एफपीआई/ओडीआई अभिदाता का नाम जिसके साथ आवेदक का 50% से अधिक समान स्वामित्व या समान नियंत्रण हो	यदि ओडीआई अभिदाता हो, तो कृपया संबंधित एफपीआई का नाम लिखें	एफपीआई की रजिस्ट्रीकरण संख्या

22(4 :

क्र. सं.	एफपीआई का नाम	एफपीआई रजिस्ट्रीकरण संख्या	सामान्य नियंत्रण रखने वाले व्यक्ति का नाम

23) भारतीय प्रतिभूति बाजार से पहले कभी जुड़े हों, तो उसके ब्यौरे दें

?

एंटिटी का नाम	किस रूप में रजिस्ट्रीकृत/सहयुक्त	सेबी रजिस्ट्रीकरण सं. (यदि लागू हो)

भाग ग - पैन प्राप्त करने हेतु अतिरिक्त सूचना

24) क्या आवेदक के पास पहले से ही पैन है ☐ : _____.

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25) आवेदक की स्थिति ☐

26) निर्धारण अधिकारी (एओ कोड) ☐

क्षेत्र कोड			एओ प्रकार			रेंज कोड			एओ संख्या		

27) रजिस्ट्रीकरण संख्या (कंपनी, फर्म, एलएलपी, आदि के लिए) (व्यष्टियों के लिए लागू नहीं)

28) भारत में आवेदक का प्रतिनिधि या

पूरा नाम (पूरा नाम: संक्षिप्ताक्षरों की अनुमति नहीं है)

कृपया शीर्षक चुनें, ☑ जैसा लागू हो ☐ श्री ☐ श्रीमती ☐ कुमारी/सुश्री ☐ मैसर्स

अंतिम नाम/उपनाम

प्रथम नाम

मध्य नाम

पता

फ्लैट/कमरा/दरवाजा/ब्लॉक संख्या

परिसर/भवन/गाँव

सड़क/मार्ग/पथ/डाकघर

क्षेत्र/मोहल्ला/तालुका/उप-मंडल

शहर/नगर/जिला

राज्य/संघ राज्य क्षेत्र

पिन कोड/जिप कोड

29) सरकारी कंपनी की दशा में, क्या स्टॉक एक्सचेंज पर सूचीबद्ध है

☐ हाँ ☐ नहीं यदि हाँ, तो स्टॉक एक्सचेंज का नाम बताएँ: _____

30) क्या एंटिटी निम्नलिखित सेवाओं में शामिल है / सेवाएँ दे रही है

विदेशी मुद्रा, मुद्रा परिवर्तक सेवाएँ ☐ हाँ ☐ नहीं

गेमिंग/गेम्बलिंग/लॉटरी सेवाएँ (कैसिनो और बेटिंग सिंडिकेट) ☐ हाँ ☐ नहीं

पैसा उधार देना, गिरवी रखना ☐ हाँ ☐ नहीं

31) पैन के लिए पहचान के सबूत तथा पते के सबूत के तौर पर प्रस्तुत किए जाने वाले दस्तावेज

मैंने/हमने पहचान के सबूत के तौर पर ____ पते के सबूत के तौर पर ____ तथा अनिवार्य प्रमाणित दस्तावेजों के तौर पर संलग्न किए हैं ____ [कृपया प्रस्तुत किए जाने वाले अनिवार्य प्रमाणित दस्तावेजों की सूची, जो भी लागू हो, के लिए अनुदेश (आय-कर नियमावली, 1962 के नियम 114 में यथा निर्धारित) देखें]

भाग घ – अतिरिक्त सूचना, केवल व्यष्टियों के लिए लागू

32) लिंग:

33) वैवाहिक स्थिति:

34) नागरिकता की स्थिति :

विदेशी के मामले में, नागरिकता का देश :

35) माता पिता के ब्यौरे: (केवल व्यष्टि आवेदकों के लिए)

क्या माता एकल जनिता (सिंगल पेरन्ट) है और क्या आप केवल अपनी माता का नाम देकर स्थाई खाता संख्या हेतु आवेदन करना चाहते हैं?

हाँ ☐ नहीं ☐ (जो लागू हो, उस पर सही का निशान लगाएँ)

यदि हाँ, तो नीचे दिए गए स्थान में माता का नाम भरें।

पिता का नाम (पिता का नाम देना अनिवार्य है, उस दशा को छोड़कर जहाँ माता एकल जनिता है और आप केवल माता का नाम देकर पैन हेतु आवेदन करना चाहते हैं)

अंतिम नाम/उपनाम

प्रथम नाम

मध्य नाम

माता का नाम (माता का नाम देना वैकल्पिक है, उस दशा को छोड़कर जहाँ माता एकल जनिता है और आप केवल माता का नाम देकर पैन हेतु आवेदन करना चाहते हैं)

अंतिम नाम/उपनाम

प्रथम नाम

मध्य नाम

या तो पिता या माता का नाम चुनें, जिसे आप पैन कार्ड पर मुद्रित कराना चाहते हैं। (केवल एक ही चुनें)

☐ **पिता का नाम** ☐ **माता का नाम (जो लागू हो, सही का निशान लगाएँ)**

(यदि कोई भी विकल्प नहीं दिया गया तो पैन कार्ड पिता के नाम के साथ जारी किया जाएगा, उस दशा को छोड़कर जहाँ माता एकल जनिता है और आप केवल माता का नाम देकर पैन हेतु आवेदन करना चाहते हैं।

आवेदक के हस्ताक्षर _____

36) पति/पत्नी का नाम

भाग ङ - निक्षेपागार और बैंक खाता खोलना

37)

क) प्राधिकृत करना

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ख) एकल/प्रथम धारक के लिए प्रचालन का माध्यम (संयुक्त रूप से धारिता स्थिति में, सभी धारकों को हस्ताक्षर करना आवश्यक है) [गैर व्यष्टियों के लिए लागू]

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भाग - च (घोषणा और वचन)

घोषणा और वचन

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केवल कार्यालय प्रयोग हेतु

निक्षेपागार सहभागी का नाम			
निक्षेपागार सहभागी का पता			
निक्षेपागार सहभागी की आईडी		ग्राहक की आईडी	

आवेदक के बैंक खाते की जानकारी (निक्षेपागार प्रणाली में डालने हेतु)

1)	बैंक खाते का प्रकार -	अन्य -	एसएनआरए_____									
2)	बैंक खाता संख्या											
3)	बैंक का नाम											
4)	शाखा का पता											
		शहर/नगर/ गाँव			पिन कोड							
		राज्य			देश							
5) एमआईसीआर कोड												

प्राप्त दस्तावेज ☐ जोखिम श्रेणी ☐

व्यक्तिगत सत्यापन निम्नलिखित द्वारा किया गया

पहचान सत्यापन: ☐ किस तारीख को किया गया : ☐☐ ☐☐ ☐☐☐☐

कर्मचारी का नाम_____ कर्मचारी का कोड_____

कर्मचारी का पद_____ कर्मचारी की शाखा_____

हस्ताक्षर

संस्था के ब्यौरे

नाम_____

कोड_____

(संस्था की मुहर)

सामान्य आवेदन फॉर्म (सीएएफ) भरने संबंधी अनुदेश

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खंड सं.	खंड का नाम	फॉर्म भरने संबंधी दिशानिर्देश
1	आवेदक का नाम	कृपया उपयुक्त शीर्षक चुनें (अनिवार्य खंड) प्रथम और अंतिम नाम / उपनाम में संक्षिप्ताक्षर का प्रयोग न करें जैसे, **रविकांत (RAVIKANT)** को इस प्रकार लिखा जाए:

अंतिम नाम / उपनाम	R	A	V	I	K	A	N	T																
प्रथम नाम																								
मध्य नाम																								

जैसे **सुरेश सारदा (SURESH SARDA)** को इस प्रकार लिखा जाए:

अंतिम नाम / उपनाम	S	A	R	D	A																			
प्रथम नाम	S	U	R	E	S	H																		
मध्य नाम																								

जैसे **पूनम रवि नारायण (POONAM RAVI NARAYAN)** को इस प्रकार लिखा जाए:

अंतिम नाम / उपनाम	N	A	R	A	Y	A	N																	
प्रथम नाम	P	O	O	N	A	M																		
मध्य नाम	R	A	V	I																				

सत्यम वैंकट एम.के. राव (SATYAM VENKAT M. K. RAO) :

/	R	A	O																				
	S	A	T	Y	A	M																	
	V	E	N	K	A	T		M		K													

एम.एस. कांडास्वामी (मदुरै सोमासुंदरम कांडास्वामी) [M. S. KANDASWAMY (MADURAI SOMASUNDRAM KANDASWAMY)] :

/	K	A	N	D	A	S	W	A	M	Y													
	M	A	D	U	R	A	I																
	S	O	M	A	S	U	N	D	R	A	M												

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गैर-व्यष्टि / ,

एक्सवाईज़ेड डाटा कारपोरेशन (इंडिया) प्राइवेट लिमिटेड [XYZ DATA CORPORATION (INDIA) PRIVATE LIMITED] :

/	X	Y	Z		D	A	T	A		C	O	R	P	O	R	A	T	I	O	N		(	I	N
	I	A	)		P	R	I	V	A	T	E		L	I	M	I	T	E	D				

		मध्य नाम																							
		जैसे **मनोज मफतलाल दवे (एचयूएफ) [MANOJ MAFATLAL DAVE (HUF)]** को इस प्रकार लिखा जाए:																							
		अंतिम नाम / उपनाम	M	A	N	O	J		M	A	F	A	T	L	A	L		D	A	V	E		(	H	U	F
		प्रथम नाम	)																						
		मध्य नाम																							
		कंपनी की दशा में, नाम बिना किसी संक्षिप्ताक्षर के ही लिखा जाए। जैसे 'प्राइवेट लिमिटेड' ('Private Limited') लिखने के विभिन्न तरीकों, अर्थात् Pvt Ltd, Private Ltd, Pvt Limited, P Ltd, P. Ltd., Ltd की अनुमति नहीं है। इसे केवल 'प्राइवेट लिमिटेड' ('Private Limited') ही लिखा जाए। एकल स्वामित्व वाली फर्म की दशा में, स्वामी अपने नाम से ही पैन के लिए आवेदन करें। नाम के आगे कोई भी शीर्षक जैसे श्री, श्रीमती, कुमारी, डॉ., मेजर, मैसर्स आदि न लगाएँ।																							
2	पूरे नाम के संक्षिप्ताक्षर, जैसे स्थायी खाता संख्या (पैन) कार्ड पर मुद्रित कराने हों	'व्यक्ति (व्यष्टि)' आवेदक पैन कार्ड पर मुद्रित कराने के लिए अपना पूरा नाम / नाम के संक्षिप्ताक्षर दे सकते हैं। नाम, यदि संक्षिप्त किया गया हो, तो उसमें अंतिम नाम अवश्य शामिल होना चाहिए। जैसे: **सत्यम वैंकट एम.के. राव [SATYAM VENKAT M. K. RAO]** जो नाम वाले खंड में इस प्रकार लिखा गया है :																							
		अंतिम नाम / उपनाम	R	A	O																				
		प्रथम नाम	S	A	T	Y	A	M																	
		मध्य नाम	V	E	N	K	A	T		M		K													
		'स्थायी खाता संख्या (पैन) कार्ड पर मुद्रित कराने हेतु नाम' वाले कॉलम में नाम इस प्रकार लिखा जा सकता है :																							

		SATYAM VENKAT M.K. RAO S.V.M. K. RAO SATYAM V. M. K. RAO - , 1
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4	) / / / /	: 2 1975 : - (DD) / (MM) / (YYYY) ( ) D D M M Y Y Y Y 0 2 0 8 1 9 7 5 : ( ): ; : ; : / ; : ; : ; : / ; : , , 01-01-0001
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5	जन्म / निगमन / स्थापना / गठन का स्थान और देश	यह खंड आवेदकों की सभी श्रेणियों के लिए अनिवार्य है।
6क	विधिक एंटिटी पहचानकर्ता सं.	आवेदक विधिक एंटिटी पहचानकर्ता सं. बताएगा, यदि लागू हो।
6ख	कर अधिवासिता प्रमाणपत्र के ब्यौरे	आवेदक कर अधिवासिता प्रमाणपत्र सं. और कर अधिवासिता देश बताएगा। आवेदक अनेक कर अधिवासिता के ब्यौरे देगा, यदि लागू हों।
7क एवं 7ख	आवास का पता / रजिस्ट्रीकृत और कार्यालय का पता	**R - आवासीय पता :** व्यक्तियों (व्यष्टियों), एचयूएफ, एओपी, बीओआई या एजेपी के लिए, आवासीय पता देना अनिवार्य है। अन्य आवेदक अपने रजिस्ट्रीकृत पते का उल्लेख करें। **O - कार्यालय का पता:** 1) यदि व्यक्ति (व्यष्टि) की आय का स्रोत वेतन या कारबार/व्यवसाय है, तो कार्यालय का नाम और पता [खंड सं. 9] 2) फर्म, एलएलपी, कंपनी, स्थानीय प्राधिकरण और न्यास के मामले में कार्यालय का नाम और पूरा पता दिया जाना अनिवार्य है। आवेदकों की सभी श्रेणियों के लिए, पूरे पते का उल्लेख करना तथा कस्बे/शहर/जिले, राज्य/संघ शासित प्रदेश के ब्यौरे देना तथा पिनकोड देना अनिवार्य है। यदि, विदेश का पता दिया जाए तो यह अनिवार्य है कि देश के नाम के साथ-साथ उसका जिप कोड भी दिया जाए।
7ग	पत्र-व्यवहार के लिए पता	पत्र-व्यवहार के लिए, व्यक्ति (व्यष्टि)/एचयूएफ/एओपी/बीओआई/एजेपी या तो 'आवास' या 'कार्यालय' का पता दे सकते हैं और अन्य आवेदकों के लिए यह आवश्यक है कि वे 'कार्यालय' का पता ही दें। सभी पत्र-व्यवहार इस खंड में दिए गए पते पर ही किए जाएँगे।

7		1) ( ) . ( ) : (i) (23555705) : + 9 1 1 1 2 3 5 5 5 7 0 5 '91' '11'
		(ii) . 9102511111 + 9 1 9 1 0 2 5 1 1 1 1 1 '91' 2) " " " - " , / - 3) 4) - . / - 5)
8	( )	(/) , ( ) - / ( ) , , , / , , , , ' ' , - ( ) , 2005 [ ] (- -) 9(3) ( ) ( ) ,

		'अंतिम हिताधिकारी स्वामी की धारिता' की सूची (नीचे दिए गए बॉक्स में से चुनें) 1) 10% 2) 15% 3) 25% 4) अन्य, यदि अन्य हो तो कृपया उल्लेख करें _____ कॉलम सं. 8 में दिए जाने वाले अपेक्षित ब्यौरों से प्रवर्ग-I के आवेदकों के साथ-साथ प्रवर्ग-II के ऐसे आवेदकों को छूट प्रदान की गई है जो उप-प्रवर्ग (5)(ख)(i), अर्थात् 'समुचित रूप से विनियमित निधियाँ (रेग्यूलेटिड फंड्स), जो प्रवर्ग-I की विदेशी पोर्टफोलियो निवेशक के रूप में पात्र न हों' के तहत आवेदक हैं।
9	आय के ब्यौरे	फॉर्म में आय का कम से कम एक स्रोत दर्शाना अनिवार्य है। **'आय का स्रोत'** 1) वेतन 2) पूँजीगत अभिलाभ 3) कारबार/व्यवसाय से आय 4) कोई आय नहीं 5) अन्य स्रोतों से आय 6) गृह संपत्ति से आय यदि आवेदक 'कारबार/व्यवसाय से आय' चुनता है, तो उपयुक्त कारबार/व्यवसाय कोड का उल्लेख किया जाना है।

कोड	कारबार / व्यवसाय	कोड	कारबार / व्यवसाय
01	चिकित्सा संबंधी व्यवसाय और कारबार	11	फिल्म, टी.वी. और अन्य मनोरंजन के साधन
02	इंजीनियरिंग	12	सूचना प्रौद्योगिकी
03	वास्तुकला	13	बिल्डर्स एवं डेवलपर्स
04	चार्टर्ड अकाउंटेंट / अकाउंटेंसी	14	स्टॉक एक्सचेंजों के सदस्य, शेयर दलाल और उप-दलाल
05	इंटीरियर डेकोरेशन	15	प्रदर्शन कलाएँ (प्रफॉर्मिंग आर्टस)
06	तकनीकी परामर्श कार्य	16	जहाजों, होवरक्रॉफ्ट, एयरक्रॉफ्ट या हेलिकॉप्टर का संचालन
07	कंपनी सचिव	17	टैक्सी, लॉरी, ट्रक, बसें या अन्य वाणिज्यिक वाहन चलाना
08	विधि व्यवसायी और सालिसिटर्स	18	घोड़ों का स्वामित्व या जॉकी
09	सरकारी ठेकेदार	19	सिनेमा हॉल या अन्य थियेटर
10	बीमा एजेंट	20	अन्य

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10		'व्यवसाय के ब्यौरे' व्यक्तियों (व्यष्टियों) के लिए ( ) 1) - 2) - 3) - 4) 5) 6) 7) 8) 9) 10) गैर-व्यक्तियों (व्यष्टियों) के लिए ( ) 1) (R) 2) (U) 3) (D) 4) (S) 5) - (N) 6) (C)
11		'पहचान के सबूत' संबंधी दस्तावेजों की सूची (नीचे दिए गए बॉक्स में से चुनें) – व्यक्तियों (व्यष्टियों) के लिए A- , : / / B- C- ( ) D- , : / / F- Z- (/ , / , , ___

गैर-व्यक्तियों (व्यष्टियों) के लिए

1) निगमन / गठन संबंधी प्रमाणपत्र
2) रजिस्ट्रीकरण प्रमाणपत्र
3) संगम-ज्ञापन और संगम-अनुच्छेद / भागीदारी विलेख / न्यास विलेख / प्रॉस्पेक्ट्स/प्रस्ताव ज्ञापन (ऑफरिंग मेमोरेंडम) या समतुल्य दस्तावेज

'पहचान के सबूत' संबंधी खंड भरे जाने के लिए स्पष्टीकरण / दिशानिर्देश

1. यदि पहचान के सबूत के तौर पर ड्राइविंग लाइसेंस या पासपोर्ट दिया गया हो, तो उनकी समाप्ति की तारीख देना अनिवार्य है।
2. यदि 'Z- अन्य (केंद्र सरकार द्वारा अधिसूचित किया गया कोई दस्तावेज)' चुना गया हो, तो उस दस्तावेज की पहचान / संदर्भ संख्या का उल्लेख करें।
3. पहचान के सबूत के तौर पर दिए गए किसी एक दस्तावेज की प्रति प्रस्तुत की जाए।
4. आवेदक द्वारा प्रस्तुत किए गए सभी दस्तावेजों की प्रतियों को स्व-प्रमाणित किया जाए और सत्यापन के समय मूल दस्तावेज प्रस्तुत किए जाएँ या प्रतियों को उन एंटिटियों से अनुप्रमाणित कराया जाए जो इस निमित्त प्राधिकृत हों।
5. यदि पहचान का कोई सबूत विदेशी भाषा में हो, तो उसका अंग्रेजी में अनुवाद अपेक्षित है।

'पते के सबूत' संबंधी दस्तावेजों की सूची (नीचे दिए गए बॉक्स में से चुनें) –

व्यक्तियों (व्यष्टियों) के लिए

1) पासपोर्ट
2) ड्राइविंग लाइसेंस
3) मतदाता पहचानपत्र
4) नरेगा जॉब कार्ड
5) अन्य (केंद्र / राज्य सरकार और उनके किसी विभाग, सांविधिक / विनियामक प्राधिकरणों, कर प्राधिकरणों द्वारा अधिसूचित किया गया कोई दस्तावेज, पहचान संख्या _____

गैर-व्यक्तियों (व्यष्टियों) के लिए

1) निगमन / गठन संबंधी प्रमाणपत्र
2) रजिस्ट्रीकरण प्रमाणपत्र

		3) -1 -2 : ( ) ( ) (/), 4) , , ( ); 5) , 3 / , / , , 'पते के सबूत' संबंधी खंड भरे जाने के लिए स्पष्टीकरण / दिशानिर्देश 1. i. - ii. 2. , 3. , 4. - - , 5. ,
12		( ) , , , , / / , , ,
13		एफपीआई के लिए 'श्रेणी का प्रकार' ( ) 1) - I 2) - II 'एफपीआई के उप-प्रवर्ग के नाम' ( ) ( ) " -I -

(i) सरकार और सरकार से संबंधित निवेशक जैसे केन्द्रीय बैंक, राष्ट्रिक धन निधियाँ (सॉवरिन वेल्थ फंड्स), अंतरराष्ट्रीय या बहुपक्षीय संगठन या एजेंसियाँ, जिनमें वे एंटिटियाँ भी शामिल हैं जिनका नियंत्रण या, प्रत्यक्ष रूप से या अप्रत्यक्ष रूप से, कम से कम 75% स्वामित्व ऐसी सरकार और सरकार से संबंधित निवेशक (निवेशकों) के पास हो;

(ii) पेंशन निधियाँ और विश्वविद्यालय निधियाँ (यूनिवर्सिटी फंड);

(iii) समुचित रूप से विनियमित (रेग्यूलेटिड) एंटिटियाँ, जैसे बीमा या पुनर्बीमा एंटिटियाँ, बैंक, आस्ति प्रबंध कंपनियाँ (असेट मैनेजमेंट कंपनी), निवेश प्रबंधक (इन्वेस्टमेंट मैनेजर), निवेश सलाहकार (इन्वेस्टमेंट एडवाइज़र), पोर्टफोलियो प्रबंधक (पोर्टफोलियो मैनेजर), ब्रोकर डीलर और स्वैप डीलर;

(iv) ऐसी एंटिटियाँ जो वित्तीय कार्रवाई कार्यबल (फाइनेंशियल एक्शन टास्क फोर्स) के सदस्य देशों से हों, जो -

I. समुचित रूप से विनियमित निधियाँ (रेग्यूलेटिड फंड्स) हों;

II. अविनियमित निधियाँ (अनरेग्यूलेटिड फंड्स) हों, जिनका निवेश प्रबंधक (इन्वेस्टमेंट मैनेजर) समुचित रूप से विनियमित हो और प्रवर्ग-I के विदेशी पोर्टफोलियो निवेशक के रूप में रजिस्ट्रीकृत हो:

परंतु यह कि ऐसी अविनियमित निधि द्वारा जो कुछ भी किया जाए या जो कुछ न किया जाए, उसकी जिम्मेदारी निवेश प्रबंधक की रहेगी;

III. ऐसे विश्वविद्यालयों के विश्वविद्यालय से संबंधित विन्यास (एन्डाउमेंट), जो पाँच वर्षों से ज्यादा पुराने हों;

(v) ऐसी एंटिटी (क) जिसका निवेश प्रबंधक वित्तीय कार्रवाई कार्यबल (फाइनेंशियल एक्शन टास्क फोर्स) के सदस्य देश से हो और ऐसा निवेश प्रबंधक प्रवर्ग-I के विदेशी पोर्टफोलियो निवेशक के रूप में रजिस्ट्रीकृत हो; या (ख) जिसका, प्रत्यक्ष रूप से या अप्रत्यक्ष रूप से, कम से कम पचहत्तर प्रतिशत स्वामित्व (ओनरशिप) ऐसी अन्य एंटिटी के पास हो, जो इस विनियम के खंड (क) के उप-खंड (ii), (iii) एवं (iv) के तहत पात्र हो और ऐसी पात्र एंटिटी वित्तीय कार्रवाई कार्यबल (फाइनेंशियल एक्शन टास्क फोर्स) के सदस्य देश से हो:

परंतु यह कि इस उप-खंड के तहत रजिस्ट्रीकरण की मांग करने वाले आवेदकों द्वारा जो कुछ भी किया जाए या जो कुछ न किया जाए, उसकी जिम्मेदारी ऐसे निवेश प्रबंधक या ऐसी पात्र एंटिटी की रहेगी।

(ख) "प्रवर्ग-II के विदेशी पोर्टफोलियो निवेशक" में वे सभी निवेशक शामिल होंगे, जो प्रवर्ग-I के विदेशी पोर्टफोलियो निवेशक के रूप में पात्र न हों, जैसे-

(i) समुचित रूप से विनियमित निधियाँ (रेग्यूलेटिड फंड्स), जो प्रवर्ग-I के विदेशी पोर्टफोलियो निवेशक के रूप में पात्र न हों;

		(ii) (( ); (iii) ( ); (iv) ( ); (v) ( ); (vi) ; (vii) , (, - , ; (viii) ( ), ( ), ( ), ; स्पष्टीकरण: (-I ,
15		,
16	- / /	- / / ( )
17		- ( )
24		'क्या आवेदक के पास पहले से ही पैन है' ( ) 1)

	से ही पैन है	2) नहीं यदि **"नहीं"** चुना गया है, तो कृपया क्रम सं. 25 से 29 में उल्लेख करें।
25	आवेदक की स्थिति	यह खंड आवेदकों की सभी श्रेणियों के लिए अनिवार्य है। 'सीमित दायित्व भागीदारी' के मामले में, 'फर्म' के तौर पर पैन दिया जाएगा। **'आवेदक की स्थिति'** से संबंधित सूची (नीचे दिए गए बॉक्स में से चुनें) 1) व्यक्ति (व्यष्टि) 2) हिन्दू अविभक्त कुटुंब 3) कंपनी 4) भागीदारी फर्म 5) सरकार 6) न्यास 7) व्यक्तियों (व्यष्टियों) का निकाय 8) स्थानीय प्राधिकरण 9) कृत्रिम विधिक व्यक्ति (आर्टिफिशियल ज्यूरिडिशियल पर्सन) 10) व्यक्तियों का संगम 11) सीमित दायित्व भागीदारी
27	रजिस्ट्रीकरण संख्या	व्यक्तियों (व्यष्टियों) और एचयूएफ के लिए लागू नहीं। 'कंपनी' के लिए अनिवार्य है। कंपनी को कंपनी रजिस्ट्रार या उनके देश के संबद्ध सरकारी प्राधिकरण द्वारा जारी की गई रजिस्ट्रीकरण संख्या का उल्लेख करना चाहिए।
28	प्रतिनिधि निर्धारिती का नाम और पता	आयकर अधिनियम, 1961 की धारा 160 में यह प्रावधान है कि किसी 'विनिर्दिष्ट व्यक्ति' (निर्धारिती) का प्रतिनिधित्व प्रतिनिधि निर्धारिती के माध्यम से किया जा सकता है। इसलिए, यह कॉलम आयकर अधिनियम, 1961 की धारा 160 में निर्धारित प्रतिनिधि निर्धारिती [जैसे अनिवासी का अभिकर्ता (एजेंट), अवयस्क, पागल या जड़मति का संरक्षक या प्रबंधक, प्रतिपाल्य अधिकरण, महाप्रशासक, शासकीय न्यासी, रिसीवर, प्रबंधक, न्यास (जिसमें वक्फ भी शामिल है) का न्यासी] द्वारा भरा जाना है। इस खंड में प्रतिनिधि निर्धारिती के विवरण होंगे। यदि आवेदक अवयस्क, मृतक, जड़मति, पागल या मानसिक रूप से मंद हो, तो यह खंड अनिवार्य है। उस व्यक्ति के ब्यौरे भी दिए जाएँगे, जिसकी ओर से आवेदन किया गया हो। प्रतिनिधि निर्धारिती के लिए भी पहचान का सबूत और पते का सबूत दिया जाना अपेक्षित है।
31	पैन के लिए पहचान के सबूत तथा पते के सबूत	पैन आवेदन के साथ पहचान के सबूत तथा पते के सबूत लगाना **अनिवार्य** है। **दस्तावेज आवेदक के नाम से ही होने चाहिए।** आवेदक की प्रत्येक स्थिति के लिए पहचान के सबूत तथा पते के सबूत के तौर पर प्रस्तुत किए जाने वाले दस्तावेजों की सूची नीचे दी गई है :

, 1962 114(4)

व्यक्तियों (व्यष्टियों) और एचयूएफ के लिए

पहचान का सबूत (प्रति)	पते का सबूत (प्रति)
1. ,	1. ,
2. , या	2. , या
3. , या	3. , या
4. , " " (, 1961) ,	4. , " " (, 1961) , , या 5. , या 6. , या 7. , या 8. ( ) , या 9. ( )

		व्यक्तियों (व्यष्टियों) से भिन्न के लिए 1. उस देश में जारी रजिस्ट्रीकरण प्रमाणपत्र की प्रति, जिस देश में आवेदक का ठिकाना हो, जो "अपोसिल" (उन देशों के संबंध में जो हेग कन्वेंशन, 1961 के हस्ताक्षरकर्ता है) द्वारा या उस देश में स्थित भारतीय दूतावास या उच्चायुक्त या कंसुलेट या भारत में रजिस्ट्रीकृत अनुसूचित बैंकों की विदेशी शाखाओं के प्राधिकृत अधिकारियों द्वारा विधिवत् रूप से सत्यापित हो, जिस देश में आवेदक का ठिकाना हो**, या** 2. भारत में जारी रजिस्ट्रीकरण प्रमाणपत्र या भारतीय प्राधिकारियों द्वारा भारत में कार्यालय स्थापित करने के लिए प्रदत्त अनुमोदन की प्रति। 1. उस देश में जारी रजिस्ट्रीकरण प्रमाणपत्र की प्रति, जिस देश में आवेदक का ठिकाना हो, जो "अपोसिल" (उन देशों के संबंध में जो हेग कन्वेंशन, 1961 के हस्ताक्षरकर्ता है) द्वारा या उस देश में स्थित भारतीय दूतावास या उच्चायुक्त या कंसुलेट या भारत में रजिस्ट्रीकृत अनुसूचित बैंकों की विदेशी शाखाओं के प्राधिकृत अधिकारियों द्वारा विधिवत् रूप से सत्यापित हो, जिस देश में आवेदक का ठिकाना हो**, या** 2. भारत में जारी रजिस्ट्रीकरण प्रमाणपत्र या भारतीय प्राधिकारियों द्वारा भारत में कार्यालय स्थापित करने के लिए प्रदत्त अनुमोदन की प्रति।
32	लिंग	यह खंड व्यक्तियों (व्यष्टियों) के लिए अनिवार्य है। **'लिंग'** से संबंधित सूची (नीचे दिए गए बॉक्स में से चुनें) 1) पुरुष 2) महिला 3) ट्रांसजेंडर (विपरीत लिंग)
33	वैवाहिक स्थिति	यह खंड व्यक्तियों (व्यष्टियों) के लिए अनिवार्य है। **'वैवाहिक स्थिति'** से संबंधित सूची (नीचे दिए गए बॉक्स में से चुनें) 1) अविवाहित 2) विवाहित 3) तलाकशुदा 4) विधवा/विधुर
34	नागरिकता की स्थिति	यह खंड व्यक्तियों (व्यष्टियों) के लिए अनिवार्य है। **'नागरिकता की स्थिति'** से संबंधित सूची (नीचे दिए गए बॉक्स में से चुनें) 1) विदेशी 2) भारतीय मूल का व्यक्ति 3) भारत का विदेशी नागरिक एफपीआई आवेदकों के लिए, नारिकता की स्थितिमें केवल विदेशी ही लागू होगा। विदेशी के मामले में, कृपया नागरिकता के देश (जैसा लागू हो) का उल्लेख करें।

35	- [( )]	. 1 क्या माता एकल जनिता (सिंगल पेरन्ट) है और क्या आप केवल अपनी माता का नाम देकर पैन हेतु आवेदन करना चाहते हैं? ( ) (' ' ' ') ' ' (i) , और (ii) ' ' , , पिता का नाम: ( ) ( ) माता का नाम: ((?) ' ' नाम जैसा स्थायी खाता संख्या (पैन) कार्ड पर मुद्रित कराना हो: ( ) ( ) ' ( ) , ' ' , , (,
	/	(i) ; (ii) : (iii) : (iv) . ( ) , ( ) , (v) / ; (vi) ; (vii) / / / / ,

MINISTRY OF FINANCE

(Department of Economic Affairs)

NOTIFICATION

New Delhi, the 27th January, 2020

F. No. 4/15/2016-ECB.—In supersession of the notification of the Government of India in the Ministry of Finance (Department of Economic Affairs) No.4/15/2016-ECB, dated the 21st August, 2019, published in the Gazette of India, the Central Government hereby notifies the Common Application Form attached as Annexure 1 for the purpose of registration, opening of bank and demat accounts, and application for Permanent Account Number by Foreign Portfolio Investors (FPIs) in India.

ANAND MOHAN BAJAJ, Jt. Secy.

Only 'Individuals to affix recent photograph (3.5 cm x 2.5 cm)

Signature/ Left Thumb Impression across the photo

COMMON APPLICATION FORM

[Single Combined Application form for registration of Foreign Portfolio Investor (FPI) with SEBI, Allotment of Permanent Account Number (PAN) and Know Your Customer (KYC) for opening Bank & Demat Account.]

To avoid mistake(s), please follow the accompanying instructions and examples before filling up the form

Only 'Individuals to affix recent photograph (3.5 cm x 2.5 cm)

Signature/Left Thumb Impression

Sir,

I/We hereby request that a **Permanent Account Number & FPI registration number** be allotted to me/us.

In this context, I/We give below necessary particulars:

PART A- KYC INFORMATION

1) Name of the Applicant (Full expanded name to be mentioned as appearing in proof of identity/ address documents: initials are not permitted)

Please select title, ☑ as applicable ☐ Shri/Mr. ☐ Smt/Mrs. ☐ Kumari/Ms. ☐ M/s

Last Name/Surname

First Name

Middle Name

2) Abbreviation of the Name, as you would like it, to be printed on the PAN card

3) Have you ever been known by any other name? ☐ **Yes** ☐ **No** (Please tick as applicable)

If yes, please give that other name

Please select title, ☑ as applicable ☐ Shri/Mr. ☐ Smt/Mrs. ☐ Kumari/Ms. ☐ M/s

Last Name/Surname

First Name

Middle Name

4) Date of Birth/Incorporation/Agreement/ Formation of body of Individuals or Association of Persons/ Establishment (DD/MM/YYYY)

	Particulars	Date (DD/MM/YYYY)
a)	Date of Birth/ Incorporation/Agreement/ Partnership or Trust Deed/ Establishment/ Formation of body of Individuals or Association of Persons	
b)	Date of Commencement of Business (Not applicable for Individuals)	

5) Place and Country of Birth/ Incorporation/ Establishment/ Formation

Place _____ Country ☐ ISD Country Code: ☐

In case of Foreign Individual applicant, please specify the nationality and passport no. of the applicant:

Nationality/ Citizenship: ☐ ISD country code: ☐ Passport No. _____

6) Legal Entity Identifier & Tax Residency Certificate details

	Particulars	Details	
a)	Legal Entity Identifier (LEI)		
b)	Tax Residency Certificate (TRC) No.		Country of Tax Residency

+ Add (Add row in case of Multiple Tax Residency Countries)

Signature of the Applicant _____

7) Address & Communication Details

a) Registered /Residence Address

Flat/ Room/ Door/ Block No.

Name of Premises/Building/ village

Road/ Street/Lane/ Post Office

Area/ Locality/ Taluka/ Sub-Division

Town/ City/ District

State/Union Territory

Pin Code/ Zip Code Country Name

b) Office Address

Name of Office

Flat/ Room/ Door/ Block No.

Name of Premises/Building/ Village

Road/ Street/Lane/ Post Office

Area/ Locality/ Taluka/ Sub-Division

Town/ City/ District

State/ Union Territory

Pin Code/ Zip Code Country Name

c) Address of Communication/Correspondence ☐ Registered/Residence ☐ Office (Please tick as applicable)

d) Contact Details:

Sr. No.	Particulars	Registered/Residence			Office		
		Country Code	Area/ STD Code	Number	Country Code	Area/ STD Code	Number
1	Telephone Number:						
2	Mobile Number:						
3	Fax Number:						
4	Email ID:						
5	Website:						

8) Information regarding Ultimate Beneficial Owner (End Natural Person)

a) Individual Custodian/DDPs may seek additional documentation/ownership details at a lower threshold than prescribed, based on their independent evaluation and risk classification of the respective FPI applicants on the basis of multiple parameters such as home jurisdiction, type of entity, nature of business etc.

☐ We declare that there is no natural person/individual who are ultimately holding > ☐ % beneficial ownership directly/indirectly into the entity as well as on controlling basis for companies, Trust & General Partner / Limited Partnership structure. We therefore provide details of the senior managing official of the FPI as under.

☐ The list of beneficial owners as per materiality threshold for controlling ownership interest and / or on control basis is provided as under:

S. No	Name & Address of the Beneficial Owner (Natural Person)	Date of Birth	Tax Residency Jurisdiction	Nationality	Whether acting alone or together, or through one or more natural person as group with their name & address	BO Group Percentage Shareholding / Capital/Profit Ownership in the FPIs	Tax Residency Number/Social Security Number/Passport Number of BO/ any other Government issued identity document number (example Driving Licence) [Please provide any]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Signature of the Applicant _____

b) Does it have few persons or persons of the same family holding beneficial ownership and control?

☐ Yes ☐ No

9) Income details

a) Source of Income: ☐ **Code for Business / Profession** ☐

b) Gross Annual Income (in INR): _____

Net worth (Asset less liabilities) (in INR):_____as on:_____(DD/MM/YYYY)

10) Occupation Details:

For Individuals ☐ **For Non – Individuals** ☐

11) Documents submitted as Proof of Identity (POI) and Proof of Address (POA) for KYC

Proof of Identity (POI) ☐ **Proof of Address (POA)** ☐

12) Whether the applicant or the applicant's authorized signatories/ Promoters/ Partners/ Trustees/ Whole Time Directors/Office bearer is

a) A politically exposed person ☐ Yes ☐ No

b) Related to a politically exposed person ☐ Yes ☐ No

Part B- FPI Registration Information

13) Category of Applicant

Classification of applicant *(please select the most appropriate category. Refer 'Instruction/ guidelines')*

a)Type of category ☐ Name of Sub- Category ☐

b)Investing/ Non- Investing entity (only applicable for Investment Manager) ☐

14) Whether the applicant is seeking registration under Multi Investment Manager(MIM) structure?

Yes ☐ **No** ☐

15) Details of Investment Manager of FPIs which are registered under regulation 5 (a) of SEBI (FPI) Regulations, 2019 (as amended from time to time) or FPI seeking registration under MIM structure

Sr. No.	Name of Investment Manager	SEBI Registration No.

16) Whether the applicant has provided with valid self-certification/ FATCA/ CRS declaration form?

Yes ☐ **Not Applicable** ☐

17) Information pertaining to the compliance officer

Name			
Job Title			
Telephone No.			
E-mail ID		**Fax No.**	

18) Details of Regulatory authority by which the applicant is regulated (If applicable)

Name			
Country		**Web-site**	
Registration Number/ Code with Regulator, if any			
Category / Capacity in which the applicant is Regulated			

Signature of the Applicant _____

19) Whether the applicant is coming through Global Custodian? ☐ Yes ☐ No

If yes, please provide name of Global custodian	
Name of Regulator	
Registration Number/ code with regulator, if any	
Address	

20) Details of the designated depository participant, custodian of securities and designated AD Category I bank appointed

a) Name of the DDP/ Custodian of Securities / Depository Participant

Name	**SEBI Registration number**	

b) Details of designated AD category I bank (approved by RBI)

Name of the Bank and Branch	
Address	

21) Disciplinary History

Whether there has been any instance of violation or non-adherence to the securities laws, code of ethics/conduct, code of business rules, for which the applicant or its parent/holding company or associate/or promoter/investment manager may have been subjected to criminal liability or suspended from carrying out its operations or the registration, has been revoked, temporarily or permanently or any regulatory actions that have resulted in temporary or permanent suspension of investment related operations in the applicant's home jurisdiction and has a bearing on obtaining FPI registration for investing in India?

☐ Yes ☐ No (If yes, please mention details briefly in below box. For more details, enclose Annexure)

22) Clubbing of Investment Limit

☐ We share common ownership, directly or indirectly, of more than fifty per cent or common control with other FPIs and are not exempt from regulation 22(4). Details of investor group are as below:

Sr. No.	Name of FPI/ ODI subscriber with whom the applicant shares, ownership of more than 50% or common control	If ODI subscriber, please mention the name of dealing FPI	Registration No. of FPI

☐ In case Clubbing of investment limits of FPIs having common control is not being done in case of public retail funds as referred in Regulation 22(4), please provide following details :

Sr.No.	Name of FPI	FPI Registration Number	Name of Common Controlling Person

23) Details of Prior association with Indian securities market

Whether the applicant was anytime associated with Indian securities market as FPI, FII, sub account, QFI or FVCI ? Yes ☐ No ☐

Name of the Entity	Registered/ associated as	SEBI Registration No. (if applicable)

Part C- Additional Information for obtaining PAN

24) Whether the applicant already holds PAN ☐ If Yes, please mention PAN:_____.

If No, then below mentioned fields will be applicable.

25) Status of Applicant ☐

26) Assessing Officer (AO code)

Area code			AO type			Range code			AO No.		

Signature of the Applicant _____

27) **Registration Number (for Company, firms, LLP, etc.) (Not applicable to Individuals)**

28) **Representative or Agent of the Applicant in India**

Full Name (Full expanded name: initial are not permitted)

Please select title, ☑ as applicable ☐ Shri/Mr. ☐ Smt/Mrs. ☐ Kumari/Ms. ☐ M/s

Last Name/Surname

First Name

Middle Name

Address

Flat/ Room/ Door/ Block No.

Name of Premises/Building/ Village

Road/ Street/Lane/ Post Office

Area/ Locality/ Taluka/ Sub-Division

Town/ City/ District

State/ Union Territory

Pin Code/ Zip Code

29) **In case of a Public company, whether listed on a Stock Exchange**

☐ Yes ☐ No If yes, then indicate name of the Stock Exchange: _____

30) **Is the entity involved/ providing any of the following services**

Foreign exchange, Money Changer Services	☐ Yes	☐ No
Gaming/ Gambling/ Lottery services (Casinos and Betting Syndicates)	☐ Yes	☐ No
Money Lending, Pawning	☐ Yes	☐ No

31) Documents submitted as a proof of Identity (POI) & Proof of Address (POA) for PAN

I/ We have enclosed ☐ as a proof of Identity, ☐ as proof of address, & ☐ as mandatory certified documents *[please refer to the instructions (as specified in Rule 114 of I.T. Rules, 1962) for list of mandatory certified documents to be submitted as applicable]*

Part D – Additional Information Applicable Only for Individuals

32) Gender: ☐

33) Marital Status: ☐

34) Citizenship Status: ☐

In case of Foreigner, country of citizenship :

35) Details of Parents: (Applicable only for individual applicants)

Whether mother is a single parent and you wish to apply for PAN by furnishing the name of your mother only?

☐ Yes ☐ No (please tick as applicable)

If yes, please fill in the mother's name in the appropriate space provide below.

Father's Name (Mandatory except where mother is a single parent and PAN is applied by furnishing the name of mother only)

Last Name/Surname

First Name

Middle Name

Mother's Name (optional except where mother is a single parent and PAN is applied by furnishing the name of mother only)

Last Name/Surname

First Name

Middle Name

Select the name of either father or mother which you may like to be printed on PAN card (Select one only)

☐ **Father's Name** ☐ **Mother's Name (please tick as applicable)**

(In case no option is provided then PAN card will be issued with father's name except where mother is single parent and you wish to apply for pan by furnishing name of the mother only)

Signature of the Applicant _____

36) Spouse Name

PART E: Depository & Bank Account Opening

37) Details To Be Obtained For Opening Depository Account

a) Authorisation

☐ I/We hereby request Depository Participant viz.,_____(Name of the DP) to open Depository account in my/our name as mentioned in the application form.

OR

☐ I/We is/are non-investing FPI and do not wish to open Depository Account.

b)Mode of Operation for Sole/First Holder (in case of joint holdings, all the holders must sign) [applicable to Non-individuals]

☐ Any one single	
☐ Jointly by	
☐ As per resolution	
☐ Others (please specify)	

38) Bank Account Information:

☐ I/We hereby request to open Special Non Resident Rupee Account (SNRA) in my/our name.

OR

☐ I/We is/are non-investing FPI and do not wish to open Bank Account.

PART- F (Declaration & Undertaking)

Declaration and Undertaking

I/We_____, the applicant, in the capacity of _____do hereby declare that what is stated in the aforesaid application form (including the enclosed documents/annexures) is complete and true to the best of my/ our information and belief. I/we undertake to inform you of any changes therein, immediately. Incase any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it. I/we hereby apply for registration as Foreign Portfolio Investor ("FPI") in accordance with the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, obtain Permanent Account Number (PAN) from Income Tax Department of India and open Depository Account & Bank Account (if applicable). Further, I/We have read and understood the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, circulars issued thereunder, its operating guidelines, reply to frequently asked questions on FPI regime provided by SEBI and shall abide with any other terms and conditions specified by SEBI from time to time. I/We hereby declare that I/we fulfill the eligibility criteria under the FPI Regulations and I/we am/are eligible to register as a FPI. Further, I/we hereby declare that I/we do not hold PAN issued by Income Tax Department currently and shall be liable for penalty of Rs. 10,000/- as per provision of section 272(B) of Income Tax Act, 1961 for possession of more than one PAN.

Place_____Date: _____

For and on behalf of applicant

Signature of Authorized Signatory	
Name	
Designation (not applicable to individual persons)	
Date	DD/MM/YYYY

Signature / Left Thumb Impression of Applicant (Inside the box)

Signature of the Applicant _____

FOR OFFICE USE ONLY

Name of Depository Participant			
Address of Depository Participant			
DP ID		Client ID	

Applicant Bank Account Information (To be captured in the depository system)													
1)	Bank account type-	Others - SNRA_____											
2)	Bank Account Number												
3)	Bank Name												
4)	Branch Address												
		City/town/ village				PIN Code							
		State				Country							
5)	MICR Code												

Documents Received ☐ Risk Category ☐

IN PERSON VERIFICATION CARRIED OUT BY

Identity Verification: ☐ Done Date: ☐☐ ☐☐ ☐☐☐☐

Emp. Name_____Emp. Code _____

Emp. Designation_____Emp. Branch _____

Signature

INSTITUTION DETAILS

Name _____

Code_____

(Institution Stamp)

INSTRUCTIONS FOR FILLING COMMON APPLICATION FORM (CAF)

(a) Common Application Form (CAF) will be available for the FPI applicants on the website(s) of NSDL (www.nsdl.co.in) or (www.fpi.nsdl.co.in)

(b) Form should be filled by the applicants in **Electronic mode** and legibly in BLOCK LETTERS.

(c) Each box, wherever provided, should contain only one character (alphabet /number / punctuation sign) leaving a blank box after each word.

(d) 'Individual' applicants should affix two recent colour photographs with white background (size 3.5 cm x 2.5 cm) in the space provided on the form. The photographs should not be stapled or clipped to the form. The clarity of image on PAN card will depend on the quality and clarity of photograph affixed on the form. Since this form is to be submitted in electronic mode, one photograph should be affixed electronically and another to be affixed in the box provided on the right side of the form .

(e) Signature / Left hand thumb impression should be provided across the photo affixed on the left side of the form in such a manner that portion of signature/impression is on photo as well as on form.

(f) Signature /Left hand thumb impression should be **within the box** provided on the right side of the form. The signature should not be on the photograph affixed on right side of the form. If there is any mark on this photograph such that it hinders the clear visibility of the face of the applicant, the application will not be accepted.

(g) Thumb impression, if used, should be attested by a Notary Public or an authorized officer in respective country of residence under official seal and stamp.

(h) AO code (Area Code, AO Type, Range Code and AO Number) of the Jurisdictional Assessing Officer must be filled up by the applicant. These details can be obtained from the Income Tax Office or PAN Centre or websites of PAN Service Providers on **www.tin-nsdl.com** and **www.utiitsl.com.**

(i) Once the form is duly filled in by the applicant in electronic mode and supporting documents uploaded on the inter-face of NSDL, the same shall flow to the Designated Depository Participant (DDP) in electronic manner. The applicant shall thereafter have to take a print of the duly filled form. The duly filled printed form should be signed by applicant and be submitted in physical mode along with requisite documents in original to the Designated Depository Participant (DDP). Applicant should sign on each page of the Form before sending.

(j) The applicant should submit the applicable fees for SEBI registration and issuance of PAN along with the form to concerned DDP in Dollar terms. The application without fees shall be rejected, The DDP shall thereafter transmit appropriate amount to SEBI (in Dollar terms) and Income Tax department (in INR).

(k) The DDP shall upload the copy of SEBI registration certificate before the application electronically flows for issuance of PAN.

(l) Once the PAN is generated, Custodian shall do the KYC. It is mandatory to provide KYC details in case of an application filled by a Foreign Portfolio Investor (FPI) as prescribed under the regulations issued by Securities & Exchange Board of India (SEBI). Please refer the guidelines issued by the SEBI & Prevention of Money Laundering Act for filling these details

(m) Guidelines for filling the Common Application Form (CAF):

Field No.	Field Name	Guidelines for filling the form
1	Name of the applicant	Please select appropriate title. (Mandatory field) Do not use abbreviations in the First and the Last name/Surname For example, **RAVIKANT** should be written as:

Last Name/ Surname	R	A	V	I	K	A	N	T														
First Name																						
Middle Name																						

For example **SURESH SARDA** should be written as:

Last Name/ Surname	S	A	R	D	A																	
First Name	S	U	R	E	S	H																
Middle Name																						

For example **POONAM RAVI NARAYAN** should be written as:

Last Name/ Surname	N	A	R	A	Y	A	N															
First Name	P	O	O	N	A	M																
Middle Name	R	A	V	I																		

For example, **SATYAM VENKAT M. K. RAO** should be written as:

Last Name/ Surname	R	A	O																			
First Name	S	A	T	Y	A	M																
Middle Name	V	E	N	K	A	T		M		K												

For example, **M. S. KANDASWAMY (MADURAI SOMASUNDRAM KANDASWAMY)** should be written as:

Last Name/ Surname	K	A	N	D	A	S	W	A	M	Y												
First Name	M	A	D	U	R	A	I															
Middle Name	S	O	M	A	S	U	N	D	R	A	M											

Applicants other than 'Individuals' may ignore above instructions.

Non-Individuals should write their full name starting from the first block of Last Name/Surname. If the name is longer than the space provided for the last name, it can be continued in the space provided for

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Middle Name																						

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Last Name/ Surname	S	A	R	D	A																	
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For example **POONAM RAVI NARAYAN** should be written as:

Last Name/ Surname	N	A	R	A	Y	A	N															
First Name	P	O	O	N	A	M																
Middle Name	R	A	V	I																		

For example, **SATYAM VENKAT M. K. RAO** should be written as:

Last Name/ Surname	R	A	O																			
First Name	S	A	T	Y	A	M																
Middle Name	V	E	N	K	A	T		M		K												

For example, **M. S. KANDASWAMY (MADURAI SOMASUNDRAM KANDASWAMY)** should be written as:

Last Name/ Surname	K	A	N	D	A	S	W	A	M	Y												
First Name	M	A	D	U	R	A	I															
Middle Name	S	O	M	A	S	U	N	D	R	A	M											

Applicants other than 'Individuals' may ignore above instructions.

Non-Individuals should write their full name starting from the first block of Last Name/Surname. If the name is longer than the space provided for the last name, it can be continued in the space provided for

First and Middle Name.

For example, **XYZ DATA CORPORATION (INDIA) PRIVATE LIMITED** should be written as:

Last Name/ Surname	X	Y	Z		D	A	T	A		C	O	R	P	O	R	A	T	I	O	N		(	I	N	D
First Name	I	A	)		P	R	I	V	A	T	E		L	I	M	I	T	E	D						
Middle Name																									

For example MANOJ MAFATLAL DAVE (HUF) should be written as:

Last Name/ Sur name	M	A	N	O	J		M	A	F	A	T	L	A	L		D	A	V	E		(	H	U	F	)
First Name																									
Middle Name																									

In case of Company, the name should be provided without any abbreviations. For example, different variations of 'Private Limited' viz. Pvt Ltd, Private Ltd, Pvt Limited, P Ltd, P. Ltd., Ltd are not allowed. It should be 'Private Limited' only.

In case of sole proprietorship concern, the proprietor should apply for PAN in his/her own name.
Name should not be prefixed with any title such as Shri, Smt, Kumari, Dr., Major, M/s etc.

2 Abbreviation of the full name to be printed on the PAN card

Individual applicants should provide full/ abbreviated name to be printed on the PAN card. Name, if abbreviated, should necessarily contain the last name.
For example: **SATYAM VENKAT M. K. RAO** which is written in the Name field as

Last Name/ Surname	R	A	O																				
First Name	S	A	T	Y	A	M																	
Middle Name	V	E	N	K	A	T		M		K													

Can be written as in 'Name to be printed on the PAN card' column as:
SATYAM VENKAT M.K. RAO or
S.V.M. K. RAO or
SATYAM V. M. K. RAO

For non-individual applicants, this should be same as last name field in field no. 1 above

3 Have you ever been known by any other name?

If applicant selects 'Yes', then it is mandatory to provide details of the other name. Instructions in field No. 1 with respect to name apply here. Title should be similar to the title mentioned in Field No. 1.

4	a) Date of birth/ Incorporation/ Agreement/ Formation of body of Individuals or Association of persons/ Establishment	Date cannot be a future date. Date: 2nd August 1975 should be written as: Date format- DD/MM/YYYY (Mandatory field) D D M M Y Y Y Y 0 2 0 8 1 9 7 5 Relevant date for different categories of applicants is: Individual: Actual Date of Birth; Company: Date of Incorporation; Association of Persons: Date of formation/ creation; Trusts: Date of creation of Trust Deed; Partnership Firms: Date of Partnership Deed; LLPs: Date of Incorporation/Registration; HUFs: Date of creation of HUF and for ancestral HUF date can be 01-01-0001 where the date of creation is not available.
	b) Date of Commencement of Business	Applicable to Non-Individuals only. Date cannot be a future date. Date: 2nd August 1975 should be written as: Date format- DD/MM/YYYY (Mandatory field) D D M M Y Y Y Y 0 2 0 8 1 9 7 5
5	Place & Country of birth/ Incorporation/ Establishment/ Formation	This field is mandatory for all categories of applicants.
6 a	Legal Entity Identifier	Applicant shall furnish Legal Entity Identifier number, if applicable.
6b	Tax Residency Certificate Details	Applicant shall furnish Tax Residency Certificate no. and Country of Tax Residency. Applicant shall provide multiple tax residency details, if applicable.
7a & 7b	Address- Residence/ Registered and Office	**R – Residence/ Registered Address:** For Individuals, HUF, AOP, BOI or AJP, residential address is mandatory. Other applicants should mention their registered address. **O – Office Address:** 1) Name of Office and address to be mentioned in case of individuals having source of income as salary or Business/profession. [Field no. 9] 2) In case of Firm, LLP, Company, Local Authority and Trust, name of office and complete address of office is mandatory. For all categories of applicants, it is necessary to mention complete address and the details of Town/City/District, State/Union Territory and PINCODE are mandatory. In case, a foreign address is provided then it is mandatory to provide Country Name along with ZIP Code of the country.
7C	Address for Communication/Correspondence	Individuals/HUFs/AOP/BOI/AJP may indicate either 'Residence' or 'Office' and other applicants should necessarily indicate 'Office' as the Address for Communication/Correspondence. All communication/Correspondence will be sent at the address indicated in this field.
7d	Contact Details	1) Telephone number should include country code (ISD code) and STD code and Mobile No. should include Country code (ISD Code). For example: (n)Telephone number 23555705 of Delhi should be written as Country code: + 9 1 STD code: 1 1 Telephone Number: 2 3 5 5 5 7 0 5 Where '91' is the country code of India and 11 is the STD Code of Delhi. (ii) Mobile number 9102511111 of India should be written as Country code: + 9 1 Mobile Number: 9 1 0 2 5 1 1 1 1 1 Where '91' is the country code of India

		2) It is mandatory for the applicants to mention either their "Telephone number" or valid "e-mail id" so that they can be contacted in case of any discrepancy in the application and/or for receiving PAN through e-mail. 3) Application status updates are sent using the SMS facility on the mobile numbers mentioned in the application form 4) All communications will be sent on provided mobile no.\ Email-Id. 5) FAX number shall be optional.
8	Information regarding Ultimate Beneficial Owner (End Natural Personal)	Please furnish Ultimate Beneficial Owner (UBO) information as applicable. be as provided under the circular on AML/ CFT & KYC issued by SEBI from time to time. Any natural person accordance with rule 9(3) of Prevention of Money - laundering (Maintenance of records) Rules, 2005 as amended from time to time. In case the UBO holds India PAN (local tax ID), details of the same need to be provided in the last column of the BO table. **Ultimately holding Beneficial ownership'** (drop down box) 1) 10% 2) 15% 3) 25% 4) Others. If Others, Please specify_____ The details required at column no. 8 are exempted for category I applicants as well as Category II not eligible as Category I FPI.
9	Income details	It is mandatory to indicate at least one of the sources of incomes, as mentioned in the form. **Source of Income'** 1) Salary 2) Capital Gains 3) Income from Business/ Profession 4) No Income 5) Income from other Sources 6) Income from House Property In case, the income from Business/profession is selected by the applicant then an appropriate business/ profession code should be mentioned.

Code	Business/Profession	Code	Business profession
01	Medical Profession and Business	11	Films, TV and such other entertainment
02	Engineering	12	Information Technology
03	Architecture	13	Builders and Developers
04	Chartered Accountant/ Accountancy	14	Members of Stock Exchange, Share Brokers and Sub-Brokers
05	Interior Decoration	15	Performing Arts and Yatra
06	Technical Consultancy	16	Operation of Ships, Hovercraft, Aircrafts or Helicopters
07	Company Secretary	17	Plying Taxis, Lorries, Trucks, Buses or other Commercial Vehicles
08	Legal Practitioner and Solicitors	18	Ownership of Horses or Jockeys
09	Government Contractors	19	Cinema Halls and Other Theatres
10	Insurance Agency	20	Others

4	a) Date of birth/ Incorporation/ Agreement/ Formation of body of Individuals or Association of persons/ Establishment	Date cannot be a future date. Date: 2nd August 1975 should be written as: Date format- DD/MM/YYYY (Mandatory field) D D M M Y Y Y Y 0 2 0 8 1 9 7 5 Relevant date for different categories of applicants is: Individual: Actual Date of Birth; Company: Date of Incorporation; Association of Persons: Date of formation/ creation; Trusts: Date of creation of Trust Deed; Partnership Firms: Date of Partnership Deed; LLPs: Date of Incorporation/Registration; HUFs: Date of creation of HUF and for ancestral HUF date can be 01-01-0001 where the date of creation is not available.
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04	Chartered Accountant/ Accountancy	14	Members of Stock Exchange, Share Brokers and Sub-Brokers
05	Interior Decoration	15	Performing Arts and Yatra
06	Technical Consultancy	16	Operation of Ships, Hovercraft, Aircrafts or Helicopters
07	Company Secretary	17	Plying Taxis, Lorries, Trucks, Buses or other Commercial Vehicles
08	Legal Practitioner and Solicitors	18	Ownership of Horses or Jockeys
09	Government Contractors	19	Cinema Halls and Other Theatres
10	Insurance Agency	20	Others

10	Occupation Details	This field is mandatory for all categories of applicants. List of values in **'Occupational Details'** **For Individuals** (drop down box) 1) Service - Private sector 2) Service - Public Sector 3) Service - Govt. service 4) Business 5) Professional 6) Agriculturist 7) Retired 8) Housewife 9) Student 10) Others **Non- Individuals** (drop down box) 1) Private Company (R) 2) Public Company (U) 3) Body Corporate (D) 4) Financial Institution (S) 5) Non-Government Organisation (N) 6) Charitable Organisation (C)
11	Documents submitted as proof of Identity (POI) & proof of Address (POA) for KYC	**List of values in 'Proof of Identity' (POI) (drop down box) –** **FOR INDIVIDUALS** A- Passport Number, Please specify Passport Expiry Date: __/__/____ B- Voter ID Card C- PAN card with Photograph D- Driving Licence Number, Please specify Driving Licence Expiry Date: __/__/____ F- NREGA Job Card Z- Others (any document notified by the central/state government and its Departments, Statutory/Regulatory Authorities, Tax Authorities, Identification Number _____ **FOR NON-INDIVIDUALS** 1) Certificate of Incorporation/ Formation 2) Registration Certificate 3) Memorandum of Article of Association/ Partnership Deed/ Trust Deed/Prospectus/offering memorandum or equivalent document **Clarification / Guidelines for filling 'Proof of Identity[PoI]' section** 1. If driving license number or passport is provided as proof of identity then expiry date is to be mandatorily furnished. 2. Mention identification / reference number if 'Z- Others (any document notified by the central government)' is selected. 3. One copy of any one of the mentioned Proof of Identity [PoI] needs to be submitted. 4. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification OR Copies should be properly attested by entities authorized for attesting the documents 5. If any proof of identity is in a foreign language, then translation into English is required. **List of values in 'Proof of Address' (POA) (drop down box)** **FOR INDIVIDUALS** 1) Passport 2) Driving Licence 3) Voter Identity Card

		4) NREGA Job Card 5) Others (any document notified by the central/state government and its Departments, Statutory/Regulatory Authorities, Tax Authorities) _____ **FOR NON-INDIVIDUALS** 1) Certification of Incorporation/ Formation 2) Registration Certificate 3) Category 1 and Category 2 FPIs: Power of Attorney given by FPI to Custodians (duly notarized and/or apostiled or consularised) that mentions the registered address of the FPI 4) Utility bill, which is not more than two months old, of any service provider (landline or electricity); 5) Bank account statement, Not more than 3 months old Document with address, issued by Central/State Government and its Departments, Statutory/Regulatory Authorities, Tax Authorities. **Clarification / Guidelines on filling 'Proof of Address [PoA]-section** 1. One copy of any one of the mentioned PoA needs to be submitted. i. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification OR ii. Copies should be properly attested by entities authorized for attesting the documents. 2. PoA to be submitted only if the submitted PoI does not have an address or address as per PoI is invalid or not in force. 3. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted. 4. If correspondence & permanent address are different, then proofs for both have to be submitted. 5. If any proof of address is in a foreign language, then translation into English is required.
12	Politically exposed person	Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/ military officers, senior executives of state owned corporations, important political party officials, etc.
13	Category of Applicant	List of values in **'Type of Category' for FPI** (drop down box) 1) Category- I 2) Category- II List of values in **'Name of Sub Category of FPI'** (drop down box) a. "Category I foreign portfolio investor" which shall include – (i) Government and Government related investors such as central banks, sovereign wealth funds, international or multilateral organizations or agencies including entities controlled or at least 75% directly or indirectly owned by such Government and Government related investor(s); (ii) Pension funds and university funds; (iii) Appropriately regulated entities such as insurance or reinsurance entities, banks, asset management companies, investment managers, investment advisors, portfolio managers, broker dealers and swap dealers; (iv) Entities from the Financial Action Task Force member countries which are – I. appropriately regulated funds; II. unregulated funds whose investment manager is appropriately regulated and registered as a Category I foreign portfolio investor: Provided that the investment manager undertakes the responsibility of all the acts of commission or omission of such unregulated fund; III. university related endowments of such universities that have been in existence for more than five years; (v) An entity (A) whose investment manager is from the Financial Action Task Force member country and such an investment manager is registered as a Category I foreign portfolio investor; or (B) which is at least seventy-five per cent owned, directly or indirectly by another entity, eligible under sub-clause (ii), (iii) and (iv) of clause (a) of this regulation and such an eligible entity is from a Financial Action Task Force member country:

		Provided that such an investment manager or eligible entity undertakes the responsibility of all the acts of commission or omission of the applicants seeking registration under this sub-clause. b. "Category II foreign portfolio investor" shall include all the investors not eligible under Category I foreign portfolio investors such as – (i) appropriately regulated funds not eligible as Category-I foreign portfolio investor; (ii) endowments and foundations; (iii) charitable organisations; (iv) corporate bodies; (v) family offices; (vi) Individuals; (vii) appropriately regulated entities investing on behalf of their client, as per conditions specified by the Board from time to time; (viii) Unregulated funds in the form of limited partnership and trusts; Explanation: An applicant incorporated or established in an International Financial Services Centre shall be deemed to be appropriately regulated. In case of Investment manager proposed to be registered under Category I, it may be clarified whether it is investing entity or not.
15	Details of Investment Manager of FPIs	FPIs are required to provide name of its Investment Manager wherever applicable
16	Whether the applicant has provided with valid self-certification/ FATCA/CRS declaration.	Foreign entity cannot open demat account for investment in India without valid self-certification/ FATCA/CRS declaration form (Not mandatory for non-investing FPIs).
17	Information pertaining to the compliance officer	This field is applicable to Non-Individuals
24	Whether the applicant already holds PAN	List of values in **'Whether the applicant holds PAN'** (drop down box) 1) Yes 2) No If **"NO'**, then please mention fields from pt. 25 to 31.
25	Status of Applicant	This field is mandatory for all categories of applicants. In case of 'Limited Liability Partnership', the PAN will be allotted in 'Firm' status. List of values in **'Status of Applicant'** (drop down box) 1) Individual 2) Company 3) Partnership firm 4) Government 5) Trusts 6) Body of individuals 7) Local Authority 8) Artificial Juridical persons 9) Association of Persons 10) Limited Liability Partnership
27	Registration Number	Not applicable to Individuals and HUFs. Mandatory for 'Company'. Company should mention registration number issued by the Registrar of Companies or the concerned Government Authority of country of residence.

28	Name and address of Representative Assessee	Section 160 of Indian Income Tax Act, 1961 provides that any 'specified person' (assessee) can be represented through Representative Assessee. Therefore, this column should be filled in by representative assessee only as specified in Section 160 of the Indian Income-tax Act, 1961, such as, an agent of the non-resident, guardian or manager of a minor, lunatic or idiot, Court of Wards, Administrator General, Official Trustee, receiver, manager, trustee of a Trust including Wakf. This field will contain particulars of the Representative Assessee. This field is mandatory if applicant is minor, deceased, idiot, lunatic or mentally retarded. The details of person on whose behalf this application is submitted. Proof of Identity and Proof of address are also required for representative assessee.
31	Documents submitted as proof of Identity (POI) & proof of Address (POA) for PAN	It is **mandatory** to attach proof of identity and proof of address with PAN application. **Documents should be in the name of applicant.** List of documents which will serve as proof of identity and address for each status of applicant is as given below: Document acceptable as proof of identity and address as per Rule 114(4) of Income Tax Rules, 1962 **For Individuals and HUF**

Proof of Identity (Copy of)	Proof of address (copy of)
1. Copy of passport, **or**	**1.** Copy of passport, **or**
2. Copy of Person of Indian Origin (PIO) card issued by Government of India, **or**	2. Copy of Person of Indian Origin (PIO) card issue Government of India, **or**
3. Copy of Overseas Citizen of India (OCI) card issued by Government of India, **or**	3. Copy of Overseas Citizen of India (OCI) card issue Government of India, **or**
4. Copy of other national or citizenship Identification Number or Taxpayer Identification Number duly attested by "Apostille" (in respect of countries which are signatories to the Hague Convention of 1961) or by the Indian Embassy or High Commission or Consulate in the country where the applicant is located or authorised officials of overseas branches of Scheduled Banks registered in India.	4. Copy of other national or citizenship Identification Number or Taxpayer Identification Number duly attested by "Apostille" (in respect of the countries which are signatories to the Hague Convention of 1961) or by the Indian Embassy or High Commission or Consulate in the country where the applicant is located or authorised officials of overseas branches of Scheduled Banks registered in India, **or** 5. Copy of Bank account statement in the country of residence, **or** 6. Copy of Non-resident External (NRE) bank account statement in India, **or** 7. Copy of Certificate of Residence in India or Residential permit issued by the State Police Authorities, **or** 8. Copy of Registration certificate issued by the Foreigner's Registration Office showing Indian address, **or** 9. Copy of Visa granted **&** Copy of appointment letter or contract from Indian Company **&** Certificate (in original) of Indian address issued by the employer.

For other than Individuals

1. Copy of Certificate of Registration issued in the country where the applicant is located, duly attested by "Apostille" (in respect of the countries which are signatories to the Hague Convention of 1961) or by the Indian Embassy or High Commission or Consulate in the country where the applicant is located or authorised officials of overseas branches of Scheduled Banks registered in India, **or** 2. Copy of registration certificate issued in India or of approval granted to set up office in India by Indian Authorities.	1. Copy of Certificate of Registration issued in the country where the applicant is located, duly attested by "Apostille" (in respect of the countries which are signatories to the Hague Convention of 1961) or by the Indian Embassy or High Commission or Consulate in the country where the applicant is located **or** authorised officials of overseas branches of Scheduled Banks registered in India, **or** 2. Copy of registration certificate issued in India or of approval granted to set up office in India by Indian Authorities.

OPERATIONAL GUIDELINES FOR FOREIGN PORTFOLIO INVESTORS, DESIGNATED DEPOSITORY PARTICIPANTS AND ELIGIBLE FOREIGN INVESTORS

These consolidated operational guidelines ("Operational Guidelines") for foreign portfolio investors (FPIs) and Designated Depository Participants (DDPs) are issued to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 ("the Regulations").

The existing Circulars, FAQs, operating guidelines, other guidance issued by SEBI (Annexure-A) shall stand withdrawn with the issue of these Operating Guidelines. With respect to the directions or other guidance issued by SEBI, as specifically applicable to FPIs, shall continue to remain in force.

Terms not defined in these Operational Guidelines will have the same meaning as provided under the Regulations.

PART A - FPI REGISTRATION RELATED ACTIVITIES

1. Change in category of FPIs upon notification of the Regulations

The process for re-categorisation of FPIs shall be as under:-

i. All existing FPIs registered as Category I FPIs under the SEBI (Foreign Portfolio Investors) Regulations, 2014 (2014 Regulations) shall be deemed to have been registered as Category I FPIs under the Regulations.

ii. All existing FPIs registered as Category III FPIs under the 2014 Regulations shall be deemed to have been registered as Category II FPIs under the Regulations.

iii. For sake of clarity, there will be no deemed re-categorization of registration for eligible entities from Category III FPI registration under 2014 Regulations to Category I FPI under the Regulations.

iv. All existing FPIs registered as Category II FPIs under the 2014 Regulations shall be deemed to have been registered either as Category I FPI or Category II FPI under the Regulations, depending on the eligibility criteria met by such FPIs under the Regulations, as illustrated below:

Table 1

Existing Categories as per 2014 Regulations	New Categories as per the Regulations
Appropriately regulated broad based funds such as mutual funds, investment trusts, insurance/ reinsurance companies;	(i) All Insurance entities – Category I; (ii) Funds from FATF member countries – Category I ; (iii) Funds from non-FATF member countries – Category II
Appropriately regulated persons such as banks, asset management companies, investment managers/ advisors, portfolio managers, broker dealers and swap dealers	All are re-categorized as Category I
University funds and pension funds	All are re-categorized as Category I
university related endowments already registered with the Board as foreign institutional investors or sub-accounts	All are re-categorized as Category I

Existing Categories as per 2014 Regulations	New Categories as per the Regulations
Unregulated funds/entity categorized as Cat II by virtue of Regulated Investment Manager also registered as Category II FPI	Unregulated funds/entity where regulated Investment Manager is from: (i) FATF member country and also registered as Category I FPI – Category I (ii) non-FATF member country – Category II

v. No incremental fees is payable upon deemed re-categorization.

vi. To ensure transition of existing FPIs, re-categorization of registration shall be done by NSDL in consultation with the respective DDPs. After the exercise of deemed re-categorisation as mentioned above, an FPI desirous to be re-categorized from Category II FPI to Category I, can request to DDP along with requisite information, documents and payment of applicable fees.

2. Guidance for Processing of FPI applications by DDPs

FPI applicant shall submit duly filled prescribed application form (Annexure B) supported by required documents and applicable fees. The application form should be duly signed with all signatures in original. Where the application form is incomplete, or lacks clarity, the applicant shall be advised by the DDP to clarify or furnish the desired information within a reasonable time.

However, DDP may continue to accept in-transit FPI applications received in Form A under 2014 Regulations (without insisting for new form) for a period of 90 days from date of issuance of these operational guidelines. DDP may however satisfy itself on any incremental due diligence requirement to process the application under the Regulation.

DDPs shall consider the following checks for determination of eligibility at the time of processing FPI application:-

i. Country Check - The residency status of the FPI applicant may be ascertained from the place of incorporation/ establishment through appropriate document or information such as any identification / registration document issued by applicable regulator or the Income Tax authority. The country code in the FPI registration number shall be the country of its registered/residence address. For due diligence, DDP may verify the country as below –

Table 2

Sl. No.	Countries	Source for verification from website of
(a)	List of countries where the securities market regulator is a signatory to IOSCO MMOU shall be verified by the DDP.	IOSCO
(b)	List of countries that have bilateral MOU with SEBI	SEBI
(c)	The list of countries whose Central Bank is a member of the BIS	BIS.
(d)	List of countries that are listed in the public statements issued by FATF and list of FATF member country	FATF.

With respect to the eligibility of FPI applicants from a country where there are separate securities market regulators for different provinces/ states within that country, applicants

from only those provinces / states whose securities market regulator is a signatory to IOSCO MMOUs or has entered into a Bilateral Memorandum of Understanding with SEBI would be eligible for grant of registration as FPI.

Any reference in the Regulations and in these Operating Guidelines, an entity 'from a FATF member country' will mean that the entity has its primary place of business in a FATF member country and, if regulated, is appropriately regulated in a FATF member country.

ii. Non-resident Indian (NRI) / overseas citizens of India (OCI) / resident Indians (RI) check - DDP may obtain requisite declaration from applicant for satisfying eligibility criteria under regulation 4 of the Regulations and the conditions mentioned below relating to NRIs, OCIs and/or RIs being constituents of the applicant.

Where NRIs or OCI or RIs are constituents of the applicant –

a. the contribution of a single NRI or OCI or RI shall be below twenty-five percent of the total contribution in the corpus of the applicant;

b. the aggregate contribution of NRIs, OCIs and RIs shall be below fifty percent of the total contribution in the corpus of the applicant.

Explanation: The contribution of RI is permitted, if made through the Liberalised Remittance Scheme (LRS) approved by Reserve Bank of India in global funds whose Indian exposure is less than 50%.

c. the NRIs, OCIs and RIs shall not be in control of the applicant. This is not applicable if the applicant is an 'offshore fund' for which 'No Objection Certificate' has been issued by the Board in terms of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, or is controlled by an Investment Manager which is controlled and/ or owned by NRI or OCI or RI if the following conditions are satisfied:

i. such Investment Manager is appropriately regulated in its home jurisdiction and registered with the Board as a non-investing FPI, or

ii. such Investment Manager is incorporated or setup under the Indian laws and appropriately registered with the Board.

d. The above shall not apply to non-investing FPI or if the applicant proposes to invest or invests only in units of schemes floated by mutual funds in India.

e. An applicant or an existing FPI not meeting above requirements shall comply within a period of two years from the date of registration or by 31st December 2020, whichever is later. A foreign portfolio investor who remains non-compliant even after the period specified above shall be prohibited from making any fresh purchase of securities and such foreign portfolio investor shall liquidate its existing position in the Indian securities market within a period of one hundred and eighty days.

f. In case of temporary breach of above investment limits after December 31. 2020, the foreign portfolio investor shall comply with the eligibility conditions within ninety days of its breach. In case the foreign portfolio investor remains non-compliant with the said requirement even after ninety days, then no fresh purchases shall be permitted and such foreign portfolio investor shall liquidate its existing position in Indian securities market within a period of the next one hundred and eighty days.

iii. Fit and proper person check - DDP may obtain declaration from the applicants about their meeting eligibility criteria specified under Regulation 4 of the Regulations and shall exercise its due diligence, as applicable.

iv. Category I FPI check - DDP may verify the eligibility of Category I FPI (under Regulation 5(a)(i)) based on relevant details under which the entity has been established – e.g. Government Charter, Act, Legislation, the shareholding pattern provided by the FPI applicant.

Regulatory check - The DDP may verify if the applicant is regulated or supervised by the securities market regulator or banking regulator and that its registration/license granted by its regulator has not been cancelled and is still valid through any one of the following:

a) Obtain a copy of certificate issued by such regulator or;

b) verify the registration details directly from the registry or the website of such regulator.

Explanation: Certain type of structures in some of the jurisdictions permitted by SEBI in the past shall continue to be considered as appropriately regulated.

vi. Any past action taken by FPI applicant's regulator may not necessarily render such an applicant ineligible as long as such action did not result in cancellation of its registration. Further, if an FPI applicant, which is present in multiple jurisdictions, is suspended by one of its foreign regulator and if this suspension does not affect the entity or any of its affiliates' ability to trade in any other country around the world, DDP can consider such an applicant eligible for grant of FPI registration subject to fulfillment of applicable eligibility requirements.

vii. DDP shall mention name of its signatory(ies) in the FPI registration approval while communicating registration approval to the FPI.

viii. The applicant may also add the name of its investment manager/ umbrella fund/trustee, etc. as a suffix to its name.

3. Guidance for certain specific entities

i. Bank or Subsidiary of Bank applicant

An FPI applicant under bank category (other than a central bank) would be deemed to be appropriately regulated if it is regulated by the unified financial sector regulator in its home jurisdiction or by a banking sector regulator in its home jurisdiction.

In case an applicant/ its group entity is (i) bank or its subsidiary and has a bank branch/ representative office in India or (ii) a central bank or its subsidiary, the respective DDP shall forward the application form to SEBI. SEBI would in turn request RBI to provide its comments. Based on the comments received from RBI, SEBI would notify the comments of RBI to DDP to consider while processing such applications. No such reference to SEBI/ RBI shall be required for continuance of registration.

In case a bank FPI applicant is regulated by the banking sector regulator in its home jurisdiction, but the central bank of that country is not a member of BIS, the FPI can seek registration under Category II.

ii. Insurance/Reinsurance entity

Insurance and reinsurance entities shall be deemed to be appropriately regulated for the purpose of the Regulations, if they are regulated or supervised by the relevant regulator

in their concerned foreign jurisdiction in the same capacity in which they propose to make investments in India.

iii. Pension funds

Pension funds shall include superannuation or similar schemes that provides retirement benefits to employees/ contributors.

iv. Appropriately regulated entities investing on behalf of clients

Appropriately regulated entities such as banks and merchant banks, asset management companies, investment managers, investment advisors, portfolio managers, insurance & reinsurance entities, broker dealers and swap dealers will be permitted to undertake investments on behalf of their clients as Category II FPIs in addition to undertaking proprietary investment by taking separate registrations as Category I FPI.

Where such entities are undertaking investments on behalf of their clients, Category II FPI registration shall be granted subject to following conditions:

i. Clients of FPI can only be individuals and family offices.

ii. Clients of FPI should also be eligible for registration as FPI and should not be dealing on behalf of third party.

iii. If the FPI is from a Financial Action Task Force member country, then the KYC including identification & verification of beneficial owner of the clients of such FPI should be done by the FPI as per requirements of the home jurisdiction of the FPI. FPIs from non-Financial Action Task Force member countries should perform KYC of their clients including identification & verification of beneficial owner as per Indian KYC requirements.

iv. FPI has to provide complete investor details of its clients (if any) on quarterly basis (end of calendar quarter) by end of the following month to DDP as below.

Table 3

Name of FPI-

FPI Registration number-

We herewith submit the investor details of our clients-

Details of clients				
Sr. No.	**Name**	**Country**	**Address**	**Type (Individual/ Family office)**

v. Investments made by each such client, either directly as FPI and/or through its investor group shall be clubbed with the investments made by such clients (holding more than 50% in the FPI) through the above referenced appropriately regulated FPIs.

v. Applicant incorporated or established in an International Financial Services Centre:

The proviso under Regulation 4 of the Regulations will be applicable to those applicants incorporated or established in an International Financial Service Centre under SEBI (International Financial Services Centres) Guidelines and rules therein, as amended from time to time.

4. Multiple Investment Managers (MIM)

i. Where an entity engages multiple investment managers (MIM) for managing its investments, the entity can obtain multiple FPI registrations mentioning name of Investment Manager for each such registration. There should be external investment managers in case of MIM structures and such applicants can appoint different DDPs for each such registration. Investments made under such multiple registrations shall be clubbed for the purposes of monitoring of investment limits.

ii. In case of MIM structures, if the entity has already furnished registration details to a DDP at the time of its registration, then, the entity will not be required to again provide the registration details for each new FPI registration under this structure, unless there has been a change in the registration details provided to a DDP earlier. However, such FPI need to provide the name of its Investment Manager at the time of request for new FPI registration along with the confirmation that information provided in earlier application is updated and valid. Such FPIs registered under MIM structure shall have the same PAN. Where the entity seeks registration under this structure with another custodian/DDP, the investor or existing custodian/DDP shall provide certified true copy of the application form to new custodian/DDP.

5. Continuance of Registration

i. FPIs who wish to continue with their registration for the next block of three years, should pay the fees to their DDPs and inform change in information, if any, as submitted earlier.

ii. In case of no change in information, FPIs shall give declaration that there is no change in the information, as previously furnished.

iii. FPI shall provide the additional information, if applicable, along with supporting documents including fees for continuance of its registration at least 15 days prior to current validity of its registration in order to facilitate a smooth continuance process. FPI is required to submit a reason for delay if any in delayed submission of such information/fees.

iv. If DDP is in receipt of registration fees prior to validity date but the due-diligence including KYC review is not complete by the validity date due to non-submission of information by the FPI, no further purchases may be permitted till the intimation of continuance is given by DDP.

v. Where the FPI has not paid fees for continuance of its registration, its FPI registration shall cease to be valid after the date, up to which, the last registration fees were duly paid by the FPI.

vi. An FPI cannot apply for continuance after expiry of its registration. However, if such entity intends to have FPI registration, it will have to make a fresh application for registration after surrender of its earlier FPI registration.

6. Certificate of Registration

The designated depository participant shall grant the certificate of registration, bearing registration number generated by National Securities Depositories Limited in a centralised manner.

7. Rejection of FPI application

i. A DDP may consider an FPI application, which has been previously rejected by another DDP. However, before considering such an application, the DDP shall ascertain the reasons for which the application was rejected. In case the application was rejected on technical grounds, the DDP shall ensure that such deficiencies have been rectified by the applicant, before assessing the application afresh on its own merits. If the application has been rejected for any other reason, then the DDP shall assess the application on its own merit as per FPI Regulations.

ii. The depositories (NSDL and CDSL) shall maintain a database of FPI applicants. Every DDP shall input the details of FPI applicants in the database. Where an FPI application is rejected by a DDP, the DDP shall mention the reason for such rejection in the database, which would be accessible to all DDPs.

8. Obligations of DDPs:

i. Infrastructure: Every DDP shall have necessary infrastructure, including adequate office space, adequate and competent manpower and computer systems capability required to discharge its activities as DDP in compliance with Regulations and other guidelines, circulars, issued thereunder.

ii. Manual: Every DDP shall have a manual setting out systems and procedures to be followed for the effective and efficient discharge of its functions as a DDP.

iii. Monitoring of systems and controls: Every DDP shall have adequate mechanisms for the purposes of reviewing, monitoring and evaluating its controls, systems, procedures and safeguards.

9. Reporting:

i. Every DDP shall submit to SEBI monthly reports on application received from FPI applicants as per the format set out in Annexure C hereto and such other reports as may be required by SEBI. The report pertaining to a month may be submitted by DDPs to SEBI latest by 10th of the following month.

ii. Depository/DDP shall submit to SEBI monthly reports of the fees collected for all the FPIs registered by it as per the format set out in Annexure D hereto and such other reports as may be required by SEBI.

10. Name change

i. In case the FPI has undergone a change in name, the request for updation/ incorporation of new name should be submitted by the FPI to the DDP accompanied by documents certifying the name change. Such name change can be evidenced by:

- Information available on the website of the home regulator; or
- Certified copy of document(s) from home regulator; or
- Certified copy of document(s) from Registrar of Company (or equivalent authority) (wherever applicable) issued; or
- Where above is not applicable, a Board Resolution or equivalent authorizing the name change

ii. An undertaking by the FPI shall be given stating that it is a mere name change and does not involve change in beneficial ownership, category or structure. Where FPIs has delayed in submitting details of name change beyond 6 months, DDP shall provide details of all such instances with reasons.

iii. Upon receipt of the request for name change along with abovementioned documents, the DDP shall effect the change in name in the certificate. The DDP shall issue a letter and fresh registration certificate to such applicant acknowledging the change in name. NSDL shall make necessary arrangements for DDPs to provide fresh registration certificate as an acknowledgement from its database including a statement that the name change has been granted without prejudice to any tax liability/ implication in India.

iv. FPI shall forthwith apply for appropriate change in name in the PAN records, pursuant to its name change.

11. Surrender of Registration

i. DDP shall seek a "No Objection Certificate" (NOC) from the Board to process such surrender after ensuring that the holdings of the concerned applicant in security account and bank account is nil and there are nil outstanding derivative positions.

ii. DDP shall process such surrender applications post receipt of NOC from the Board and shall issue a confirmation to the FPI in this regard

12. Change in Custodian/DDP

i. In case, an FPI or its Global Custodian wishes to change the local custodian/DDP, the request for change shall be forwarded to new local custodian/DDP. In case, the Global Custodian of FPI wishes to change the local custodian/DDP, then the request for change can be sent by the Global Custodian on behalf of its underlying FPI clients provided such Global Custodian has been explicitly authorized to take such steps by the client.

ii. Upon receipt of no objection from the transferor local custodian/DDP, the transferee local custodian/DDP shall approve the change. In case, the request for change in local custodian/ DDP is received from Global Custodian, the transferee local custodian/DDP shall inform Compliance Officer of the concerned FPI(s) regarding the change in their local custodian/DDP.

iii. Once the change of DDP/Custodian is approved by DDP, the FPI will need to transfer accounts and assets to the new DDP/Custodian within a period of 30 days. In case the transition does not take place within the stipulated time, the FPI shall provide reasons for the same and seek extension from DDP for a further period of 30 days. Once the transition is complete, transferee local custodian/DDP shall intimate SEBI about the change. Both the DDPs will provide joint confirmation on completion of transition of data and documents to SEBI.

iv. With respect to the process of change of local custodian/DDP by an FPI, the new DDP (i.e. transferee) may rely on the due diligence carried out by the old DDP. However, the new DDP is required to carry out adequate due diligence at the time when the FPI applies for continuance of its registration.

13. Requirement for segregated portfolios

i. Funds investing in India include those with sub-funds or separate classes of shares or equivalent structure with segregated portfolio for such sub-funds or separate classes of shares or equivalent structure. The assets & liabilities across such sub-funds or separate classes of shares or equivalent structure may be ring fenced from each other as directed by FPI. FPIs having segregated portfolio(s) are required to provide BO declaration for each fund/ sub-fund/share class/equivalent structure that invests in India. Further, in case of addition of fund / sub fund / share class /equivalent structure with segregated portfolio that invests in India, the FPI shall be required to provide BO information prior to investing in India through such new fund/sub fund/share class/equivalent structure.

ii. Existing FPIs with segregated portfolio are required to provide the BO details for each fund/ sub-fund/share class/equivalent structure that invests in India at the time of continuance of registration or within six months from the date of notification of the Regulations, whichever is later. In case of non-submission of BO details within six months, the FPI shall not be allowed to make fresh purchases till the time it is compliant with the said requirement.

iii. For deletion of sub-fund/share classes/equivalent structure that invests in India, an intimation should be provided to DDP forthwith.

iv. The FPI shall also ensure that funds/sub funds/share classes/equivalent structure that do not adhere to the above requirement shall not invest in India in future.

14. Reclassification

If an FPI registered under a particular category/sub-category fails to comply with applicable eligibility requirements, it shall promptly notify this change to its DDP to be reclassified under appropriate category/sub-category. FPI may be required to provide to the DDP with additional KYC documents, as applicable. The concerned DDP / Custodian shall not allow (block) such FPI to make fresh purchases till additional KYC requirements (if any) are complied with. However, such FPI shall be allowed to continue to sell the securities already purchased by it. If such FPI continues to hold securities 180 days after blocking, such FPI shall be referred to SEBI for any further action.

15. Change in Material Information

i. In terms of Regulation 22(1)(c), if there is any change in the material information previously furnished by the FPI to the DDP and/or SEBI, which has a bearing on the certificate granted by the DDP on behalf of the Board or relating to any direct or indirect change in its structure or ownership or control, change in regulatory status, merger, demerger or restructuring, change in category/ sub-category / structure/ jurisdiction/ name of FPI/ beneficial ownership etc, of the FPI, it shall forthwith inform the DDP and/or the Board in writing.

ii. The DDP shall examine all such material changes and re-assess the eligibility of the FPI including requiring FPIs to seek fresh registration. However, DDP shall not process any request for change in jurisdiction of the FPI and in such cases, FPI may apply for new FPI registration.

iii. Where there is a delay of more than six months in intimation of material change by the FPI to the DDP, the DDP shall, forthwith, inform all such cases to SEBI for appropriate action, if any, along with reason for delay.

16. Change in Status of a Compliant Jurisdiction

i. If a jurisdiction, which was a compliant jurisdiction at the time of grant of registration to FPI, becomes non-compliant jurisdiction i.e. ceases to be member of IOSCO/ Bilateral Memorandum of Understanding with SEBI/ BIS or the concerned jurisdiction of FPI is listed in FATF public statement as "high risk" and "non-cooperative" jurisdiction or the concerned jurisdiction of FPI then concerned Custodian shall not allow such FPIs to make fresh purchases till the time the jurisdiction/FPI is compliant with the Regulations. However, the FPI shall be allowed to sell the securities or continue to hold the securities already purchased by it. The concerned DDP shall inform to SEBI details of such FPIs upon such change.

Further, in case the FPI itself or its underlying investors contributing twenty-five percent or more in the corpus of the FPI or identified on the basis of control, come under the Sanctions List notified by the United Nations Security Council, custodian shall not allow any further buy/sell in the account of such FPI and shall forthwith notify such instances to SEBI.

17. Other Changes relating to FPI

i. DDP shall take note of the other changes such as change in Compliance Officer, change in contact details and address and update the records accordingly.

PART B – KNOW YOUR CLIENT REQUIREMENTS FOR FOREIGN PORTFOLIO INVESTORS (FPIs)

FPIs are required to provide KYC related documents based on the category under which it is registered. Once the KYC is completed, the intermediary will upload the Form and supporting documents on the KRA portal for other market intermediaries to access and complete their KYC requirements. Apart from the KYC requirement stated below, each intermediary may have additional documentation requirement for conducting enhanced due diligence as per their internal policies.

1. KYC documentation requirements for FPI

KYC documentation applicable for FPIs shall be as under:-

Table 4

Sr. No	Document Type	KYC Documentation Details	Category - I	Category - II
1	**Applicant Level**	Constitutive Docs (MoA, COI, prospectus etc.)	Required	Required
2		Proof of Address[1]	Required	Required
3		PAN	Required	Required
4		Board Resolution[2]	Required	Required
5		FATCA / CRS form	Required	Required
6		Form/ KYC Form	Required	Required
7	**Authorised Signatories**	List of Signatures[2]	Required	Required
8	**Ultimate Beneficial Owner (UBO)**	List of UBO including the details of Intermediate BO[3]	Required	Required
9		Proof of Identity	Not Required	Required

[1] Power of Attorney having address provided to Custodian is accepted as address proof.
[2] Power of Attorney granted to Global custodian/ local custodian is accepted in lieu of Board Resolution (BR). BR and the authorized signatory list (ASL) is not required if SWIFT is used as a medium of instruction.
[3] UBO is not required for Government and Government related entities.

Notes to the Table:

i. FPIs to provide an undertaking that upon demand by Regulators/ Law Enforcement Agencies the exempted / relevant document/s would be submitted to the intermediary.

ii. For FPI Category - I coming from high-risk jurisdiction (other than those registered under Regulation 5(a)(i)), the KYC documentation equivalent to FPI Category II shall apply.

iii. FPI Category – II registered under Regulation 5(b)(i), shall provide KYC documentation equivalent to FPI Category - I. However, BO details need to be provided in specified format.

iv. For non-PAN related KYC documents (including KYC form), a local custodian can rely on KYC carried out by another entity of the same financial group (like a Global Custodian or Investment Manager) which is regulated and coming from an FATF member country, where KYC is carried out as per their home jurisdiction standards. Where this reliance is placed, such entity/ FPI shall provide an undertaking to the effect that the relevant KYC documents, would be submitted to the DDP/ Local Custodian when required by regulator/law enforcement agency/ government departments/ tax authority, etc. However, the Custodian / local intermediary will be required to collect constitution documents and BO related declarations (wherever applicable) of the FPI and also, upload the evidence of KYC reliance on KRA.

v. Prospectus and Information Memorandum are acceptable in lieu of an official constitutional document.

vi. Valid FATCA / CRS documentations is required to be submitted at the time of account opening.

vii. Intermediary can verify the PAN of FPIs online from website authorized by the Income-Tax department. To clarify no certification of PAN document required from FPI. Alternatively, e-PAN issued by CBDT can also be produced by FPI for KYC compliance without requiring any certifications. In such situations where the broker is relying on KRA, it shall verify the PAN and download the available documents from KRA. PAN is not mandatory for UBO, senior management and authorized signatories of FPI.

viii. PAN is not mandatory for UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.

ix. Board Resolution and the authorized signatory list (ASL) is also not required if there is no exchange of physically signed documents / agreements between the local Broker and the FPI or its authorized representative being an Investment Manager regulated in FATF member country.

x. Existing risk based KYC requirement applicable to FPIs should also be made applicable to securities account of FDI, FVCI/DR and FCCB accounts/entities if the same entities are registered as FPIs.

xi. If all information required in KYC Form (Part I and II) is provided in Form itself, no separate KYC Form (Part I and II) will be required to be submitted.

2. Sharing of KYC documents with banks towards opening of bank accounts of FPIs

i. Intermediaries are advised to share the relevant KYC documents with the banks concerned based on appropriate authorization.

ii. Accordingly, a set of hard copies of the relevant KYC documents furnished by the FPIs to intermediaries may be transferred to the concerned bank through their authorised representative.

iii. While transferring such documents, intermediaries shall certify that the documents have been duly verified with the original or notarised documents have been obtained, where applicable. In this regard, a proper record of transfer of documents, both at the level of the Intermediaries as well as at the bank, under signatures of the officials of the transferor and transferee entities, may be kept.

3. Depository Account by Foreign Portfolio Investor:

In case, a FPI holds separate depository accounts in both NSDL and CDSL, it is allowed to appoint only one custodian.

4. Identification and verification of Beneficial Owners

i. Beneficial Owners (BOs) are the natural persons who ultimately own or control an FPI and should be identified in accordance with Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (hereinafter referred as PMLA Rules). FPIs are required to maintain a list of BOs and should provide such list of their BOs as below:-

Table 5

Sl. No.	Name & Address of the Beneficial Owner (Natural Person)	Date of Birth	Tax Residency Jurisdiction	Nationality	Whether acting alone or together through one or more natural persons as group, with their name & address	BO Group's percentage Shareholding / Capital / Profit ownership in the FPIs	Tax Residency Number/ Social Security Number/ Passport Number of BO/ any other Government issued identity document number (example driving license) (Please provide any) #

 # Not required for Category I FPIs.

BOs of FPIs having General Partner/Limited Partnership structure shall be identified on ownership or entitlement basis and control basis.

ii. Category I FPI registered under Regulation 5(a)(i) are exempt from providing BO details.

iii. In respect of FPIs (other than Category I FPI registered under Regulation 5(a)(i)) coming from "high risk jurisdictions" as identified by intermediary, the intermediaries may apply lower materiality threshold of 10% for identification of BO. For category I FPIs (other than registered under regulation 5(a)(i)) from high risk jurisdictions KYC documentation as applicable for category II FPIs need to be collected.

iv. The materiality threshold to identify the beneficial owner should be first applied at the level of FPI and next look through basis shall be applied to identify the beneficial owner of the intermediate shareholder/ owner entity. Beneficial owner and intermediate shareholder/ owner entity with holdings equal & above the materiality thresholds in the FPI need to be identified through the look through basis. For intermediate material shareholder/ owner entity/ies, name, country and percentage holding shall also be disclosed as per Annexure E. In case the intermediate shareholder/ owner entity is eligible for registration as Category I FPI under Regulation 5(a)(i), there is no need for further identification and verification of beneficial owner of such intermediate shareholder/ owner entity.

v. The term senior managing official (SMO), for identification as BO, means individual(s) as designated by the FPI who holds a senior management position and makes key decisions relating to the FPI.

vi. No foreign company shall be entitled to exemption under Rule 9(3)(f) of PMLA Rules.

vii. In case of companies/ trusts represented by service providers like lawyers/ accountants, FPIs should provide information of the real owners/ effective controllers of those companies / trusts. If the BO exercises controls through means like voting rights, agreements, arrangement etc., that should also be specified. It is clarified that BO should not be a nominee of another person and real BO should be identified.

5. Periodic KYC review

KYC review means steps taken to ensure that documents, data or information collected under the due-diligence process are kept up-to-date and relevant by undertaking reviews of existing records on a periodical basis.

i. At the time of KYC review, custodian may seek confirmation from FPI whether there is any change in the documents/ information provided earlier. If there is any change, the FPI shall provide the updated documents/ information to the custodian.

Table 6

Jurisdiction	FPI Category - I	FPI Category - II -
High Risk	Registered under Regulation 5(a)(i) - During continuance of registration i.e. every 3 years. Others - Annually	Annually
Non-High Risk	During continuance of registration i.e. every 3 years.	Regulated entities during continuance of registration i.e. every 3 years. Others- Annually.

6. Data security

The KYC Registration Agencies (KRAs) shall secure personal information provided with regard to beneficial owner including SMO of FPI. Such information should be made available to intermediaries only on 'need to know basis' using an authentication method wherein an intermediary, can access the information from KRA using the authentication (similar to One Time Password "OTP") after the KRA gets confirmation from the FPI or its Global custodian or Investment Manager. For this purpose, KRAs need to maintain email ids of the FPI and/ or its representative. This functionality will be optional and it will be deactivated only upon receipt of instruction from the FPI to KRA.

The Key features as below:

a. Up to 3 email ids of the FPI can be recorded with 1 mandatory id and 2 optional email ids

b. Download Consent Flag – Yes / No (Default value is set as "Yes")

   i. 'Yes' means Consent required for download

   ii. 'No' means download without consent

c. Where Download Consent Flag is "Yes", an email with the consent link with decision tab "Approve" or "Reject", will be sent to the authorised representative of FPI (as per the details updated in "a" above) , requesting their consent to provide the KYC records to the requesting intermediary.

d. KRA will send an email to the requesting intermediary that consent request email has been sent to the authorised representative of the FPI, to enable them to follow up for the consent.

e. KRA will permit download of KYC records and information once the consent is received from the authorised representative of the FPI.

f. Whenever KYC details of client are modified by intermediaries, KRA system sends unsolicited download of KYC information to all intermediaries who have either uploaded/downloaded/ modified KYC information of the FPI. The unsolicited KYC download including UBO details of the FPI will be available to the intermediaries who have uploaded/downloaded/modified, such FPIs KYC details in the past, even when the Download Consent Flag is set as "Yes" or otherwise.

g. In case the FPI closes the account with an intermediary, the FPI or the intermediary shall inform KRA to delink the KYC of such FPI, so that unsolicited download request can be discontinued.

7. Period for maintenance of records

The Custodian should maintain the KYC records in original for a minimum period of five years from the date of cessation of the transactions with the said FPI. In case any litigation is pending, these records should be maintained till the completion of the proceedings.

8. Guidelines for KYC:

i. Copies of all the documents submitted by the applicant should be accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents. Additional requirement of self-certification of documents is no longer required.

ii. If any proof of identity or address is in a foreign language, then translation into English is required.

iii. Name & address of the applicant mentioned on Form, should match with the documentary proof submitted.

iv. If more than one address is provided, proof should be enclosed.

v. The Global Custodian or the Local Custodian may fill the Form, if authorized through the Power of Attorney (PoA).

vi. In person verification is not applicable for a non-individual Client. IPV for individual clients through web camera shall be allowed.

vii. Reliance on information available from reliable public sources- In addition to information provided by the client, the intermediaries can rely on documents / information available from reliable public sources (for e.g. websites of Regulators, Exchanges, SROs, Registrars) while collecting documents / information required for an FPI. Attestation of these documents (by way of mentioning the source of the document and signature against the same) may be carried out by a duly authorized official of the Intermediary. No further attestation of such documents is required.

viii. **List of people authorized to attest the documents:** Notary Public, officials of Multinational Foreign Banks or any Bank regulated by Reserve Bank of India (Name, Designation & Seal should be affixed on the copy).

9. List of supporting documents:

A. Proof of Identity (POI): - *List of documents admissible as Proof of Identity:*

For individuals only

i. Identity card/ document with applicant's Photo such as Passport, Driving license etc, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Tax Authorities.

B. Proof of Address : - *List of documents admissible as Proof of Address:*

(Documents having an expiry date should be valid on the date of submission.)

i. Document specifying the address issued by any of the following:

Central/State Government and its Departments, Statutory/Regulatory Authorities, Tax Authorities such as Passport, Driving license, etc. Intermediaries may place reliance on address appearing on website of regulator/ registrar for address proof

ii. Utility bills like Telephone Bill, Electricity bill or Gas bill - Not more than 2 months old.

iii. Bank Account Statement/Passbook/letter -- Not more than 3 months old.

iv. Power of Attorney given by FPI to Custodians specifying the address (duly notarized and/or apostilled or consularised).

v. Intermediary may rely on constitutive documents to establish Proof of residency for multilateral organisations.

Proof of address to be submitted only if the submitted POI does not have an address or address as per POI is invalid or not in force.

PART C - Investment Conditions / Restriction on Foreign Portfolio Investors registered SEBI (Foreign Portfolio Investor) Regulations, 2019

1. Monitoring of investment limit at investor group level

i. Where multiple FPIs belong to the same investor group as provided under Regulation 22(3) of the Regulations, the investment limits of all such FPIs taken together shall be clubbed at the investment limit as applicable to a single FPI. For individuals registered as FPIs, the individual and his/her relatives who is/are also registered as FPI(s) should also be considered for the purposes of investor group. The definition of "relative" shall be as per Section 2 Sub section 77 of the Companies Act, 2013.

ii. Where different FPIs belonging to the same investor group are serviced by different custodians, the custodians shall report the holdings of such FPIs to both the depositories. The depositories shall club the investments of such FPIs and ensure that combined holdings of all these FPIs remains below 10% of the total paid up equity capital in a listed or to be listed company on a fully diluted basis at any time.

iii. The depositories shall monitor the aggregate investment limits of FPI group based on demat holdings data, daily on an end of day basis.

iv. The depositories shall put in place appropriate systems, procedures and mechanisms to capture and maintain the details of FPIs belonging to the same investor group, based on the information provided by the DDPs, from time to time.

v. The depositories shall put in place appropriate systems, procedures and mechanisms to monitor the investment limit/ holdings of FPIs belonging to the same investor group.

vi. The depositories shall forthwith report the details of those FPIs who are responsible for breach of investment limit to SEBI.

vii. FPIs forming part of an investor group may approach NSDL to get information regarding the aggregate percentage holdings of their group entities in any particular scrip before making investment decision.

viii. Government of India, vide letter No. 10/06/2010-ECB dated January 06, 2016 has exempted World Bank Group viz. IBRD, IDA, MIGA and IFC from clubbing of the investment limits for the purpose of application of below 10% limit for FPI investments in a single company.

ix. The investment by foreign Government/ its related entities from provinces/ states of countries with federal structure shall not be clubbed if the said foreign entities have different BO identified in accordance with PMLA Rules.

x. The investment by foreign Government agencies shall be clubbed with the investment by the foreign Government/ its related entities for the purpose of calculation of 10% limit for FPI investments in a single company, if they form part of an investor group. However, certain foreign Government agencies and its related entities may be exempt from such clubbing requirements and other investment conditions either by way of an agreement or treaty with other sovereign governments or by an order of the Central Government.

2. Monitoring of Investment Limit at individual level

In order to facilitate the listed Indian companies to ensure compliance with the various foreign investment limits, architecture of the System has been explained as under:-

Housing of the System

A. The system for monitoring the foreign investment limits in listed Indian companies shall be implemented and housed at the depositories (NSDL and CDSL).

Designated Depository

B. A Designated Depository is a depository which has been appointed by an Indian company to facilitate the monitoring of the foreign investment limits of that company. As defined at Rule 2(y) of FEMA (Non-debt Instruments) Rules, 2019 (hereinafter referred as FEMA Rules), the term 'Indian company' means a company incorporated in India.

C. The Designated Depository shall act as a lead depository and the other depository shall act as a feed depository.

Company Master

D. The company shall appoint any one depository as its Designated Depository for the purpose of monitoring the foreign investment limit.

E. The stock exchanges (BSE, NSE and MSEI) shall provide the data on the paid-up equity capital of an Indian company to its Designated Depository. This data shall include the paid-up equity capital of the company on a fully diluted basis.

F. The depositories shall provide an interface wherein the company shall provide the following information to its Designated Depository:

   i. Company Identification Number (CIN)
   ii. Name
   iii. Date of incorporation
   iv. PAN number
   v. Applicable Sector
   vi. Applicable Sectoral Cap
   vii. Permissible Aggregate Limit for investment by FPIs
   viii. Permissible Aggregate Limit for investment by NRIs
   ix. Details of shares held by FPI, NRIs and other foreign investors, on repatriable basis, in demat as well as in physical form
   x. Details of indirect foreign investment which are held in both demat and physical form
   xi. Details of demat accounts of Indian companies making indirect foreign investment in the capital of the company
   xii. Whether the Indian company that has foreign investment in it is either owned and controlled by resident Indian Citizens or is owned or controlled by person's resident outside India

xiii. ISIN-wise details of the downstream investment in other Indian companies The information provided by the companies shall be stored in a Company Master database. The Designated Depository, if required, may seek additional information from the company for the purpose of monitoring the foreign investment limits. The companies shall ensure that in case of any corporate action, the necessary modification is reflected immediately in the Company Master database.

G. In the event of any change in any of the details pertaining to the company, such as increase/ decrease of the aggregate FPI/NRI limits or the sectoral cap or a change of the sector of the company, etc. the company shall inform such changes along with the supporting documentation to its Designated Depository.

Reporting of trades

H. At present, as per SEBI guidelines, the custodians are reporting confirmed trades of their FPI clients to the depositories on a T+1 basis. This reporting shall continue and the data shall be the basis of calculating FPI investments/holding in Indian companies.

I. With respect to NRI (repatriable) trades, Authorized Dealer (AD) Banks shall continue to report the transactions of their NRI clients to the depositories. The AD Banks shall be guided by the circulars issued by RBI in this regard.

Activation of a Red Flag Alert

J. The monitoring of the foreign investment limits shall be based on the paid-up equity capital of the company on a fully diluted basis to ensure that all foreign investments are in compliance with the foreign investment limits.

K. A red flag shall be activated whenever the foreign investment is 3% or less than 3% of the aggregate NRI/FPI limits or the sectoral cap. This shall be done as follows :

Aggregate NRI investment limit in the company

a. The system shall calculate the percentage of NRI holdings in the company and the investment headroom available as at the end of the day with respect to the aggregate NRI investment limit

b. If the available headroom is 3% or less than 3% of the aggregate NRI investment limit, a red flag shall be activated for that company.

c. Thereafter, the depositories and exchanges shall display the available investment headroom, in terms of available shares, for all companies for which the red flag has been activated, on their respective websites.

d. The data on the available investment headroom shall be updated on a daily end-of-day basis as long as the red flag is activated.

Aggregate FPI investment limit of the company

e. The system shall calculate the percentage of FPI holding in the company and the investment headroom available as at the end of the day with respect to the aggregate FPI investment limit

f. If the available headroom is 3% or less than 3% of the aggregate FPI investment limit, a red flag shall be activated for that company.

g. Thereafter, the depositories and exchanges shall display the available investment headroom, in terms of available shares, for all companies for which the red flag has been activated, on their respective websites.

h. The data on the available investment headroom shall be updated on a daily end-of-day basis as long as the red flag is activated.

Sectoral cap of the company

i. The system shall calculate the total foreign investment in the company by adding the aggregate NRI investment, the aggregate FPI investment and other foreign investment in the company as provided by the company in the company master.

j. If the total foreign investment in a company is within 3% or less than 3% of the sectoral cap, then a red flag shall be activated for that company.

k. Thereafter, the depositories and exchanges shall display the available investment headroom, in terms of available shares, for all companies for which the red flag has been activated, on their respective websites.

l. The data on the available investment headroom shall be updated on a daily end-of-day basis as long as the red flag is activated.

L. The depositories shall inform the exchanges about the activation of the red flag for the identified scrip. The exchanges shall issue the necessary circulars/public notifications on their respective websites. Once a red flag has been activated for a given scrip, the foreign investors shall take a conscious decision to trade in the shares of the scrip, with a clear understanding that in the event of a breach of the aggregate NRI/FPI limits or the sectoral cap, the foreign investors shall be liable to disinvest the excess holding within five trading days from the date of settlement of the trades.

Breach of foreign investment limits

M. Once the aggregate NRI/FPI investment limits or the sectoral cap for a given company have been breached, the depositories shall inform the exchanges about the breach. The exchanges shall issue the necessary circulars/public notifications on their respective websites and shall halt all further purchases by :

m. FPIs, if the aggregate FPI limit is breached

n. NRIs, if the aggregate NRI limit is breached

o. All foreign investors, if the sectoral cap is breached

N. In the event of a breach of the sectoral cap/aggregate FPI limit/aggregate NRI limit, the foreign investors shall divest their excess holding within 5 trading days from the date of settlement of the trades, by selling shares only to domestic investors.

Method of disinvestment

O. The proportionate disinvestment methodology shall be followed for disinvestment of the excess shares so as to bring the foreign investment in a company within permissible limits. In this method, depending on the limit being breached, the disinvestment of the breached

quantity shall be uniformly spread across all foreign Investors/FPIs/NRIs which are net buyers of the shares of the scrip on the day of the breach.

P. This method has been illustrated with the help of an example provided below.

Table 7

Total shares that can be purchased by foreign investors till sectoral cap is not breached	600
Total quantity purchased by foreign investors on T day	1000
Breach quantity	400

Time	Foreign Investor	Purchased quantity	Cumulative Purchase by foreign investor	Quantity to be disinvested by the foreign investor
1000 hrs	ABC	100	100	40
1015 hrs	XYZ	250	350	100
1145 hrs	TYU	50	400	20
1230 hrs	POI	180	580	72
1300 hrs	QSX	120	700	48
1400 hrs	REW	150	850	60
1410 hrs	LOP	150	1000	60
Total		**1000**		**400**

Q. As can be observed from the above table, the foreign investors/FPIs/NRIs which are required to disinvest shall be identified and shall be informed of the excess quantity that they are required to disinvest.

R. In the case of FPIs which have been identified for disinvestment of excess holding, the depositories shall issue the necessary instructions to the custodians of these FPIs for disinvestment of the excess holding within 5 trading days of the date of settlement of the trades.

S. In the case of NRIs which have been identified for disinvestment of excess holding, the depositories shall issue the necessary instructions to the Authorized Dealer (AD) Banks for disinvestment of the excess holding within 5 trading days of the date of settlement of the trades.

T. The depositories shall utilize the FPI trade data provided by the custodians, post custodial confirmation, on T+1 day, where T is the trade date. The breach of investment limits (if any) shall be detected at the end of T+1 day and therefore, the announcement pertaining to the breach shall be made at the end of T+1 day. The foreign investors who have purchased the shares of the scrip during the trading hours on T+1 day shall also be given a time period of 5 trading days from the date of settlement of such trades, to disinvest the holding accruing from the aforesaid purchase trades. In other words, the purchase trades of such foreign investors which have taken place on T+1 day, shall be settled on T+3 day and thereafter

a time period from T+4 day to T+8 day shall be available to them to disinvest their entire holding arising from purchases on T+1 day.

U. If T+1 is a settlement holiday, then the custodial confirmation of the trade executed on T day shall be done on T+2 day and the subsequent settlement of the trade on T+3 day. In such a scenario, the breach would be detected at the end of T+2 day.

V. A table summarizing the breach-disinvestment scenario is given below

Table 8

Parameter	Purchase on T Day	Purchase on T+1
Date of breach	T day	T day
Date of trade	T day	T+1 day
Date of detection of breach	T+1 day (End of day) T+2 day (End of Day, if T+1 is a settlement holiday	T+1 day (End of day) T+2 day (End of Day), if T+1 is a settlement holiday
Date of settlement of transaction	T+2 day T+3 day, if either T+1 day or T+2 day is a settlement holiday	T+3 day T+4 day, if either T+2 day or T+3 day is a settlement holiday
Disinvestment time frame	5 trading days from the date of settlement of the transactions which were executed on the day of the breach i.e. 5 trading days from T+2 day If T+1 day or T+2 day is a settlement holiday, then 5 trading days from T+3 day	5 trading days from the date of settlement of the transactions which were executed on T+1 day i.e. 5 trading days from T+3 day If T+2 day or T+3 day is a settlement holiday, then 5 trading days from T+4 day

W. In the event the foreign shareholding in a company comes within permissible limit during the time period for disinvestment, on account of sale by other FPI or other group of FPIs, the original FPIs, which have been advised to disinvest, would still have to do so within the disinvestment time period, irrespective of the fresh availability of an investment headroom during the disinvestment time period.

X. There shall be no annulment of the trades which have been executed on the trading platform of the stock exchanges and which are in breach of the sectoral caps/aggregate FPI limits/ aggregate NRI limits.

Failure to disinvest within 5 trading days

Y. If a breach of the investment limits has taken place on account of the FPIs and the identified FPIs have failed to disinvest within 5 trading days, then the matter shall be referred to SEBI.

3. Off-Market transfer of securities

i. In addition to the transactions set out under Regulation 20(4)(d) of the Regulations with domestic or foreign investors, FPIs shall also be permitted to request for 'Off Market' transfer

of assets between FPIs operating under MIM structure (with same PAN issued by Income Tax Department) to their DDPs and such requests can be processed by DDPs at their end.

ii. Any such approval of off market transactions of assets by DDPs will be without prejudice to provisions of taxation.

iii. FPIs are permitted to sell off-market unlisted, illiquid, suspended, and delisted shares in accordance with the pricing guidelines for such sale as per FEMA Rules.

4. "To be listed" shares

FPIs shall be permitted to acquire "to be listed" shares pursuant to initial public offer (IPO), follow-on public offer (FPO), rights issue, private placement or shares received through involuntary corporate actions including a scheme of a merger or demerger.

5. Short sale of securities

FPIs are not allowed to short sell in Indian market except as allowed under Securities Lending & Borrowing (SLB) or any other framework specified by the Board. Further, sales against open purchases are not permitted for FPIs and FPIs can sell such securities only after their settlement.

6. Investment by FPI through primary market issuances

i. As per Regulation 20(7) of the Regulations, the purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of total paid-up equity capital on a fully diluted basis of the company.

ii. To ensure compliance of the above, at the time of finalization of basis of allotment during primary market issuances, Registrar and Transfer Agents ('RTAs') shall use PAN issued by Income Tax Department of India for checking compliance for a single FPI. Also, RTAs should obtain validation from Depositories for the FPI investor group who have invested in the particular primary market issuance to ensure there is no breach of investment limit within the timelines specified by SEBI for issue procedure.

iii. Bids by FPIs submitted under MIM structure with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple bids.

7. Transfer of Right entitlements

FPI shall ensure that the transfer of rights entitlements shall be at market price or fair value, as applicable.

8. Risk management framework for FPIs

i. Margining of trades undertaken by FPIs in the Cash Market

a) The trades of FPIs shall be margined on a T+1 basis as specified by SEBI.

b) However, the trades of Category II FPIs who are corporate bodies, Individuals or Family offices shall be margined on an upfront basis as per the extant margining framework for the non-institutional trades.

ii. Facility for allocation of trades among related FPIs: The following framework may be implemented to facilitate allocation of trades among the FPIs:

a) Entities who trade on behalf of FPIs shall inform the stock brokers of the details of FPIs on whose behalf the trades would be undertaken.

b) The stock broker, in turn, shall inform the stock exchanges the details of such related FPIs.

c) Stock exchanges shall put-in place suitable mechanism to ensure that allocation of trade is permitted only among such related FPIs.

9. FPIs investments in debt securities

i. With respect to FPIs investments into government (Central and State) securities, exchange traded currency and interest rate derivatives, FPIs shall be guided by directions issued by RBI from time to time.

ii. In respect of investment conditions in the corporate debt securities, the FPI shall also comply with terms, conditions or directions, specified or issued by RBI, from time to time. No separate circular(s) shall be issued by SEBI. The intermediaries may take steps required to operationalize the RBI notifications.

iii. FPIs are eligible to invest in corporate debt issues which are "to be listed" without any end-use restriction as applicable to unlisted debt securities. However, if the listing does not happen within 30 days or the issue is not meeting end use restriction, FPI shall immediately dispose such investment to either domestic investor or issuer

iv. The investments by FPIs in debt oriented mutual fund schemes shall be reckoned as investments in corporate debt.

10. Allocation of corporate debt limit

FPI corporate debt investments are subject to Corporate Debt Investment Limits (CDIL) as announced by RBI from time to time.

i. The CDIL shall be available on tap for investment by foreign investors till the overall investment reaches 95% of the CDIL.

ii. In the event the overall FPI corporate debt investments exceeds 95% of the CDIL (as indicated by the debt utilisation status updated daily on the websites of NSDL and CDSL), the following procedure shall be followed:

a. The depositories (NSDL and CDSL) shall direct the custodians to halt all FPI purchases in corporate debt securities.

b. The depositories shall then inform the exchanges (NSE and BSE) regarding the unutilised debt limits for conduct of auction. Upon receipt of information from the depositories, the exchange (starting with BSE) shall conduct an auction for the allocation of unutilised debt limits on the second trading day from the date of receipt of intimation from the depositories. Thereafter, the auction shall be conducted alternately on NSE and BSE.

c. The auction shall be held only if the free limit is greater than or equal to INR 100 cr. However, if the free limit remains less than INR 100 cr for 15 consecutive trading days, then an auction shall be conducted on the sixteenth trading day to allocate the free limits.

d. The auction shall be conducted in the following manner:

Table 9

Particulars	Details
Duration of bidding:	2 hours (15:30 to 17:30 hrs)
Access to platform	Trading members or custodians
Minimum bid	INR 1 crore
Maximum bid	One-tenth of free limit being auctioned
Tick Size	INR 1 crore
Allocation Methodology	Price time priority
Pricing of bid	Minimum flat fees of INR 1000 or bid price whichever is higher
Time period for utilization of the limits	10 trading days from the date of allocation

e. Once the limits have been auctioned, the FPIs will have a utilisation period of 10 trading days within which they have to make the investments. The limits not utilised within this period shall come back to the pool of free limits.

f. Upon sale/redemption of debt securities, the FPI will have a re-investment period of 2 trading days. If the re-investment is not made within 2 trading days, then the limits shall come back to the pool of free limits.

g. A single FPI/ FPI investor group cannot bid for more than 10% of the limits being auctioned.

iii. The subsequent auction would be held 12 trading days after the previous auction, subject to the fulfilment of the condition mentioned at clause (ii)(c) above.

iv. The auction mechanism shall be discontinued and the limits shall be once again available for investment on tap when the debt limit utilisation falls below 92%. It is clarified that in such a scenario, the reinvestment facility mentioned at clause (ii)(f) above shall be terminated and cannot be availed for the same limits when the utilisation crosses 95% again. The custodians shall monitor and report the reinvestment facility availed by the FPIs to the depositories.

11. Position limits available to FPIs for stock and stock index derivative contracts

Stock derivative

i. Position limits available to Category I FPIs for stock derivative contracts shall continue to have 20% of market wide position limit (MWPL). Position limits available to Category II FPIs (other than FPIs in sub-category individuals, family offices, corporates) shall have 10% of MWPL. Position limits for individuals, family offices, and corporates shall be 5% of MWPL.

Stock Index derivative

ii. The position limit in index for Category I FPIs will remain at INR 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per exchange.

In addition, category I FPIs shall take exposure in equity index derivatives subject to the following limits:-

(a) Short positions in index derivatives (short futures, short calls and long puts) not exceeding (in notional value) the FPI's holding of stocks.

(b) Long positions in index derivatives (long futures, long calls and short puts) not exceeding (in notional value) the FPI's holding of cash, government securities, T bills and similar instruments.

iii. The position limit in index derivative for Cat. II FPI shall be as under:-

(a) Higher of INR 300 crore or 10% of open interest for cat II FPIs (other than individuals, family offices and corporates).

(b) Higher of INR 100 crore or 5% of open interest for Cat II FPIs under subcategory of Individuals, family offices, corporates.

iv. The above limits shall be separately applicable for equity index futures and equity index options as per the current mechanism for all categories of FPIs.

12. FPI Position Limits in Exchange Traded Interest Rate Futures (IRF)

i. Following position limits shall be applicable for Category I & II FPIs other than FPIs in sub-category individuals, family offices, corporates):

a) A limit of INR 5,000 crore on aggregate basis to FPIs for taking long position in IRFs

b) This limit will be calculated as follows:

i. For each interest rate futures instrument, position of FPIs with a net long position will be aggregated. FPIs with a net short position in the instrument will not be reckoned.

ii. No FPI can acquire net long position in excess of INR 1,800 crore at any point of time.

c) The limits prescribed for investment by FPIs in Government Securities shall be exclusively available for investment in Government Securities and shall not be reckoned for the purpose of computing utilisation under above mentioned limit of INR 5,000 crore.

d) The Position Limits for FPI across all contracts will be as below:

i. Category I and II FPIs (other than individuals, family offices and corporates) – Trading member level Position limits

ii. Category II FPIs (Individuals, family offices and corporates – Client level position limits will apply.

Category	**8-11 years maturity bucket**	**4-8 and 11-15 year maturity bucket**
Trading Member Level	10% of Open Interest or INR 12 billion whichever is higher	10% of Open Interest or INR 6 billion, whichever is higher
Client Level	3% of Open Interest or INR 4 billion, whichever is higher	3% of Open Interest or INR 2 billion, whichever is higher

iii. The total gross short (sold) position of an FPI in IRF shall not exceed its long position in the government securities and in Interest Rate Futures, at any point in time.

iv. Monitoring mechanism

a) Stock Exchanges shall put in place necessary mechanism for monitoring and enforcing limits of FPIs in IRFs.

b) Stock Exchanges shall aggregate net long position in IRF of all FPIs taken together at the end of the day and shall jointly publish/ disseminate the same on their website on daily basis.

c) Once 90% of the limit is utilized, Stock Exchanges shall put in place necessary mechanism to get alerts and publish on their websites the available limit, on a daily basis.

d) In case, there is any breach of the threshold limit, the FPI/s whose investment caused the breach shall square off their excess position/s within five trading days or by expiry of contract, whichever is earlier.

13. Participation of FPIs in the Currency Derivatives segment and Position limits for currency derivatives contracts

FPIs are permitted to trade in the currency derivatives segment of stock exchanges, subject to terms and conditions as mentioned below:

i. **Position limits of Category I and II FPIs other than individuals, family offices and corporates:**

The gross open positions of the above FPIs across all contracts in the respective currency pairs shall not exceed the limits as mentioned below.

Currency Pairs	Position Limits
USD-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or USD 100 million, whichever is higher.
EUR-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or EUR 50 million, whichever is higher.
GBP-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or GBP 50 million, whichever is higher.
JPY-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or JPY 2000 million, whichever is higher.

ii. **Position limits of category II FPIs that are individuals, family offices and corporates:**

The gross open positions of the above FPI across all contracts in the respective currency pairs shall not exceed the limits as mentioned below. For the purpose of computing the FPI level gross open position, Long position shall be considered as Long Futures, Long Calls, and Short Puts and Short Position shall be considered as Short Futures, Short Calls, and Long Puts

Currency Pairs	Position Limits
USD-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or USD 10 million, whichever is higher.
EUR-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or EUR 5 million, whichever is higher.
GBP-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or GBP 5 million, whichever is higher.
JPY-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or JPY 200 million, whichever is higher.

iii. In case of positions taken to hedge underlying exposure, the position limit linked to open interest shall be applicable at the time of opening a position. Such positions shall not be required to be unwound in the event a drop of total open interest in a currency pair at a stock exchange. However, participants shall not be allowed to increase their existing positions or create new positions in the currency pair till they comply with the position limits.

iv. Limits for FPIs and Domestic Clients based on Underlying Exposure:

- FPIs may take long or short positions without having to establish existence of underlying exposure, upto a single limit of USD 100 million equivalent, across all currency pairs involving INR, put together, and combined across all the stock exchanges.
- FPIs shall ensure that their short positions at all stock exchanges across all contracts in FCY-INR pairs do not exceed USD 100 million. In the event a FPI breaches the short position limit, stock exchanges shall restrict the FPI from increasing its existing short positions or creating new short positions in the currency pair till such time FPI complies with the said requirement.
- To take long positions in excess of USD 100 million in all contracts in FCY-INR pairs, FPIs shall be required to have an underlying exposure in Indian debt or equity securities, including units of equity/debt mutual funds

v. FPIs are allowed to take positions in the exchange traded cross-currency futures and option contracts in the EUR-USD, GBP-USD and USD-JPY currency pairs and exchange traded currency option contracts in EUR-INR, GBP-INR and JPY-INR currency pairs, subject to terms and conditions as mentioned below

Position limits of Category I and II FPIs other than individuals, family offices and corporates:

Currency Pairs	Position Limits
EUR-USD	Gross open position across all contracts shall not exceed 15% of the total open interest or EUR 100 million, whichever is higher.
GBP-USD	Gross open position across all contracts shall not exceed 15% of the total open interest or GBP 100 million, whichever is higher.
USD-JPY	Gross open position across all contracts shall not exceed 15% of the total open interest or USD 100 million, whichever is higher. The aforementioned limits shall be the total limits available to the stock brokers for taking positions on proprietary basis and for positions of their clients.

Position limits of category II FPIs that are individuals, family offices and corporates:

Currency Pairs	Position Limits
EUR-USD	Gross open position across all contracts shall not exceed 6% of the total open interest or EUR 10 million, whichever is higher.
GBP-USD	Gross open position across all contracts shall not exceed 6% of the total open interest or GBP 10 million, whichever is higher.
USD-JPY	Gross open position across all contracts shall not exceed 6% of the total open interest or USD 10 million, whichever is higher.

vi. The following shall be implemented by the clearing corporations and the custodians of the FPIs for enabling monitoring of positions of FPIs:

- The clearing corporation shall provide details on the FPI's day-end and day's highest open positions at end of day to the custodians of the FPI.
- The custodian of the FPI shall aggregate the positions taken by the FPI on the currency derivatives segments of all the stock exchanges and forward such details to the designated bank of the FPI. The custodian of securities of the FPI shall also provide the market value of applicable underlying exposure of the FPI to the designated bank of the FPI.

vii. The onus of complying with the above provisions shall rest with the FPI and in case of any contravention, the FPI shall render itself liable to any action that may be warranted by RBI as per the provisions of Foreign Exchange Management Act, 1999 and Regulations, Directions, etc. framed thereunder. These limits shall be monitored by stock exchanges and/or clearing corporations and breaches, if any, shall be reported to RBI. In this regard, stock exchanges / clearing corporations shall devise a suitable mechanism to monitor the aforesaid limits, subject to appropriate regulatory concurrence

14. Investments by FPIs in REITs, InvITs, AIFs

i. FPIs are permitted to invest in units of REITs, InvITs and Category III AIFs in terms of Regulation 21 (1) of SEBI (FPI) Regulations, 2019 subject to such other terms and conditions as may be prescribed by SEBI from time to time.

ii. A FPI shall not hold more than twenty five percent stake in a category III AIF.

iii. Investments in REITs and InvITs shall be captured under the category "Hybrid Security" for the purpose of capturing and disseminating FPI investment data.

15. Investments by FPIs in corporate bonds under default

i. FPIs are permitted to acquire NCDs/bonds, which are under default, either fully or partly, in the repayment of principal on maturity or principal instalment in the case of an amortising bond. FPIs shall be guided by RBI's definition of an amortising bond in this regard.

ii. The revised maturity period for such NCDs/bonds restructured based on negotiations with the issuing Indian company, should be as per the norms prescribed by RBI from time to time, for

FPI investments in Corporate Debt.

iii. The FPIs shall disclose to the Debenture Trustees, the terms of their offer to the existing debenture holders/beneficial owners of such NCDs/bonds under default, from whom they propose to acquire.

iv. All investments by FPIs in such bonds shall be reckoned against the prevalent corporate debt limit. All other terms and conditions pertaining to FPI investments in corporate debt securities shall continue to apply.

16. Clarification regarding adherence to below 10% investment limit

In the event an FPI and its investor group reach 10% or more of the total paid up equity capital of a company on a fully diluted basis, they must follow extant FEMA rules in this regard. If such FPI and its investor group opt to treat their entire investment into a company as FDI under Regulation 22(3), such FPI including its investor group shall not make further portfolio investment in that company under the Regulations. Such FPI/ its investor group shall inform respective custodians of the choice who in turn will report this to the board, depositories and the issuer. Such investments shall be treated as FDI subject to norms as prescribed by RBI from time to time and will be marked as FDI in custodian records. However, FPI and its investor group will be able to sell these securities only through the route as they were acquired and appropriate reporting (i.e. LEC reporting) will be made by the respective custodian.

17. Write-off of securities held by FPIs

Where an FPI is not able to sell through permitted off-market transaction of unlisted, illiquid, suspended, and delisted shares, they can write-off such securities as per below process. as follows (only for FPIs whose registration is not valid or who intends to surrender their registration):

i. Custodian to obtain authorization from FPI to write-off securities. The FPI should also provide undertaking that it is giving away all its rights as the beneficial owner of the security(ies).

ii. Upon receipt of instruction from FPI, Custodian will extinguish the security from the safekeeping account (held in banks internal books/system) of the FPI - Securities written off should be reported to SEBI and RBI as sale trade with NIL sale proceeds.

iii. As securities in the electronic form in the demat account of the FPI cannot be extinguished, Custodian shall freeze depository account with reason being 'Write off securities as per client request' in the depository system and intimate such action to Depositories. To facilitate easy identification of such accounts in future depositories may issue guidance to the custodians for making make necessary changes in the existing FPI client 'type/ subtype' to the type of legal entity in the depository system of such demat accounts.

iv. Such FPI shall apply for surrender of its registration and the DDP of such FPI shall process the surrender after obtaining the approval from the Board.

v. Monetary corporate benefits if received by the Custodians shall be credited to the Investors Protection and Education Fund of SEBI not later than 30 days from the date of receipt of the same.

vi. Non-monetary corporate benefits if received shall accumulate in the demat account.

PART D - Issuance of Offshore Derivative Instruments by Foreign Portfolio Investors under SEBI (Foreign Portfolio Investor) Regulations, 2019

This section consolidates the requirements prescribed by SEBI relating to issuance of Offshore Derivative Instruments (ODIs) by Foreign Portfolio Investors (FPIs) and matters connected therewith.

1. Conditions for issuance of ODIs

i. FPIs shall not be allowed to issue ODIs referencing derivatives. Further, no FPI shall be allowed to hedge their ODIs with derivative positions on stock exchanges in India.

ii. As an exception to above clause (i), the following is permitted through a separate FPI registration of an ODI issuing FPI under Category I:

(a) Derivative positions that are taken on stock exchanges by the FPI for 'hedging of equity shares' held by it in India, on a one to one basis; and/or

The term "hedging of equity shares" means taking a one-to-one position in only those derivatives, which have the same underlying as the equity share held by the FPI in India.

(b) An ODI issuing FPI may hedge the ODIs referencing equity shares with derivative positions in Indian stock exchanges, subject to a position limit of 5% of market wide position limits for single stock derivatives. The permissible position limit for stock index derivatives is higher of INR 100 crores or 5% open interest; and/or

For avoidance of any doubt on ODIs reference/ underlying and their allowance or otherwise, as stated under (i) and (ii) above, the following table shall be referred:

Table 10

Sl. No.	ODI reference/ underlying	ODI issuer's holding in India against the ODI	Allowed	Exception
1	Cash equity/ debt securities / any permissible investment by FPI (other than derivatives)	Cash equity/ debt securities / any permissible investment by FPI (other than derivatives), for life of ODI	Yes	None. Separate registration required to undertake any proprietary derivative transactions by such ODI issuing FPI.
2	Cash equity	Cash equity on date of writing the ODIs and then move to derivative positions thereafter.	No	Allowed through separate FPI registration, subject to the above 5% limit.

Sl. No.	ODI reference/ underlying	ODI issuer's holding in India against the ODI	Allowed	Exception
3	Cash equity	Derivative on date of writing the ODI or thereafter except in manner referred at (2) above in table.	No	None
4	Derivatives	Derivatives	No	Allowed through separate FPI registration, if FPI is holding cash equity and has short future position exactly against the cash equity in the same security (one-to-one basis). FPI to retain the cash equity for the life of ODI.
5	Derivatives	Cash equity	No	None

Note: All reference to derivatives above include instruments or contracts or agreements referencing index.

An ODI issuing FPI, which hedges its ODI only by investing in securities (other than derivatives) held by it in India, cannot undertake proprietary derivative positions through the same FPI registration. Such FPI must segregate its ODI and proprietary derivative investments through separate FPI registrations. Such separate registrations should be in the name of FPI with "ODI" as suffix under same PAN. Where such addition is being requested for an existing FPI, this addition of suffix will not be considered change in name of of FPI and DDP may process this request and issue a new FPI registration certificate. An ODI issuing FPI cannot co-mingle its non-derivative proprietary investments and ODI hedge investments with its proprietary derivative investment or vice versa in same FPI registration.

iii. No fresh derivative position which are not in compliance with above requirements shall be allowed henceforth. FPIs have 90 days' time from date of publication of the Operating Guidelines to comply with above requirements. Off-market transfer of assets/ positions will be allowed for FPIs intending to transfer assets/ position from one FPI account to another FPI account to comply with above requirements.

iv. An ODI subscriber who became ineligible under the Regulation may continue to hold their existing positions till December 31, 2020. No renewal/rollover of existing positions by such ODI subscribers shall be permitted and fresh issuance of ODIs shall be made only to eligible subscribers.

v. In determining whether a derivative instrument issued is an ODI or not, the threshold for trades with non-proprietary indices (e.g. MSCI World or MSCI EM Asia) as underlying shall be

taken as 20%, i.e. those trades for which the materiality of Indian underlying is less than 20% of the index would not be regarded as ODIs, even if such exposure is hedged onshore in India. However, trades with custom baskets as underlying if hedged onshore would always be regarded as ODIs regardless of percentage of Indian component that is hedged onshore in India.

vi. Synthetic short activities, where ODI are issued which has the effect of short sale in the Indian securities, continue to be prohibited for FPIs.

vii. ODI issuer shall ensure that it has collected documents/ information enough to satisfy itself with regard to the relationship between the ODI subscriber and its Investment Manager from a FATF member country as allowed in explanation under Regulations 21 (1) (b) of the Regulations.

viii. Investment restrictions prescribed under the Regulation 20(7) of SEBI (Foreign Portfolio Investor) Regulations, 2019 shall apply to ODI subscribers also.

a) For this purpose, two or more ODI subscribers having common ownership, directly or indirectly, of more than fifty percent or common control shall be considered together as a single ODI subscriber, in the same manner as is being done in the case of FPIs.

b) Further, where an investor has investments as FPI and also holds positions as an ODI subscriber, these investment restrictions shall apply on the aggregate of FPI investments and ODI positions held in the underlying Indian Company. In other words, the investment as FPI and positions held as ODI subscriber will be clubbed together with reference to the said investment restrictions.

2. Know Your Client (KYC) norms for ODI subscribers and reporting of suspicious transactions

i. KYC requirement table, applicable for ODI subscribers is placed below:-

Table 11

Document required	
ODI subscriber	Constitutive Documents
	Proof of Address
	Board Resolution
Beneficial Owner (BO) of ODI subscriber	List
	Proof of Identity
	Proof of Address
Senior Management (Whole Time Directors/ Partners/ Trustees etc.)	List

ii. The ODI issuing FPIs shall maintain with them at all times the KYC documents regarding ODI subscribers and should be made available to SEBI on demand.

iii. Offshore Derivative Instrument (ODI) issuing FPIs shall identify and verify the BOs in the ODI subscriber entities, as applicable to FPIs. Beneficial owner and intermediate shareholder/ owner entity with holdings equal & above the materiality thresholds in the ODI subscriber need to be identified through the look through basis. The list of BOs of ODI subscribers be maintained as per Table 6. ODI issuing FPIs shall also continue to collect identification document number (such as passport, driving license) of BO of ODI subscriber.

iv. For intermediate material shareholder/ owner entity/ies, name, country and percentage holding shall also be disclosed as per Annexure E.

v. The KYC review shall be done on the basis of the risk criteria as determined by the ODI issuers, as follows:

a) In case of high risk ODI subscribers, on yearly basis

b) In case of all other ODI subscribers, once every three years.

vi. ODI issuing FPIs shall file suspicious transaction reports, if any, with the Indian Financial Intelligence Unit, in relation to the ODIs issued by it.

3. Reporting of ODIs and Maintenance of Control Systems

i. Reporting of complete transfer trail of ODIs - Presently, the details of the holder of ODIs have to be mandatorily reported to SEBI on a monthly basis. The ODI issuers are also required to capture the details of all the transfers of the ODIs issued by them and these can be made available to SEBI on demand. The Board decided that in the monthly reports on ODIs all the intermediate transfers during the month would also be required to be reported.

ii. Reconfirmation of ODI positions - ODI Issuers shall be required to carry out reconfirmation of the ODI positions on a semiannual basis. In case of any divergence from reported monthly data, the same should be informed to SEBI in format provided

iii. Periodic Operational Evaluation - ODI Issuers shall be required to put in place necessary systems and carry out a periodical review and evaluation of its controls, systems and procedures with respect to the ODIs. A certificate in this regard should be submitted on an annual basis to SEBI by the Chief Executive Officer or equivalent of the ODI Issuer. The said certificate should be filed within one month from the close of every calendar year.

iv. Report Details - Following reports need to be submitted by the 10th of every month for the previous month in the format prescribed by SEBI as per the reporting format at **Annexure F** with effect from 1st January 2020 i.e. for the month of December 2019 the report to be filed by 10th January 2020 needs to be in the reporting format as annexed. Till such time, FPIs can continue to file the report in the existing format.

Table 12

S. No.	Heading
1.	Monthly Summary Report (MSR)- Statement of Outstanding Positions of Offshore Derivative Instruments (ISIN Wise) as on (last day of previous month)
2.	Annexure A - Offshore Derivative Instruments Activity For The Period ( )
3.	Details of Underlying Trade(s) in Indian Market - For the Period of ___ to ____(Month) - Equity - Annexure B _ Equity
4.	Details of Underlying Trade(s) in Indian Market - For the Period of ___ to ____(Month) - Debt - Annexure B _ Debt
5.	Details of Underlying Trade(s) in Indian Market - For the Period of ___ to ____(Month) - Derivative - Annexure B _ Derivative
6.	Details of Underlying Trade(s) in Indian Market - For the Period of ___ to ____(Month) - Hybrid - Annexure B _ Hybrid
7.	Details of Assets Under Management in Indian Market - Equity as on _____ (Last reporting date of the Month) - Annexure C _ Equity
8.	Details of Assets Under Management in Indian Market - Debt as on _____ (Last reporting date of the Month)- Annexure C _Debt
9.	Details of Assets under Management in Indian Market - Derivative as on _____ (Last reporting date of the Month) - Annexure C _ Derivative
10.	Details of Assets Under Management in Indian Market - Hybrid as on _____ (Last reporting date of the Month) - Annexure C _ Hybrid
11.	Annexure D - Statement on Beneficial owners of ODI subscribers*
12.	Annexure E - Reconciliation/Reconfirmation Report

v. ODI Issuing FPI should compulsorily reflect all their ODIs to Indian underlying in each row of MSR in a true & fair manner. Thus, advise given vide circular dated June 15, 2011 that "The ODI Issuers shall link hedges to the extent that such a link can be made" shall be withdrawn. Format of the monthly ODI reports to be uploaded on SEBI website shall be as per **Annexure G.**

PART E - Guidelines for participation/functioning of Eligible Foreign Investors (EFIs) in International Financial Services Centre (IFSC)

EFIs operating in International Financial Services Centre (IFSC) shall not be treated as entities regulated by SEBI. Further, SEBI registered FPIs, proposing to operate in IFSC, shall be permitted, without undergoing any additional documentation and/or prior approval process.

Following are eligibility and KYC norms for EFIs:

i. **Eligibility norms**: EFIs are those foreign investors who are eligible to invest in IFSC by satisfying the following conditions:

a) the investor is not resident in India

b) the investor is not resident in a country identified in the public statement of Financial Action Task Force as:

I. a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or

II. a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies;

c) the investor is not prohibited from dealing in securities market in India.

ii. **KYC norms**: Intermediary operating in IFSC needs to ensure that records of their clients are maintained as per Prevention of Money-laundering Act, 2002 and rules made thereunder. The following KYC norms may be made applicable to EFIs:

a. In case of participation of an EFI, not registered with SEBI as an FPI, but desirous of operating in IFSC, a trading member of the recognized stock exchange in IFSC, may rely upon the due diligence carried out by a bank, which is permitted by RBI to operate in IFSC, during the account opening process of EFI.

b. In case of EFIs that are not registered with SEBI as FPI and also not having bank account in IFSC, KYC as applicable to Category II FPI as per the new FPI categorization shall be made applicable. However, PAN shall not be applicable for KYC of EFIs in IFSC.

c. In case of participation of FPI in IFSC, due diligence carried out by SEBI registered Intermediary during the time of account opening & registration shall be considered.

iii. **Segregation of accounts**: FPIs, who presently operate in Indian securities market and propose to operate in IFSC also, shall be required to ensure clear segregation of funds and securities. Custodians shall, in turn, monitor compliance of this provision for their respective FPI clients. Such FPIs shall keep their respective custodians informed about their participation in IFSC

Annexure-A

The following circulars issued by the Board shall stand rescinded:

Date of Circular	Reference	Title
15-Apr-10	CIR/IMD/FIIC/1/2010	Additional information regarding PCC, MCV or equivalent structure by FIIs.
19-Dec-13	CIR/IMD/FIIC/21/ 2013	Declaration and Undertaking regarding PCC, MCV or equivalent structure by FIIs
8-Jan-14	CIR/IMD/FIIC/02/2014	Operational Guidelines for Designated Depository Participants
28-Apr-14	CIR/IMD/FIIC/ 09/ 2014	Infrastructure facilities and submission of periodic reports
04-Jan-17	IMD/HO/FPIC/ CIR/P/2017/003	Guidelines for participation/functioning of Eligible Foreign Investors(EFIs) and FPIs in International Financial services Centre (IFSC)
12-Jun-15	CIR/IMD/FIIC/05/2015	Clarification on grant of registration as a Foreign Portfolio Investor (FPI) to Registered Foreign Venture Capital Investors (FVCI)
15-Feb-18	CIR/IMD/FPIC/ 26 /2018	Easing of Access Norms for investment by FPIs
13-Mar-18	CIR/IMD/FPIC/47/2018	Clarifications in respect of investment by certain Category II FPIs
21-Mar-18	IMD/ FPIC/CIR/P/2018/53	Due diligence and reporting requirements under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)
10-Apr-18	SEBI/HO/IMD/FPIC/ CIR/P/2018/66	Clarification on clubbing of investment limits of foreign Government/ foreign Government related entities
21-Sep-18	CIR/IMD/FPIC/ CIR/P/2018/132	Eligibility conditions for Foreign Portfolio Investors (FPIs)
21-Sep-18	CIR/IMD/FPIC/ CIR/P/2018/131	Know Your Client requirements for Foreign Portfolio Investors (FPIs)
11-Oct-18	SEBI/HO/FPIC/ CIR/P/2018/135	Monthly report of FPI registration on SEBI's website
13-Dec-18	SEBI/HO/IMD/FPIC/ CIR/P/2018/150	Clarification on clubbing of investment limits of Foreign Portfolio Investors ("FPIs")
5 -Sep-12	CIR/MIRSD/ 11 /2012	Know Your Client Requirements
12-Sep-13	CIR/MIRSD/ 07 /2013	KYC Requirements for Eligible Foreign investors

Date of Circular	Reference	Title
16-Jun-14	CIR/IMD/FIIC/11/2014	KYC for FPIs
17-Nov-16	CIR/IMD/FPIC/123/2016	Review of requirement of copy of PAN card to open accounts of FPIs
30-Jun-17	SEBI/HO/IMD/FIIC/ CIR/P/2017/068	Acceptance of e-PAN card for KYC purpose
10-Apr-18	CIR/IMD/FPIC/ CIR/P/2018/64	Know Your Client Requirements for Foreign Portfolio Investors (FPIs)
21-Aug-18	IMD/FPIC/CIR/P/2018/124	Amendment to SEBI Circular No. CIR/IMD/FPIC/ CIR/P/2018/64 dated April 10, 2018 on Know Your Client Requirements for Foreign Portfolio Investors (FPIs)
21-Sep-18	CIR/IMD/FPIC/ CIR/P/2018/131	Know Your Client Requirements for Foreign Portfolio Investors (FPIs)
31-Oct- 01	FITTC/CUST/14/2001	Issuance of Derivative Instruments by Registered Foreign Institutional Investors (FII
12-Mar-19	IMD/FPIC/CIR/P/2019/37	Review of Investment by Foreign Portfolio Investors (FPI) in Debt Securities
05-Apr-06	IMD/FII/20/2006	FII investments in Debt Securities
19-Jan-07	IMD/FII & C/25/2007	FII investments in Debt Securities
31-Jan-08	IMD/FII & C/27/2008	FII investments in Debt Securities
06-Jun-08	IMD/FII & C/29/2007	FII investments in Debt Securities
06-Feb-09	IMD/FII & C/37/2009	Allocation methodology of debt investment limits to FIIs
12-May-09	IMD/FII & C/39/2009	Allocation methodology of debt investment limits to FIIs
04-Sep-09	IMD/FII & C/40/2009	Allocation methodology of debt investment limits to FIIs
15-Dec-09	IMD/FII & C/41/2009	Allocation methodology of debt investment limits to FIIs
11-Jun- 10	CIR/IMD/FII/3/2010	Allocation of Corporate debt investment limits to FIIs
Date of Circular	**Reference**	**Title**
06-Aug-10	CIR/IMD/FIIC/9/2010	Allocation of Government debt & Corporate debt investment limits to FIIs

Date of Circular	Reference	Title
26- Nov-10	CIR/IMD/FIIC/18/2010	Allocation of Government debt & Corporate debt investment limits to FIIs
08-Mar-11	CIR/IMD/FIIC/3/2011	Allocation of Government debt long term & corporate debt -old investment limits to FIIs
31-Mar- 11	CIR/IMD/FIIC/5/2011	FII Investment in corporate bonds infra long term category
29-Jul-11	CIR/IMD/FIIC/11/2011	Allocation of Government debt long term limits to FIIs
26-Aug-11	CIR/IMD/FIIC/15/2011	Infrastructure Finance Companies(IFCs)-- as eligible issuers for FIIs investment limit in debt instrument for infrastructure
30-Sep-11	CIR/IMD/FIIC/18/2011	Revisions in FII Investments in corporate debt long term infra category
18-Nov-11	CIR/IMD/FIIC/20/2011	Increase in FII debt limit in Government & Corporate debt category
03-Jan-12	CIR/IMD/FIIC/1/2012	Changes in Re-investment period of FII debt limit
13-Jan-12	CIR/IMD/FII&C/3/2012	Investment by Qualified Foreign Investors (QFI) in Indian equity shares.
17-Feb-12	CIR/IMD/FIIC/5/2012	Allocation of Corporate debt long term category to FIIs.
12-Mar-12	CIR/IMD/FIIC/09/2012	Allocation of debt limits in corporate debt old and Government Debt long term category to FIIs
27-Apr-12	CIR/IMD/FIIC/12/2012	Auction calender for allocation of FII debt limit
07-Jun-12	CIR/IMD/FII&C/13/2012	Revision in framework for Qualified Foreign Investor (QFI) investment in Equity Shares and Mutual Fund schemes
26-Jun-12	CIR/IMD/FII&C/15/2012	FII Investment in Government debt long term and corporate debt log term infra category
07-Nov-12	CIR/IMD/FIIC/22/2012	Debt Allocation Mechanism for FII
01-Jan-13	CIR/IMD/FIIC/1/2013	Debt Allocation Mechanism for FII
08-Feb-13	CIR/IMD/FIIC/3/2013	Increase in FII debt limit for Government and Corporate Debt category

Date of Circular	Reference	Title
01-Apr-13	CIR/IMD/FIIC/6/2013	Rationalisation of Debt Limits
12-Jun-13	CIR/IMD/FIIC/8/2013	Enhancement in Foreign Investment limits in Government debt
31-Jul-13	CIR/IMD/FIIC/11/2013	Utilisation period for Government Debt Limits
13-Sep-13	CIR/IMD/FIIC/15/2013	Debt Allocation Mechanism for FII/QFI-Government debt securities
29-Jan-14	CIR/IMD/FIIC/3/2014	Change in Government Debt Investment Limits
14-Feb-14	CIR/IMD/FIIC/4/2014	FII/QFI investments in Commercial papers
07-Apr-14	CIR/IMD/FIIC/8/2014	Change in investment conditions / restrictions for FII/QFI investments in government debt securities
23-Jul-14	CIR/IMD/FIIC/17/2014	Change in Government Debt Investment Limits
09-Oct-14	CIR/IMD/FIIC/19/2014	Clarification on Government Debt Investment Limits
05-Feb-15	CIR/IMD/FIIC/2/2015	Change in investment conditions for FPI investments in Government Debt securities
06-Oct-15	CIR/IMD/FIIC/8/2015	Investments by FPIs in Government securities
29-Mar-16	IMD/FPIC/CIR/P/2016/45	Investments by FPIs in Government securities
03-Oct-16	IMD/FPIC/CIR/P/2016/107	Investments by FPIs in Government securities
03-Apr-17	IMD/FPIC/CIR/P/2017/30	Investments by FPIs in Government securities
04-Jul-17	IMD/FPIC/CIR/P/2017/74	Investments by FPIs in Government securities
04-Oct-17	IMD/FPIC/CIR/P/2017/113	Investments by FPIs in Government securities
20-Dec-17	IMD/FPIC/CIR/P/2017/129	Investments by FPIs in Government securities
29-Mar-11	CIR/IMD/FIIC/4/2011	Dissemination of further information about FII activity-Discontinues of Reporting
09-Jul-13	CIR/IMD/FIIC/9/2013	FII/QFI investments in Security Receipts
28-Nov-13	CIR/IMD/FIIC/19/2013	Investments by FII/QFIs in Credit Enhanced Bonds
20-Jan-14	CIR/MRD/DRMNP/2/2014	FII Position Limits in Exchange Traded Interest Rate Futures (IRF)
17-Jun-17	CIR/IMD/FIIC/13/2014	Investments by FPIs in Non-Convertible/Redeemable preference shares or debentures of Indian companies

Date of Circular	Reference	Title
03-Feb-15	CIR/IMD/FIIC/1/2015	Change in investment conditions/restrictions for FPI investments in Corporate Debt securities
15-Mar-16	CIR/IMD/FPIC/39/2016	Investments by FPIs in REITs, InvIts, AIFs and corporate bonds under default
04-Aug-16	SEBI/HO/IMD/FPIC/ CIR/P/2016/67	Foreign Investment in Rupee denominated bonds issued overseas by Indian Corporates
02-Jan-17	IMD/HO/FPIC/ CIR/P/2017/001	Reference to Circular no. FITTC/FII/02/2002 dated May 15, 2002-In regard to credit of proceeds due to write off of securities held by Foreign Portfolio Investors/deemed Foreign Portfolio Investors
28-Feb-17	SEBI/HO/IMD/FPIC/ CIR/P/2017/16	Investments by FPIs in corporate debt securities
20-Jul-17	IMD/FPIC/CIR/P/2017/81	Investments by FPIs in Coporate Debt
29-Sep-17	SEBI/HO/IMD/FPIC/ CIR/P/2017/112	Foreign Portfolio Investment in Corporate debt securities
15-Nov-17	IMD/FPIC/CIR/P/2017/121	Investments by FPIs in Hybrid Securities
08-Mar-18	IMD/FPIC/CIR/P/2018/46	Separate limit of Interest Rate Futures (IRFs) for Foreign Portfolio Investors (FPIs)
12-Apr-18	SEBI/IMD/FPIC/ CIR/P/2018/70	Investments by FPIs in Government and Corporate debt securities
27-Apr-18	IMD/FPIC/CIR/P/2018/74	Amendment to SEBI Circular No. IMD/FPIC/ CIR/P/2018/61 dated April 5,2018 on Monitoring of Foreign Investment limits in listed Indian companies
17-May-18	SEBI/HO/IMD/FPIC/ CIR/P/2018/81	Amendment to SEBI Circular No. IMD/FPIC/ CIR/P/2018/61 dated April 5,2018 and Circular No. IMD/FPIC/CIR/P/2018/74 dated April 27,2018 on Monitoring of Foreign Investment limits in listed Indian companies
15-June-18	IMD/FPIC/CIR/P/2018/101	Review of Investment by Foreign Portfolio Investors (FPI) in Debt
13-Jul-18	IMD/FPIC/CIR/P/2018/114	Investment by Foreign Portfolio Investors (FPI) through primary market issuances
13-Dec-18	SEBI/HO/IMD/FPIC/ CIR/P/2018/150	Clarification on clubbing of Investment limits of Foreign Portfolio Investors ("FPIs")

Date of Circular	Reference	Title
08-May-19	IMD/FPIC/CIR/P/2019/62	Permitting Foreign portfolio Investors (FPI) to invest in Municipal Bonds
31-Oct-01	FITTC/CUST/14/2001	Issuance of Derivative Instruments by Registered Foreign Institutional Investors (FII
08-Aug-03	IMD/CUST/8/2003	Issuance of Offshore Derivative Instruments by Registered Foreign Institutional Investors (FII
20-Nov- 03	IMD/CUST/9/2003	Issuance of Offshore Derivative Instruments by Registered Foreign Institutional Investors (FII)
02-Apr-04	IMD/CUST/15/2004	Reporting of Offshore Derivative Instruments by Registered Foreign Institutional Investors (FII)
17-Jan-11	CIR/IMD/FIIC/1/2011	Reporting of Offshore Derivative Instruments(ODIs)/ Participatory Notes(PNs) activity
18-Jan-11	CIR/IMD/FIIC/2/2011	Addendum to the Circular No. CIR/IMD/FIIC/1/2011
12-May-11	CIR/IMD/FIIC/6/2011	Reporting of Offshore Derivative Instrument s(ODIs)/ Participatory Notes(PNs) activity
15-Jun-11	CIR/IMD/FII&C/7/2011	Reporting of Offshore Derivative Instruments(ODIs)/ Participatory Notes(PNs) activity
07-Jun12	CIR/IMD/FIIC/14/2012	Reporting of Offshore Derivative Instruments (ODIs)/ Participatory Notes (PNs) activity
24-Nov- 14	CIR/IMD/FIIC/ 20 /2014	Conditions for issuance of Offshore Derivative Instruments under SEBI (Foreign Portfolio Investor) Regulations, 2014
10-Jun-16	CIR/IMD/FPI&C/59/2016	Know Your Client (KYC)norms for ODI subscribers, transferability of ODIs, reporting of suspicious transactions, periodic review of systems and modified ODI reporting format.
29-Jun-16	CIR/IMD/FPI&C/61/2016	Clarification regarding grandfathering of ODI issuers and modification of replies of FAQ 70 and FAQ 71 of SEBI FAQs to SEBI (FPI) Regulations, 2014
07-Jul-17	CIR/IMD/FPI&C/76/2017	Guidelines for issuance of ODIs, with derivative as underlying, by the ODI issuing FPIs

Annexure B

Common Application Form notified by Government of India and Annexure to Common Application Form (Declarations and Undertakings)

Annexure C

Monthly Applications Report

The report pertaining to a month to be submitted by DDPs to SEBI by 10th of the following month in the format prescribed under:

Summary of the applications received and disposed during the month

Name of the DDP	Application type *	Opening balance	Received during the month	Disposed during the month	Pending as on last day of month	Average time taken for registration during the month**	No. of applications pending for registration for more than 30 days of receipt of application **	Reasons given regarding application(s) pending for more than 30 days **

* Indicate application type as

1. Fresh Registration
2. Continuance

** Applicable for application type Fresh Registration only.

Annexure D

Fee report

The report pertaining to a month to be submitted by DDPs/Depository to SEBI in the format prescribed under:

Sr. No.	Name of DDP	Name of FPI	Type of Fees (Registration/ Continuance of registration/ Change in category)	Category of FPI	Amount of Fees (US$)	Date of remittance in SEBI's Bank A/c	Registration Period for which the fee is paid	Payment reference no./ Transaction ID

The Bank account details to which the payment is to be done electronically is as follows-

Bank Account Details:

Name of Bank Account	SECURITIES AND EXCHANGE BOARD OF INDIA
Name of Bank, Branch	Bank of India, Bandra Kurla Complex, Bandra (East), Mumbai 400051.
Saving Bank Account No	012210210000007
IFSC Code	BKID0000122
MICR Code No.	400013119
Swift Code No.	BKIDINBBBKC

If a DDP has not granted any registration/continuance of registration during the previous month, then it is required to send a "Nil" report.

Annexure E

Information of intermediate material shareholder/ owner entity illustration:

- FPI ABC, a trust, is held 75% by XYZ Ltd. (intermediate material shareholder/ owner) – therefore XYZ needs to be identified and the identification of underlying individuals / non-individuals having controlling ownership interest in the FPI OR control of XYZ should be identified
- XYZ is further controlled by PQR fund (trust)– Hence, PQR fund also needs to be identified on a look through basis.
- Mr. ST is holding 35% in PQR fund and Mr. UV is holding 15% in PQR fund - So, Mr. ST needs to be identified as BO.

Information of Intermediate material shareholder/ owner-on Ownership basis Name	Direct / Indirect Stake	Names of the entity(ies) through which the stake in the FPI is held indirectly	Percentage stake held in the applicant	Country/ Nationality	Individual / Non-Individual
XYZ Ltd.	Direct		*75*		Non-Individual

Information of Intermediate material shareholder/ owner- on control basis

Name	Method of Control (Give Details including names of the intermediate structures, if any, through which control is exercised)	Percentage control on the applicant, if applicable	Country/ Nationality	Individual/ Non-Individual
PQR fund	Management Share in XYZ Ltd.			Non-Individual
Mr. ST	Holds 35% shares of PQR Fund			Individual

Annexure F

Monthly reports by ODI issuing FPIs to SEBI

ODI Format.xlsx

Annexure G

Monthly ODI statement on SEBI website

Outstanding Notional Value of Offshore Derivative Instruments (ODIs) hedged by securities in India Vs Assets Under Custody (AUC) of FPIs.

[₹ Crore]

Month	Notional value of ODIs on Equity, Debt, Hybrid Securities & Derivatives *	Notional value of ODIs on Equity, Debt & Hybrid Securites excluding Derivatives *	Notional value of ODIs on Equity *	Notional value of ODIs on Debt *	Notional value of ODIs on Hybrid Securities *	Notional value of ODIs on Derivatives *	AUC of FPIs #	Notional value of ODIs on Equity, Debt & Hybrid Securites excluding Derivatives as % of B
	A1	A2	A3	A4	A5	A6	B	C

**Figures compiled based on reports submitted by FPIs issuing ODIs*

#Figures compiled based on reports submitted by custodians & does not includes positions taken by FPIs in derivatives.

Column A2 is being provided which depicts the Total Value of ODI issued -with underlying as Equity ,Debt & Hybrid Securities but excluding derivatives

Column A3 is being provided which depicts the Total Value of ODI issued -with underlying as Equity

Column A4 is being provided which depicts the Total Value of ODI issued -with underlying as Debt

Column A5 is being provided which depicts the Total Value of ODI issued -with underlying as Hybrid Securities.

Column A5 is being provided which depicts the Total Value of ODI issued -with underlying as derivatives.

Column C is being provided which depicts the Total Value of ODI issued -with underlying as Equity, Debt & Hybrid Securities but excluding derivatives- as percentage of Assets under custody

Circular No.: NSDL/POLICY/ DDP/2019/0006 December 9, 2019	***Subject: Framework for issue of Depository Receipts.*** Attention of Participant, registered with SEBI as Custodian of securities (Custodians), is invited to SEBI circular no. SEBI/HO/MRD2/DCAP/CIR/P/2019/146 dated November 28, 2019 (copy enclosed) regarding framework for issue of Depository Receipts. Custodians are requested to take note of the same.

CIRCULAR

SEBI/HO/MRD2/DCAP/CIR/P/2019/146 **November 28, 2019**

To,

1. All recognized Stock Exchanges
2. All Listed Companies through recognized Stock Exchanges
3. All recognized Depositories
4. All recognized Custodians

Dear Sir / Madam,

Subject: Framework for issue of Depository Receipts

1. The framework for issuance of Depository Receipts ('DRs') by a Listed Company was notified by SEBI vide Circular dated October 10, 2019.
2. The said Circular, inter-alia, provided that a Listed company shall be permitted to issue permissible securities or transfer Permissible Securities of existing holders, for the purpose of issue of DRs, only in Permissible Jurisdictions and said DRs shall be listed on any of the specified International Exchange(s) of the Permissible Jurisdiction.
3. The Circular also provided that 'Permissible Jurisdiction' shall mean jurisdictions as may be notified by the Central Government from time to time, pursuant to notification no. G.S.R. 669(E) dated September 18, 2019 in respect of sub-rule 1 of rule 9 of Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, and 'International Exchanges' shall mean exchanges as may be notified by SEBI from time to time.'
4. In this regard, the Central Government vide notification dated November 28, 2019, has notified the list of Permissible Jurisdictions in pursuance of notification dated September 18, 2019. Accordingly, for the purpose of Para 2.7 of the abovementioned Circular dated October 10, 2019, a list of Permissible Jurisdictions and International Exchange(s) is placed at Annexure A.
5. Stock Exchanges and Depositories are advised to:
   a) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above circular; and
   b) bring the provisions of this circular to the notice of the issuers, domestic custodians and also to disseminate the same on the website.
6. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and sto regulate the securities market.

7. This circular is available on SEBI website at www.sebi.gov.in at "Legal Framework → Circulars".

Yours faithfully,
Amit Tandon
General Manager
Market Regulation Department
E-mail: amitt@sebi.gov.in

Annexure A

List of Permissible Jurisdictions and International Exchanges

1. United States of America - NASDAQ, NYSE
2. Japan - Tokyo Stock Exchange
3. South Korea - Korea Exchange Inc.
4. United Kingdom excluding British Overseas Territories- London Stock Exchange
5. France - Euronext Paris
6. Germany - Frankfurt Stock Exchange
7. Canada - Toronto Stock Exchange
8. International Financial Services Centre in India - India International Exchange, NSE International Exchange

Circular No.: NSDL/POLICY/DDP/2019/0005 November 15, 2019	***Subject: Permitting Foreign Portfolio Investors (FPI) to open separate account for VRR.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 notified by SEBI on September 23, 2019. In terms of the said Regulations, FPIs are permitted to open a separate demat account in the depository system for holding securities under Voluntary Retention Route (VRR). Accordingly, DDPs/Custodians are requested to take note that: 1. Separate sub-types will be incorporated in the DPM system to facilitate FPIs to open an account for holding securities under VRR. 2. DDPs/Custodians may continue to open separate depository account for FPIs under the existing client type and sub types pertaining to FPI and maintain internal records of the same for identification of such VRR accounts. 3. Once separate sub-types are incorporated in the DPM system, DDPs/Custodians will be provided a facility to enable migration/re-categorisation of existing accounts which are o pened in the interim to the new sub-types. DDPs/Custodians are requested to take note of the same and bring it to the attention of their FPI clients.

GAZETTE OF INDIA
EXTRAORDINARY
PART – III – SECTION 4
PUBLISHED BY AUTHORITY

SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 23rd September, 2019

SECURITIES AND EXCHANGE BOARD OF INDIA (FOREIGN PORTFOLIO INVESTORS) REGULATIONS, 2019

No. SEBI/LAD-NRO/GN/2019/36 - In exercise of the powers conferred by sub-section (1) of Section 30 read with sub section (1) of Section 11, clause (ba) of sub-section (2) of Section 11 and sub-sections (1) and (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992, and under Section 25 of the Depositories Act, 1996, the Securities and Exchange Board of India hereby, makes the following regulations, to provide the framework for registration and procedures with regard to foreign investors who propose to make portfolio investment in India, namely,—

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (1) These regulations may be called the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

(2) They shall come into force on the date of their publication in the Official Gazette.

Definitions.

2. (1) In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions and variations shall be construed accordingly,—

(a) "Act" means the Securities and Exchange Board of India Act, 1992;

(b) "appropriately regulated" entity means an entity which is regulated by the securities market regulator or the banking regulator of home jurisdiction or otherwise, in the same capacity in which it proposes to make investments in India;

(c) "Bilateral Memorandum of Understanding with the Board" shall mean a bilateral Memorandum of Understanding between the Board and any authority outside India that provides for information sharing arrangement as specified under clause (ib) of sub-section (2) of Section 11 of the Act;

(d) "Board" means the Securities and Exchange Board of India established under section 3 of the Act;

(e) "certificate" means a certificate of registration granted to a foreign portfolio investor by the designated depository participant on behalf of the Board under these regulations;

(f) "control" includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or

in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting agreements or in any other manner;

(g) "custodian" means a person registered under the Securities and Exchange Board of India (Custodian) Regulations, 1996;

(h) "designated bank" means a scheduled bank in India, which has been authorised by the Reserve Bank of India to act as a banker to foreign portfolio investors;

(i) "designated depository participant" means a person who has been approved by the Board under Chapter III of these regulations;

(j) "foreign portfolio investor" means a person who has been registered under Chapter II of these regulations and shall be deemed to be an intermediary in terms of the provisions of the Act;

(k) "Form" means an application form for obtaining registration as foreign portfolio investor as notified by the Government of India or as specified by the Board;

(l) "International Financial Services Centre" or "IFSC" shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005;

(m) "investment manager" shall include an entity performing the role of investment management or any equivalent role, including trustee(s);

(n) "non-resident Indian" and "overseas citizen of India" shall have the same meaning as assigned to such terms under regulation 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 made under the Foreign Exchange Management Act, 1999;

(o) "offshore derivative instrument" means any instrument, by whatever name called, which is issued overseas by a foreign portfolio investor against securities held by it in India, as its underlying;

(q) "resident Indian" shall have the same meaning assigned to the term "person resident in India" under the Foreign Exchange Management Act, 1999;

(r) "Schedule" means a Schedule to these regulations;

(s) 'stock exchange' means a recognised stock exchange under the Securities Contracts (Regulation) Act, 1956.

(2) Words and expressions used and not defined in these regulations, but defined in the Act or the Foreign Exchange Management Act, 1999, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the rules and regulations made thereunder shall have the same meaning respectively assigned to them in those Acts or rules or regulations or any statutory modification or re-enactment thereto.

CHAPTER II

REGISTRATION OF FOREIGN PORTFOLIO INVESTORS

Application for grant of certificate as a foreign portfolio investor.

3. (1) No person shall buy, sell or otherwise deal in securities as a foreign portfolio investor unless it has obtained a certificate granted by a designated depository participant on behalf of the Board.

Explanation – An offshore fund floated by an asset management company that has received no-objection certificate in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, shall be required to obtain registration as a foreign portfolio investor, for investment in securities in India, within one hundred and eighty days from the date of notification of these regulations.

(2) An application for the grant of certificate as a foreign portfolio investor shall be made to a designated depository participant in the Form specified by the Government or the Board from time to time and shall be supported by the fee specified in Part A of the Second Schedule.

Eligibility criteria of foreign portfolio investor.

4 A designated depository participant shall consider an application for grant of certificate of registration as a foreign portfolio investor if the applicant satisfies the following conditions namely: -

(a) the applicant is not a resident Indian;

(b) the applicant is not a non-resident Indian or an overseas citizen of India;

(c) non-resident Indians or overseas citizens of India or resident Indian individuals can be constituents of the applicant provided they meet conditions specified by the Board from time to time;

(d) the applicant is a resident of the country whose securities market regulator is a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to the bilateral Memorandum of Understanding with the Board:

Provided that an applicant being Government or Government related investor shall be considered as eligible for registration, if such applicant is a resident in the country as may be approved by the Government of India;

(e) the applicant being a bank is a resident of a country whose central bank is a member of Bank for International Settlements:

Provided that a central bank applicant need not be a member of Bank for International Settlements;

(f) the applicant or its underlying investors contributing twenty-five per cent or more in the corpus of the applicant or identified on the basis of control, shall not be the person(s) mentioned in the Sanctions List notified from time to time by the United Nations Security Council and is not a resident in the country identified in the public statement of Financial Action Task Force as –

(i) a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or

(ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies;

(g) the applicant is a fit and proper person based on the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008;

(h) any other criteria specified by the Board from time to time:

Provided that clause (a), (d) and (e) shall not apply to an applicant incorporated or established in an International Financial Services Centre.

Categories of foreign portfolio investor.

5. An applicant seeking registration as a foreign portfolio investor may apply in one of the categories mentioned hereunder or any other category as may be specified by the Board from time to time –

(a) "Category I foreign portfolio investor" which shall include –

(i) Government and Government related investors such as central banks, sovereign wealth funds, international or multilateral organizations or agencies including entities controlled or at least 75% directly or indirectly owned by such Government and Government related investor(s);

(ii) Pension funds and university funds;

(iii) Appropriately regulated entities such as insurance or reinsurance entities, banks, asset management companies, investment managers, investment advisors, portfolio managers, broker dealers and swap dealers;

(iv) Entities from the Financial Action Task Force member countries which are –

I. appropriately regulated funds;

II. unregulated funds whose investment manager is appropriately regulated and registered as a Category I foreign portfolio investor:

Provided that the investment manager undertakes the responsibility of all the acts of commission or omission of such unregulated fund;

III. university related endowments of such universities that have been in existence for more than five years;

(v) An entity (A) whose investment manager is from the Financial Action Task Force member country and such an investment manager is registered as a Category I foreign portfolio investor; or (B) which is at least seventy-five per cent owned, directly or indirectly by another entity, eligible under sub-clause (ii), (iii) and (iv) of clause (a) of this regulation and such an eligible entity is from a Financial Action Task Force member country:

Provided that such an investment manager or eligible entity undertakes the responsibility of all the acts of commission or omission of the applicants seeking registration under this sub-clause.

(b) "Category II foreign portfolio investor" shall include all the investors not eligible under Category I foreign portfolio investors such as –

(i) appropriately regulated funds not eligible as Category-I foreign portfolio investor;

(ii) endowments and foundations;

(iii) charitable organisations;

(iv) corporate bodies;

(v) family offices;

(vi) Individuals;

(vii) appropriately regulated entities investing on behalf of their client, as per conditions specified by the Board from time to time;

(viii) Unregulated funds in the form of limited partnership and trusts;

Explanation: An applicant incorporated or established in an International Financial Services Centre shall be deemed to be appropriately regulated.

Furnishing of information, and personal representation.

6. (1) The Board or the designated depository participant may require the applicant to furnish such further information or clarification as may be considered necessary for the grant of the certificate of registration as a foreign portfolio investor.

(2) The applicant or his authorised representative shall, if so required by the Board or the designated depository participant, appear before them for personal representation in connection with the grant of a certificate.

Certificate of registration

7. (1) The designated depository participant shall on behalf of the Board grant the certificate of registration, bearing registration number generated by National Securities Depositories Limited, as specified in the First Schedule to an applicant if it is satisfied that the applicant is eligible and fulfils the requirements as specified in these regulations.

(2) The designated depository participant shall endeavour to dispose of the application for grant of certificate of registration as soon as possible but not later than thirty days after receipt of application by the designated depository participant, or after the information called for under regulation 6 has been furnished; whichever is later.

(3) Upon grant of certificate of registration to the applicant, the designated depository participant shall remit the fees, as specified in Part A of the Second Schedule, received from the applicant to the Board.

(4) If an applicant seeking registration as a foreign portfolio investor has any grievance with respect to its application or if the designated depository participant has any question in respect of interpretation of any provision of this regulation, it may approach the Board for appropriate instructions.

(5) The foreign portfolio investor needs to have a valid registration as long as it is holding securities or derivatives in India:

Provided that a foreign portfolio investor whose registration is not valid and who is holding securities or derivatives in India shall be allowed to sell such securities or wind up their open position in derivatives within one year from the date of publication of these regulations.

Application to conform to the requirements

8 (1) An application for grant of certificate of registration to act as a foreign portfolio investor, which is not complete in all respects or is false or misleading in any material particular or does not satisfy the requirements specified in these regulations shall be deemed to be deficient and liable to be rejected by the designated depository participant:

Provided that before rejecting any such application, the applicant shall be given a reasonable opportunity of being heard and to remove the deficiency, within the time as specified by the designated depository participant.

(2) The decision to reject the application shall be communicated by the designated depository participant to the applicant in writing indicating the grounds for rejection of the application.

(3) The applicant, who is aggrieved by the decision of the designated depository participant under sub-regulation (1) may, within a period of thirty days from the date of receipt of communication under sub-regulation (2), apply to the Board for reconsideration of the decision of the designated depository participant:

Provided that such application for reconsideration shall not be considered by the Board where the rejection was on account of technical reasons such as non-submission of complete information, documents, including non-payment of specified fees.

(4) The Board shall, as soon as possible, after considering the submissions made in the application seeking reconsideration made under sub-regulation (3) and after giving a reasonable opportunity of being heard, communicate its decision in writing to the applicant.

Suspension, cancellation or surrender of certificate.

9. (1) Subject to the compliance with the provisions of the Act, these regulations and the circulars issued thereunder, the registration granted by the designated depository participant on behalf of the Board under these regulations shall be permanent unless suspended or cancelled by the Board or surrendered by the foreign portfolio investor.

(2) The suspension and cancellation of the certificate of registration granted by the Board under these regulations, shall be dealt with in the manner as provided in Chapter V of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

(3) When the foreign portfolio investor fails to pay the required fees for continuance of registration within the specified due date and such foreign portfolio investor does not have any cash or security or derivative position in India, such foreign portfolio investor shall be deemed to have applied for surrender of its registration and the designated depository participant of such foreign portfolio investor shall process the surrender after obtaining the approval from the Board.

(4) Any foreign portfolio investor desirous of surrendering the certificate of registration may request for such surrender to the designated depository participant who shall accept the surrender of the certificate of registration after obtaining approval from the Board.

(5) While accepting the surrender of registration, the designated depository participant may impose such conditions as may be specified by the Board.

CHAPTER III

APPROVAL OF DESIGNATED DEPOSITORY PARTICIPANT

Application to act as a designated depository participant.

10. (1) No person shall act as a designated depository participant unless it has obtained the approval of the Board.

(2) An application for approval to act as a designated depository participant shall be made to the Board through a depository with which the applicant has an agreement to act as a participant and shall be accompanied by the application fee specified in Part B of the Second Schedule which shall be paid in the manner specified therein.

(3) The depository shall forward the application to the Board, as early as possible, but not later than thirty days from the date of its receipt by the depository, along with its recommendations

and after certifying that the participant has complied with the eligibility criteria as provided for in these regulations.

Eligibility criteria of designated depository participant.

11. (1) The Board shall not consider an application for the grant of approval as designated depository participant unless the applicant satisfies the following conditions,

(a) the applicant is a registered depository participant under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;

(b) the applicant is a registered Custodian under the Securities and Exchange Board of India (Custodian) Regulations, 1996;

(c) the applicant is an Authorised Dealer Category-1 bank authorised by the Reserve Bank of India under the Foreign Exchange Management Act, 1999;

(d) the applicant has a multinational presence, either through its branches or through agency relationships with overseas intermediaries regulated in their respective home jurisdictions;

(e) the applicant has systems and procedures to comply with the requirements of the Financial Action Task Force Standards, Prevention of Money Laundering Act, 2002, Rules prescribed thereunder and the circulars issued from time to time by the Board;

(f) the applicant is a fit and proper person based on the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008; and

(g) any other criteria as may be specified by the Board from time to time.

(2) Notwithstanding anything contained in sub-regulation (1) of this regulation, the Board may consider an application from an entity, regulated in India or in its home jurisdiction, for grant of approval to act as designated depository participant, upon being satisfied that the applicant has sufficient experience in providing custodial services and that the grant of such approval is in the interest of the development of the securities market:

Provided that such entity shall be registered with the Board as a participant and custodian, and shall have a tie up with Authorised Dealer Category-1 bank.

Furnishing of information, clarification and personal representation.

12. (1) The Board may require the applicant or the depository of which the applicant is a participant to furnish such further information or clarification as may be considered necessary for grant of approval to act as a designated depository participant.

(2) The applicant or its authorised representative shall, if so required by the Board, appear before it for personal representation in connection with the grant of approval.

Procedure for granting of approval to designated depository participant.

13. (1) After considering the application made under regulation 10 of these regulations, the Board may grant approval to the applicant, upon being satisfied that the applicant is eligible and fulfils the requirements as specified in these regulations including payment of fees as specified in Part B of Second Schedule.

(2) The Board shall dispose of the application for grant of approval as soon as possible but not later

than thirty days after receipt of application by the Board or, after all the information called for under regulation 12 has been furnished, whichever is later.

Application to conform to the requirements.

14. An application for grant of approval to act as designated depository participant which is not complete in all respects or is false or misleading in any material particular, shall be deemed to be deficient and shall be liable to be rejected by the Board:

Provided that, before rejecting any such application, the applicant shall be given a reasonable opportunity to remove the deficiency, within the time as specified by the Board.

Procedure where approval is not granted.

15. (1) Where an application for grant of an approval does not satisfy the requirements specified in these regulations, the Board may reject the application after giving the applicant a reasonable opportunity of being heard.

(2) The decision to reject the application shall be communicated by the Board to the applicant in writing stating therein the grounds on which the application has been rejected.

(3) The applicant, who is aggrieved by the decision of the Board under sub-regulation (1) may, within a period of thirty days from the date of receipt of communication under sub-regulation (2), apply to the Board for reconsideration of its decision.

(4) The Board shall, as soon as possible, in light of the submissions made in the application for reconsideration made under sub-regulation (3) and after giving a reasonable opportunity of being heard, convey its decision in writing to the applicant.

Validity of approval.

16. Subject to the compliance with the provisions of the Act, these regulations and the circulars issued thereunder, the approval granted by the Board under these regulations shall be permanent unless suspended or withdrawn by the Board or surrendered by the designated depository participant.

Suspension or withdrawal of approval.

17. Where any designated depository participant who has been granted approval under these regulations-

(a) fails to comply with any conditions subject to which an approval has been granted to him under these regulations, or

(b) contravenes any of the provisions of the securities laws or directions, instructions or circulars issued thereunder; the Board may, without prejudice to any action under the securities laws or directions, instructions or circulars issued thereunder, by an order suspend or withdraw such approval after providing the designated depository participant a reasonable opportunity of being heard.

Surrender of approval.

18. (1) Any designated depository participant, who has been granted approval under these regulations, desirous of surrendering the approval granted, may make a request for such surrender to the Board.

(2) While accepting the surrender under sub-regulation (1), the Board may impose such conditions as it deems fit for the protection of investors or the clients of the designated depository participant or the securities market and such person shall comply with such conditions.

CHAPTER IV

INVESTMENT CONDITIONS AND RESTRICTIONS

Commencement of investment.

19. No foreign portfolio investor shall make any investment in securities in India without complying with the provisions of this Chapter.

Investment restrictions.

20. (1) A foreign portfolio investor shall invest only in the following securities, namely-

(a) shares, debentures and warrants issued by a body corporate; listed or to be listed on a recognized stock exchange in India;

(b) units of schemes launched by mutual funds under Chapter V, VI-A and VI-B of the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996;

(c) units of schemes floated by a Collective Investment Scheme in accordance with the Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999;

(d) derivatives traded on a recognized stock exchange;

(e) units of real estate investment trusts, infrastructure investment trusts and units of Category III Alternative Investment Funds registered with the Board;

(f) Indian Depository Receipts;

(g) any debt securities or other instruments as permitted by the Reserve Bank of India for foreign portfolio investors to invest in from time to time; and

(h) such other instruments as specified by the Board from time to time.

(2) Where a foreign portfolio investor, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognised stock exchange, and continues to hold such shares after the initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.

(3) Nothing contained in sub-regulation (2) shall be deemed to prejudice the applicability of any other law, regulation or guideline.

(4) In respect of investments in the secondary market, the following additional conditions shall apply –

(a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;

(b) Nothing contained in clause (a) shall apply to –

(i) any transactions in derivatives on a recognized stock exchange;

(ii) short selling transactions in accordance with the framework specified by the Board;

(iii) any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(iv) any other transaction specified by the Board;

(c) The transaction involving dealing in securities by a foreign portfolio investor shall be only through stock brokers registered with the Board;

(d) Nothing contained in clause (c) of this sub-regulation shall apply to –

(i) transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India carried out in the manner as specified by the Reserve Bank of India;

(ii) sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(iii) sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;

(iv) sale of securities in accordance with the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

(v) divestment of securities in response to an offer by Indian companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India from time to time;

(vi) any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;

(vii) any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(viii) transactions in corporate bonds by foreign portfolio investors;

(ix) transactions on the electronic book provider platform of recognised stock exchanges;

(x) transactions to receive, hold and sell unlisted securities as referred at regulation 20(2) and transactions in unlisted securities received through involuntary corporate actions including a scheme of a merger or demerger approved in accordance with the provisions of the Companies Act, 2013 as well as the applicable guidelines issued by the Board or pursuant to implementation of any resolution plan approved under the Insolvency and Bankruptcy Code, 2016 or in accordance with the guidelines issued by the Government of India or the Reserve Bank of India or any other regulator for a scheme of debt resolution:

Provided that such unlisted holdings of the foreign portfolio investor shall be treated as Foreign Direct Investment;

(xi) transactions for transfer of right entitlements;

(xii) purchase or sale transactions of illiquid or suspended or delisted securities by a foreign portfolio investor;

Explanation – Illiquid securities shall mean those securities that are not frequently traded in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(xiii) transactions between registered foreign portfolio investors, who are multi investment manager structure of the same beneficial owner and have common Permanent Account Number; and

(xiv) any other transaction as may be specified by the Board;

(e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in the dematerialized form:

Provided that any shares held in the physical form, before the commencement of these regulations, may continue to be held in the physical form, if such shares cannot be dematerialised:

Provided further that all the Rights Entitlements may be held or transferred in non-dematerialized form.

(5) In respect of investments in the debt securities, the foreign portfolio investors shall also comply with terms, conditions or directions, specified or issued by the Board or Reserve Bank of India, from time to time, in addition to other conditions specified in these regulations.

(6) Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996.

(7) The purchase of equity shares of each company by a single foreign portfolio investor including its investor group shall be below ten per cent of the total paid-up equity capital on a fully diluted basis of the company:

Provided that where the total investment under these regulations by a foreign portfolio investor including its investor group exceeds the threshold of below ten per cent of the total paid up equity capital in a listed or to be listed company on a fully diluted basis, the foreign portfolio investor shall divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach:

Provided further that in case the foreign portfolio investor fails to divest the excess holding, the entire investment in the company by such foreign portfolio investor including its investor group shall be considered as investment under the Foreign Direct Investment, as per the procedure specified by the Board and the foreign portfolio investor and its investor group shall not make further portfolio investment in that company under these regulations,

Explanation I – 'investor group' shall have the meaning as provided under regulation 22(3) of these regulations.

Explanation II – 'fully diluted basis' means the total number of shares that would be outstanding if all possible sources of conversion are exercised.

(8) An entity, registered as a foreign portfolio investor shall be permitted to invest in Indian securities as a person resident outside India in accordance with provisions of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 made under the Foreign Exchange Management Act, 1999.

(9) In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to

be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.

(10) A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

(11) The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.

Conditions for issuance of offshore derivative instruments.

21. (1) No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied –

(a) such offshore derivative instruments are issued only by persons registered as Category I foreign portfolio investor;

(b) such offshore derivative instruments are issued only to persons eligible for registration as Category I foreign portfolio investors;

Explanation – For the purpose of this sub-regulation, where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I foreign portfolio investor;

(c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by the Board; and

(d) such other conditions as may be specified by the Board from time to time.

(2) A foreign portfolio investor shall ensure that any transfer of offshore derivative instruments issued by or on behalf of it, is subject to the following conditions –

(a) such offshore derivative instruments are transferred to persons subject to the fulfilment of sub-regulation (1); and

(b) prior consent of the foreign portfolio investor is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the foreign portfolio investor.

(3) A foreign portfolio investor shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

(4) A foreign portfolio investor shall collect the regulatory fee, as specified in Part C of the Second Schedule, from every subscriber of the offshore derivative instrument issued by it and deposit the same with the Board.

CHAPTER V

GENERAL OBLIGATIONS AND RESPONSIBILITIES OF FOREIGN PORTFOLIO INVESTORS

General obligations and responsibilities of foreign portfolio investors.

22. (1) The foreign portfolio investor shall –

(a) comply with the provisions of these regulations, as far as they may apply, circulars issued thereunder and any other terms and conditions specified by the Board from time to time;

(b) forthwith inform the Board and designated depository participant in writing, if any information or particulars previously submitted to the Board or designated depository participant are found to be false or misleading, in any material respect;

(c) forthwith inform the Board and designated depository participant in writing, if there is any material change in the information including any direct or indirect change in its structure or ownership or control, previously furnished by him to the Board or designated depository participant;

(d) as and when required by the Board or any other Government agency in India, submit any information, record or documents in relation to its activities as a foreign portfolio investor;

(e) forthwith inform the Board and the designated depository participant, in case of any penalty, pending litigation or proceedings, findings of inspections or investigations for which action may have been taken or is in the process of being taken by an overseas regulator against it;

(f) obtain a Permanent Account Number from the Income Tax Department;

(g) in relation to its activities as foreign portfolio investor, at all times, subject itself to the extant Indian laws, rules, regulations, guidelines and circulars issued from time to time;

(h) be a fit and proper person based on the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008;

(i) undertake necessary KYC on its shareholders/investors in accordance with the rules applicable to it in the jurisdiction where it is organised;

(j) provide any additional information or documents including beneficiary ownership details of their clients as may be required by the designated depository participant or the Board or any other enforcement agency to ensure compliance with the Prevention of Money Laundering Act, 2002 and the rules and regulations specified thereunder, the Financial Action Task Force standards and circulars issued from time to time by the Board; and

(k) ensure that securities held by foreign portfolio investors are free from all encumbrances.

Explanation – An encumbrance created to meet any statutory and regulatory requirements shall not be considered under this clause.

(2) In case of jointly held depository accounts, each of the joint holders shall meet the requirements specified for foreign portfolio investor and each shall be deemed to be holding a depository account as a foreign portfolio investor.

(3) Multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than fifty per cent or common control, shall be treated as part of the same investor group and the investment limits of all such entities shall be clubbed at the investment limit as applicable to a single foreign portfolio investor:

Provided that in case the limit is breached due to transaction(s) by foreign portfolio investors under these regulations, the excess holding shall be divested within five trading days from the date of settlement of the trades causing the breach.

Provided further that in case the foreign portfolio investor fails to divest the excess holding, the entire investment in the company by such foreign portfolio investors including its investor group shall be considered as investment under the Foreign Direct Investment as per the procedure specified by the Board and the foreign portfolio investor and its investor group shall not make further portfolio investment in that company under these regulations.

(4) Notwithstanding anything contained in sub-regulation (3), the clubbing of investment limit of foreign portfolio investors having common control shall not be applicable where –

(a) foreign portfolio investors are appropriately regulated public retail funds; or

(b) the foreign portfolio investors are public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or

(c) foreign portfolio investors are public retail funds and investment managers of such foreign portfolio investors are appropriately regulated.

Explanation - Public retail funds means -

(i) mutual funds or unit trusts which are open for subscription to retail investors and which do not have specific investor type requirements like accredited investors;

(ii) insurance companies where segregated portfolio with one to one correlation with a single investor is not maintained; and

(iii) pension funds.

(5) In case of any direct or indirect change in structure or common ownership or control of the foreign portfolio investor, it shall forthwith bring the same to the notice of its designated depository participant.

Code of conduct.

23. A foreign portfolio investor shall, at all times, abide by the code of conduct as specified in the Third Schedule of these regulations.

Engagement of designated depository participant

24. An applicant seeking registration as a foreign portfolio investor shall engage a designated depository participant to avail its services for obtaining a certificate of registration as foreign portfolio investor and at all times the designated depository participant and the custodian of the foreign portfolio investor shall be the same entity.

Appointment of custodian.

25. (1) A foreign portfolio investor or a global custodian who is acting on behalf of the foreign portfolio investor, shall enter into an agreement with the designated depository participant engaged by it to act as a custodian, before making any investment under these regulations.

(2) In addition to the obligation of custodian under any other regulations, the custodian shall –

(a) report to the depositories and the Board on a daily basis the transactions entered into by the foreign portfolio investor in the form and manner specified by the Board or depositories from time to time;

(b) monitor investment of the foreign portfolio investors;

(c) maintain the relevant true and fair records, books of accounts, and documents including the records relating to transactions of foreign portfolio investors;

(d) report the holdings of foreign portfolio investors who form part of investor group to the depositories and the depositories shall club the investment limits to ensure that combined holdings of all these foreign portfolio investors remains below ten per cent of the total paid-up equity capital on a fully diluted basis of a investee company at any time.

Appointment of designated bank.

26. A foreign portfolio investor shall appoint a branch of a bank authorised by the Reserve Bank of India for opening a foreign currency denominated account and special non-resident rupee account before making any investments in India.

Appointment of compliance officer.

27. (1) Every foreign portfolio investor shall appoint a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines and instructions issued by the designated depository participant or the Board or the Central Government:

Provided that in case of a foreign portfolio investor who is an individual, such individual shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines and instructions issued by the designated depository participant or the Board or the Central Government.

(2) The compliance officer shall immediately and independently report any non-compliance observed by him to the Board and the designated depository participant.

Investment advice in publicly accessible media.

28. (1) A foreign portfolio investor, or any of its employees shall not render directly or indirectly any investment advice about any security in the publicly accessible media, whether real-time or otherwise, unless a disclosure of its interest including long or short position in the said security has been made, while rendering such advice.

(2) In case, an employee of the foreign portfolio investor is rendering such advice, he shall also disclose the interest of his dependent family members and his employer including their long or short position in the said security, while rendering such advice.

Maintenance of proper books of accounts, records and documents.

29. Every foreign portfolio investor shall maintain the following books of accounts, records and documents, namely –

(a) true and fair accounts relating to remittances of funds to India for buying and selling; and realising capital gains or losses on investment made from such remittances;

(b) bank statement of accounts;

(c) contract notes relating to purchase and sale of securities; and

(d) communication including in electronic mode from and to the designated depository participants, stock brokers and depository participants regarding investments in securities.

Preservation of books of accounts, records and documents.

30. Subject to the provisions of any other law, for the time being in force, every foreign portfolio investor shall preserve the books of accounts, records and documents specified in regulation 29 for a minimum period of five years from the date of approval of the surrender or cancellation of registration by the Board.

CHAPTER VI

GENERAL OBLIGATIONS AND RESPONSIBILITIES OF DESIGNATED DEPOSITORY PARTICIPANTS

Obligations and responsibilities of designated depository participants.

31. (1) All designated depository participants who have been granted approval by the Board shall -

(a) comply with the provisions of these regulations, as far as they may apply, circulars issued thereunder and any other terms and conditions specified by the Board from time to time;

(b) forthwith inform the Board in writing, if any information or particulars previously submitted to the Board are found to be false or misleading, in any material respect;

(c) forthwith inform the Board in writing, if there is any material change in the information previously furnished by him to the Board;

(d) furnish such information, record or documents to the Board and Reserve Bank of India, as may be required, in relation to its activities as a designated depository participant;

(e) ensure that only registered foreign portfolio investors are allowed to invest in securities market;

(f) have adequate systems to ensure that in case of jointly held depository accounts, each of the joint holders meet the requirements specified for foreign portfolio investors and shall perform KYC due diligence for each of the joint holders;

(g) in case of any penalty, pending litigation or proceedings, findings of inspections or investigations for which action may have been taken or is in the process of being taken by any regulator against a designated depository participant, the designated depository participant shall bring such information forthwith, to the attention of the Board, depositories and stock exchanges;

(h) be guided by the relevant circular on Anti-Money Laundering or Combating the Financing of Terrorism specified by the Board from time to time.

(2) The designated depository participant engaged by an applicant seeking registration as foreign portfolio investor shall –

(a) ascertain at the time of granting registration and whenever applicable, whether the applicant forms part of any investor group;

(b) open a dematerialized account for the applicant only after ensuring compliance with all the requirements under Prevention of Money Laundering Act, 2002 and rules and regulations specified thereunder, Financial Action Task Force standards and circulars issued by the Board in this regard, from time to time and shall also ensure that foreign portfolio investors comply with all these requirements on an ongoing basis;

(c) carry out necessary due diligence to ensure that no other depository account per depository is held by any of the concerned applicant as a foreign portfolio investor, before opening a depository account

Provided that a foreign portfolio investor can open separate depository accounts for holding securities under the Voluntary Retention Route or any other scheme as specified by the Reserve Bank of India or the Board;

(d) collect and remit fees to the Board, in the manner as specified in Part A of Second Schedule; and

(e) in case of change in structure or constitution or direct or indirect change in common ownership or control reported by the foreign portfolio investor, re-assess the eligibility of such foreign portfolio investor.

(3) The designated depository participant shall maintain segregation of activities such that there is no conflict of interest between the activity of grant of registration to a foreign portfolio investor in the capacity of a designated depository participant and its other activities.

(4) The designated depository participant shall submit the reports as specified by the Board from time to time.

(5) The designated depository participant shall carry out an annual review of its systems, procedures and controls by an independent professional.

Explanation: The review shall cover the systems and procedures being followed by them to meet its obligations towards its clients, regulators and other relevant bodies and compliance with the requirements of the regulations and circulars issued by the Board.

(6) The designated depository participant shall furnish to the Board annual audit reports on its internal control for a particular calendar year within ninety days of the next calendar year.

(7) The designated depository participant shall submit the Action Taken Report, if any, on the audit report on a quarterly basis to the Board.

Maintenance of proper books of accounts, records and documents.

32. (1) Every designated depository participant shall maintain the relevant true and fair records, books of accounts, and documents including the physical or electronic records relating to registration of foreign portfolio investors.

(2) The designated depository participant shall intimate to the Board in writing the location where such books, records and documents shall be maintained.

(3) Subject to the provisions of any other law for the time being in force, every designated depository participant shall preserve the books of accounts, physical or electronic records and documents specified in this regulation at all times.

Appointment of compliance officer.

33. (1) Every designated depository participant shall appoint a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines and instructions issued by the Board or the Central Government.

(2) The compliance officer shall immediately and independently report any non-compliance observed by him to the Board.

Information to the Board or the Reserve Bank of India.

34. Every designated depository participant shall, as and when required by the Board or the Reserve Bank of India, submit to the Board or the Reserve Bank of India, as the case may be, any information, such records or documents in relation to its activities of foreign portfolio investor.

Investment advice in publicly accessible media.

35. (1) A designated depository participant, or any of its employees shall not render directly or indirectly any investment advice about any security in the publicly accessible media, whether real-time or otherwise, unless a disclosure of its interest including long or short position in the said security has been made, while rendering such advice.

(2) In case, an employee of the designated depository participant is rendering such advice, he shall also disclose the interest of his dependent family members and his employer including their long or short position in the said security, while rendering such advice.

CHAPTER VII

INSPECTION

Board's right to inspect.

36. The Board may *suo moto* or upon receipt of any information or complaint, appoint one or more persons as inspecting authority to undertake inspection of the books of account, records and documents relating to a designated depository participant for any of the following purposes, namely, -

(a) to ensure that the books of account, records including telephone records and electronic records and documents are being maintained by the designated depository participants;

(b) to ascertain whether any circumstances exist that would render the designated depository participants unfit or ineligible;

(c) to inquire into the complaints received from investors, clients, other market participants or any other person on any matter having a bearing on the activities of the designated depository participants;

(d) to ascertain whether the provisions of the securities laws and the directions or circulars issued thereunder are being complied with by the designated depository participants;

(e) to ascertain whether the systems, procedures and safeguards which have been established and are being followed by the designated depository participants are adequate; and

(f) to investigate suo moto into the affairs of the designated depository participants in the interest of the securities market or in the interest of investors.

Notice before inspection.

37. (1) Before undertaking an inspection under regulation 36, the Board shall give not less than ten days' notice to the designated depository participants:

Provided that where the Board is satisfied that, in the interest of the investors, no such notice should be given, it may, by an order in writing direct that such inspection be taken up without such notice.

(2) During the course of an inspection, the designated depository participants against whom the inspection is being carried out shall be bound to discharge its obligation as provided in regulation 38.

Obligations of designated depository participants in connection with inspection by the Board.

38. (1) It shall be the duty of the designated depository participants whose affairs are being inspected,

and of every director, officer and employee thereof to produce to the inspecting officer such books, securities, accounts, records and other documents in its custody or control and furnish him with such statements and information relating to its activities, as the inspecting officer may require, within such reasonable period as the inspecting officer may specify.

(2) The designated depository participants shall allow the inspecting officer to have reasonable access to the premises occupied by such designated depository participant or by any other person on its behalf and also extend reasonable facility for examining any books, records, documents and computer data in the possession of the designated depository participants or such other person and also provide copies of documents or other materials which in the opinion of the inspecting officer are relevant for the purposes of the inspection.

(3) The inspecting officer, in the course of inspection, shall be entitled to examine or to record the statements of any director, officer or employee of the designated depository participants.

(4) It shall be the duty of every director, officer or employee of the designated depository participants to give to the inspecting officer all assistance in connection with the inspection, which the inspecting officer may reasonably require.

Submission of report to the Board.

39. The inspecting officer shall, as soon as possible, on completion of the inspection or investigation as the case may be, submit a report to the Board:

Provided that if directed to do so by the Board, the inspecting officer may submit interim report(s).

Action on inspection report.

40. The Board shall after consideration of the inspection report, take such action as it may deem fit including action under Chapter V of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

Appointment of an auditor.

41. The Board shall have the power to appoint an auditor to inspect or investigate, as the case may be, into the books of account, records, documents, infrastructures, systems and procedures or affairs of the applicant or the designated depository participants, as the case may be:

Provided that the auditors so appointed shall have the same powers as vested in the inspecting officer under regulation 36 and the applicant or designated depository participants and its directors, officers and employees shall be under the same obligations, towards the auditor so appointed, as are mentioned in regulation 38.

Board to recover the expenses.

42. The Board shall be entitled to recover from the designated depository participants or applicant, as the case may be, such expenses including the fees paid to the auditors as may be incurred by it for the purposes of inspecting or investigating the books of account, records, documents, infrastructures, systems and procedures or affairs of the designated depository participants or applicant, as the case may be.

CHAPTER VIII

PROCEDURE FOR ACTION IN CASE OF DEFAULT

Liability for action in case of default.

43. A foreign portfolio investor, designated depository participant, depository or any other person who contravenes any of the provisions of these regulations shall be liable for action under the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 or the relevant provisions of the Act or the Depositories Act, 1996 and the regulations made thereunder.

CHAPTER IX

MISCELLANEOUS

Power of the Board to issue clarifications.

44. In order to remove any difficulties in the application or interpretation of the provisions of these regulations, the Board may issue clarifications and guidelines in the form of circulars or issue separate circular or guidelines or framework for each category of foreign portfolio investors or designated depository participant.

Repeal, rescission and saving.

45. (1) The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 shall stand repealed.

(2) Notwithstanding such repeal–

(a) anything done or any action taken or purported to have been done or taken, including registration or approval granted, fees collected, registration or approval, suspended or cancelled, any adjudication, enquiry or investigation commenced or show-cause notice issued under the repealed regulations, shall be deemed to have been done or taken under the corresponding provisions of these regulations;

(b) a foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations, 2014 shall be re-categorised by their respective designated depository participant;

(c) any offshore derivative instrument issued under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 before the commencement of these regulations shall be deemed to have been issued under the corresponding provisions of these regulations;

(d) any application made to the Board under the repealed regulations, prior to such repeal, and pending before it shall be deemed to have been made under the corresponding provisions of these regulations; and

(e) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, incurred in respect of any violation committed against the repealed regulations, or any investigation, legal proceeding

or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the repealed regulations has never been repealed;

(3) After the repeal of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, any reference thereto in any other regulations made, guidelines or circulars issued thereunder by the Board shall be deemed to be a reference to the corresponding provisions of these regulations.

FIRST SCHEDULE

SECURITIES AND EXCHANGE BOARD OF INDIA

(FOREIGN PORTFOLIO INVESTORS) REGULATIONS, 2019

[See regulation 7(1)]

CERTIFICATE OF REGISTRATION

I. In exercise of the powers conferred by sub-section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992 (the "Act"), read with the regulations made thereunder the Board hereby grants a certificate of registration to _____ as a foreign portfolio investor, subject to the conditions specified in the Act and in the regulations made thereunder.

II. The category and sub-category of the foreign portfolio investor is _____ and _____ respectively.

III. The registration number for the foreign portfolio investor is …/.../.../.../....

IV. **The address of the foreign portfolio investor is _____.**

V. This certificate shall be valid till it is suspended, cancelled or surrendered in accordance with the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

Date:

Place:

By Order

Signature

Name and Designation of the Authorised Signatory of

Designated depository participant

Issued on behalf of

Securities and Exchange Board of India

SECOND SCHEDULE

PART A

PAYMENT OF FEES APPLICABLE TO FOREIGN PORTFOLIO INVESTOR

[See regulation 3 and regulation 7(3)]

Registration Fee

(1) Foreign portfolio investor belonging to Category I and II shall pay registration fees of US $ 3000 and US $300, respectively or any other amount specified by the Board from time to time at the time of submission of the Form to the designated depository participant.

(2) Foreign portfolio investor belonging to Category I and II shall pay registration fees for every block of three years, till the validity of its registration,

(3) International or multilateral agency such as World Bank and other institutions, established outside India for providing aid, which have been granted privileges and immunities from payment of tax and duties by the Central Government shall be exempted from the payment of registration fees.

(4) The designated depository participants of the respective foreign portfolio investors shall collect the registration fees in advance once in every three years from all the foreign portfolio investors registered by it, and remit the fees to the Board in the manner specified by the Board from time to time.

(5) Every designated depository participant shall remit the fees collected from the foreign portfolio investors during the immediate preceding month, to the Board, by 5th working day of every month, along with the details in the format, as may be specified from time to time.

PART B

PAYMENT OF FEES APPLICABLE TO DESIGNATED DEPOSITORY PARTICIPANT

[See regulation 10(2) and regulation 13(1)]

(1) Every designated depository participant shall pay application fees and approval fees, before commencement of its activity.

(2) Every designated depository participant shall pay application fees of ` 10,000/- at the time of making application, by way of direct credit through NEFT/RTGS/IMPS in the bank account in the name of "Securities and Exchange Board of India" payable at Mumbai.

(3) Every designated depository participant shall pay approval fees of ` 5,00,000/- by way of direct credit through NEFT/RTGS/IMPS in the bank account in the name of "Securities and Exchange Board of India" payable at Mumbai, at the time of grant of prior approval by the Board.

PART C

COLLECTION OF REGULATORY FEES BY FOREIGN PORTFOLIO INVESTOR FROM ODI SUBSCRIBERS

[See sub-regulation (4) of Regulation 21]

Regulatory Fee

(1) A foreign portfolio investor shall collect the regulatory fee of US $ 1000 or any other amount, as may be specified by the Board from time to time, from every subscriber of offshore derivative instrument issued by it and deposit the same with the Board by way of electronic transfer in the designated bank account of the Board.

(2) The regulatory fee shall be deposited once every three years beginning April 1, 2017.

THIRD SCHEDULE

SECURITIES AND EXCHANGE BOARD OF INDIA (FOREIGN PORTFOLIO INVESTORS) REGULATIONS, 2019

CODE OF CONDUCT

[See regulation 23]

1. A foreign portfolio investor and its key personnel shall observe high standards of integrity, fairness and professionalism in all dealings in the Indian securities market with intermediaries, regulatory and other government authorities.
2. A foreign portfolio investor shall, at all times, render high standards of service, exercise due diligence and independent professional judgment.
3. A foreign portfolio investor shall ensure and maintain confidentiality in respect of trades done on its own behalf or on behalf of its clients.
4. A foreign portfolio investor shall ensure the following –
   (a) Clear segregation of its own money and securities and that of its client's money and securities.
   (b) Arm's length relationship between its business of fund management/investment and its other business.
5. A foreign portfolio investor shall maintain an appropriate level of knowledge and competency and abide by the provisions of the Act, regulations made thereunder and the circulars and guidelines, which may be applicable and relevant to the activities carried on by it. Every foreign portfolio investor shall also comply with award of the Ombudsman and decision of the Board under Securities and Exchange Board of India (Ombudsman) Regulations, 2003.
6. A foreign portfolio investor shall not make any untrue statement or suppress any material fact in any documents, reports or information to be furnished to the designated depository participant and/or Board.
7. A foreign portfolio investor shall ensure that good corporate policies and corporate governance policies are observed by it.
8. A foreign portfolio investor shall ensure that it does not engage in fraudulent and manipulative transactions in the securities listed in any stock exchange in India.
9. A foreign portfolio investor or any of its directors or managers shall not, either through its/his own account or through any associate or family members, relatives or friends indulge in any insider trading.
10. A foreign portfolio investor shall not be a party to or instrumental for – a) creation of false market in securities listed or proposed to be listed in any stock exchange in India; b) price rigging or manipulation of prices of securities listed or proposed to be listed in any stock exchange in India; c) passing of price sensitive information to any person or intermediary in the securities market.

Sd/-

AJAY TYAGI

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Circular No.: NSDL/POLICY/DDP/ 2019/0004 November 11, 2019	***Subject: Framework for issue of Depository Receipts.*** Attentions of Participants who are registered with SEBI as Custodian of securities (Custodians) are invited to SEBI circular no. SEBI/HO/MRD/DOP1/ CIR/P/2019/106 dated October 10, 2019 (copy enclosed). The necessary operating guidelines will be issued in due course of time. Custodians are requested to take note of the same.

CIRCULAR

SEBI/HO/MRD/DOP1/CIR/P/2019/106 October 10, 2019

To,

1. All recognized Stock Exchanges
2. All Listed Companies through recognized Stock Exchanges
3. All recognized Depositories
4. All recognized Custodians

Dear Sir / Madam,

Subject: Framework for issue of Depository Receipts

1. Reference is drawn to Section 41 of the Companies Act, 2013, Companies (Issue of Global Depository Receipts) Rules, 2014 ('GDR Rules'), the Depository Receipts Scheme, 2014 ('DR Scheme'), Reserve Bank of India ('RBI') notification dated December 15, 2014, Central Government notification dated September 18, 2019 and Central Government notification dated October 07, 2019.

2. In light of the aforesaid, only 'a company incorporated in India and listed on a Recognized Stock Exchange in India' ('Listed Company') may issue Permissible Securities or their holders may transfer Permissible Securities, for the purpose of issue of Depository Receipts ('DRs'), subject to compliance with the following requirements:

   Eligibility

   2.1. Listed Company is in compliance with the requirements prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereof.

   2.2. Listed company shall be eligible to issue Permissible Securities, for the purpose of issue of DRs, if:

   (a) the Listed Company, any of its promoters, promoter group or directors or selling shareholders are not debarred from accessing the capital market by SEBI;

   (b) any of the promoters or directors of the Listed Company is a promoter or director of any other company which is not debarred from accessing the capital market by SEBI;

   (c) the listed company or any of its promoters or directors is not a wilful defaulter;

   (d) any of its promoters or directors is not a fugitive economic offender.

   2.3. Existing holders shall be eligible to transfer Permissible Securities, for the purpose of issue of DRs, if:

   (a) the Listed Company or the holder transferring Permissible Securities are not debarred from accessing the capital market by SEBI;

(b) the Listed Company or the holder transferring Permissible Securities is not a wilful defaulter;

(c) the holder transferring Permissible Securities or any of the promoters or directors of the Listed Company are not a fugitive economic offender.

Explanation 1: The restrictions at Paragraph (2.2) and (2.3) above shall not apply to the persons or entities mentioned therein, who were debarred in the past by SEBI and the period of debarment is already over as on the date of filing of the document as referred at Paragraph (2.13).

Explanation 2: For the purpose of this Circular, DR means a foreign currency denominated instrument, listed on an international exchange, issued by a foreign depository in a permissible jurisdiction on the back of permissible securities issued or transferred to a domestic custodian and includes 'global depository receipt' as defined in section 2(44) of the Companies Act, 2013.

Explanation 3: For the purpose of this Circular 'Foreign Depository' means a person which:

(a) is not prohibited from acquiring permissible securities;

(b) is regulated in any of the Permissible Jurisdiction as defined in this Circular; and

(c) has legal capacity to issue DRs in the Permissible Jurisdiction where issue of DRs is proposed.

Explanation 4: For the purpose of this Circular, 'transfer of permissible securities by existing holders' means deposit of existing Permissible Securities of the Listed Company with a Domestic Custodian, for the purpose of issue of DRs, pursuant to formal agreement(s) among the Listed Company and the Foreign Depository. For this purpose, the Listed Company may also enter into arrangement(s) with, Indian Depository, Domestic Custodian and existing Permissible Securities holder(s), as may be necessary.

2.4. For the purpose of an initial issue and listing of DRs, pursuant to 'transfer by existing holders', the Listed Company shall provide an opportunity to its equity shareholders to tender their shares for participation in such listing of DRs.

2.5. Subsequent issue and listing of DRs, pursuant to 'transfer by existing shareholders' may take place subject to the limits approved pursuant to a special resolution in terms of gDr Rules.

2.6. A company proposing to make a public offer and list on a Recognized Stock Exchange, and also simultaneously proposing to issue Permissible Securities or transfer Permissible Securities of existing holders, for the purpose of issue of DRs and listing such DRs on an International Exchange, may seek in-principle and final approval from Recognized Stock Exchange as well as International Exchange. However, such issue or transfer of Permissible Securities for the purpose of issue of DRs shall be subsequent to, the receipt of trading approval from the Recognized Stock Exchange for the public offer.

Permissible Jurisdictions and International Exchanges

2.7. Listed Company shall be permitted to issue Permissible Securities or transfer Permissible Securities of existing holders, for the purpose of issue of DRs, only in Permissible Jurisdictions

and said DRs shall be listed on any of the specified International Exchange(s) of the Permissible Jurisdiction.

Explanation 1: For the purpose of this Circular, 'Permissible Jurisdiction' shall mean jurisdictions as may be notified by the Central Government from time to time, pursuant to notification no. G.S.R. 669(E) dated September 18, 2019 in respect of sub-rule 1 of rule 9 of Prevention of Money-Laundering (Maintenance of Records) Rules, 2005.

Explanation 2: For the purpose of this Circular 'International Exchange(s)' shall mean exchange(s) as may be notified by SEBI from time to time.

2.8. Listing of DRs on specified International Exchange shall meet the highest applicable level / standards for such listing by foreign issuers.

Explanation: Examples of DR listing programs that would qualify for the aforesaid criteria:

Issuer-sponsored Level III ADR programs listed on Nasdaq or the NYSE, DRs listed on the Main Board of the Hong Kong Stock Exchange, Global Depositary Receipts admitted to the Standard Segment of the Official List of the FCA and to trading on the London Stock Exchange.

Obligations of Listed Company

2.9. Listed Company shall ensure compliance with extant laws relating to issuance of DRs, including, requirements prescribed in this Circular, the Companies Act, 2013, the Foreign Exchange Management Act, 1999 ('FEMA'), Prevention of Money-Laundering Act, 2002, and rules and regulations made thereunder. For this purpose, Listed Company may also enter into necessary arrangements with Custodian, Indian Depository and Foreign Depository.

2.10. Listed Company shall ensure that DRs are issued only with Permissible Securities as the underlying.

Explanation: For the purpose of this Circular, 'Permissible Securities' shall mean equity shares and debt securities, which are in dematerialized form and rank pari passu with the securities issued and listed on a Recognized Stock Exchange.

2.11. Listed Company shall ensure that the aggregate of Permissible Securities which may be issued or transferred for the purpose of issue of DRs, along with Permissible Securities already held by persons resident outside India, shall not exceed the limit on foreign holding of such Permissible Securities under the applicable regulations of FEMA:

Provided that within the above limit, the maximum of aggregate of Permissible Securities which may be issued by the Listed Company or transferred by the existing holders, for the purpose of issue of DRs, shall be such that the Listed Company is able to ensure compliance with the minimum public shareholding requirement, after excluding the Permissible Securities held by the depository for the purpose of issue of DRs.

2.12. Listed Company shall ensure that the agreement entered with the Foreign Depository, for the purpose of issue of DRs, provides that the Permissible holder, including its Beneficial Owner(s), shall ensure compliance with holding limits prescribed under Paragraph (2.19).

2.13. Listed Company shall, through an intermediary, file with SEBI and the Recognized Stock

Exchange(s), a copy of the initial document, by whatever name called, for initial issue of DRs issued on the back of Permissible Securities.

(a) SEBI shall endeavor to forward its comments, if any, to the Recognized Stock Exchange(s) within a period of 7 working days from the receipt of the document and in the event of no comments being issued by SEBI within such period, it shall be deemed that SEBI does not have comments to offer.

(b) Recognized Stock Exchange(s) shall take into consideration the comments of SEBI while granting in-principle approval to the Listed Company and decide on the approval within 15 working days of receipt of application and required documents.

Further, final document for such initial issue shall be filed with Recognized Stock Exchange(s) and SEBI for record purpose.

2.14. Listed Company shall ensure that any public disclosures made by the Listed Company on International Exchange(s) in compliance with the requirements of the Permissible Jurisdiction where the DRs are listed or of the International Exchange(s), are also filed with the Recognized Stock Exchange as soon as reasonably possible but not later than twenty four hours from the date of filing.

Permissible holder

2.15. Permissible holder means a holder of DR, including its Beneficial Owner(s), satisfying the following conditions:

(a) who is not a person resident in India;

(b) who is not a Non-Resident Indian (NRI)

Explanation 1: For the purpose of this Circular, 'Beneficial Owner' shall have the same meaning as provided in proviso to sub-rule 1 of rule 9 of Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended by the Central Government vide notification no. G.S.R. 669(E) dated September 18, 2019.

Explanation 2: The Permissible holder, including its Beneficial Owner(s), shall be responsible for ensuring compliance with this requirement.

Voting rights

2.16. Listed Company shall ensure that the agreement entered between the holder of DRs, the Listed Company and the Depository provides that the voting rights on Permissible Securities, if any, shall be exercised by the DR holder through the Foreign Depository pursuant to voting instruction only from such DR holder.

Pricing

2.17. In case of a simultaneous listing of, Permissible Securities on Recognised Stock Exchange(s) pursuant to a public offer / preferential allotment / qualified institutions placement under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and DRs on the International Exchange, the price of issue or transfer of Permissible Securities, for the purpose of issue of DRs by Foreign Depository, shall not be less than the price for the public offer / preferential allotment / qualified institutions placement

to domestic investors under the applicable laws.

2.18. Where Permissible Securities are issued by a Listed Company or 'transferred by the existing holders ', for the purpose of issue of DRs by the Foreign Depository, the same shall be issued at a price, not less than the price applicable to a corresponding mode of issue of such Permissible Securities to domestic investors under the applicable laws.

Obligations of Indian Depository, Foreign Depository and Domestic Custodian

2.19. Indian Depositories, in consultation with each other, shall develop a system to ensure that aggregate holding of DR holders along with their holding, if any, through offshore derivative instruments and holding as a Foreign Portfolio Investor belonging to same investor group shall not exceed the limit on foreign holding under the FEMA and applicable SEBI Regulations. For this purpose, Indian Depositories shall have necessary arrangement with the Domestic Custodian and / or Foreign Depository.

Explanation - For the purposes of Paragraph (2.19), the term 'investor group' shall have the meaning as prescribed to such term in the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 or amendments thereof.

2.20. Domestic Custodian shall maintain records in respect of, and report to, Indian depositories all transactions in the nature of issue and cancellation of depository receipts, for the purpose of monitoring limits.

2.21. Indian Depositories shall coordinate among themselves and with Domestic Custodian to disseminate:

(a) the outstanding Permissible Securities against which the DRs are outstanding; and,

(b) the limit up to which Permissible Securities can be converted to DRs.

2.22. The Foreign Depository shall not issue or pre-release the DRs unless the Domestic Custodian has confirmed the receipt of underlying Permissible Securities.

3. Words and expressions used and not defined in this Circular but defined in the DR Scheme, Securities Contracts (Regulation) Act, 1956 or the Securities and Exchange Board of India Act, 1992 or the Depositories Act, 1996 or the Companies Act, 2013 or the Reserve Bank of India Act, 1934 or the Foreign Exchange Management Act, 1999 or Prevention of Money-Laundering Act, 2002, and rules and regulations made thereunder shall have the meanings respectively assigned to them, as the case may be, in those Acts, unless the context requires otherwise.

Power to remove difficulties

4. In case of any difficulties in the application or interpretation or to relax strict enforcement of the requirements of this Circular, the Board may issue clarifications through guidance notes or circulars after receipt of request from the issuer.

5. The provisions of this circular shall be effective from October 10, 2019 and shall be applicable only to DR issuance by a Listed Company after the effective date.

6. Stock Exchanges and Depositories are advised to:

a) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above circular; and

b) bring the provisions of this circular to the notice of the issuers, Domestic Custodians and also to disseminate the same on the website.

7. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992.

Yours faithfully,

Amit Tandon
General Manager

Circular No.: NSDL/POLICY/DDP/ 2019/0003 November 11, 2019	***Subject: Operational Guidelines for FPIs & DDPs under SEBI (Foreign Portfolio Investors), Regulations 2019 and for Eligible Foreign Investors.*** Attentions of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) are invited to Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 notified on September 23, 2019 and SEBI Circular No. IMD/ FPI&C/CIR/P/2019/124 dated November 5, 2019 on Operational Guidelines for FPIs & DDPs under SEBI (Foreign Portfolio Investors), Regulations 2019 and for Eligible Foreign Investors. The copies of aforesaid SEBI regulations/Circular are enclosed herewith. DDPs and Custodians are requested to take note of the same and ensure compliance.

CIRCULAR

IMD/FPI&C/CIR/P/2019/124 **November 05, 2019**

To

1. **Foreign Portfolio Investors**
2. **Custodians and Designated Depository Participants**
3. **The Depositories**
4. **All recognized Stock Exchanges and Clearing Corporations in International Financial Services Centres**
4. **All recognized Stock Exchanges/ Clearing Corporations**

Dear Sir / Madam,

Subject: Operational Guidelines for FPIs & DDPs under SEBI (Foreign Portfolio Investors), Regulations 2019 and for Eligible Foreign Investors.

1. SEBI (Foreign Portfolio Investors) Regulations, 2019 ("the Regulations") have been notified and have come into force with effect from September 23, 2019.

2. In order to operationalise the Regulations, it has been decided to issue necessary guidance under regulation 44 of the Regulations to ensure efficient transition from SEBI (Foreign Portfolio Investors)

Regulations, 2014.

3. The guidance is being issued in form of the Operational Guidelines which are annexed herewith.
4. The existing Circulars, FAQs, operating guidelines, other guidance issued by SEBI from time to time shall stand withdrawn with the issuance of the Operational Guidelines.
5. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.
6. A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
General Manager
Tel No.: 022-26449619
achals@sebi.gov.in

Enclosed: Operational guidelines for FPIs & DDPs and EFIs

OPERATIONAL GUIDELINES FOR FOREIGN PORTFOLIO INVESTORS, DESIGNATED DEPOSITORY PARTICIPANTS AND ELIGIBLE FOREIGN INVESTORS

These consolidated operational guidelines ("Operational Guidelines") for foreign portfolio investors (FPIs) and Designated Depository Participants (DDPs) are issued to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 ("the Regulations").

The existing Circulars, FAQs, operating guidelines, other guidance issued by SEBI (Annexure-A) shall stand withdrawn with the issue of these Operating Guidelines. With respect to the directions or other guidance issued by SEBI, as specifically applicable to FPIs, shall continue to remain in force.

Terms not defined in these Operational Guidelines will have the same meaning as provided under the Regulations.

PART A - FPI REGISTRATION RELATED ACTIVITIES

1. Change in category of FPIs upon notification of the Regulations

The process for re-categorisation of FPIs shall be as under:-

i. All existing FPIs registered as Category I FPIs under the SEBI (Foreign Portfolio Investors) Regulations, 2014 (2014 Regulations) shall be deemed to have been registered as Category I FPIs under the Regulations.

ii. All existing FPIs registered as Category III FPIs under the 2014 Regulations shall be deemed to have been registered as Category II FPIs under the Regulations.

iii. For sake of clarity, there will be no deemed re-categorization of registration for eligible entities from Category III FPI registration under 2014 Regulations to Category I FPI under the Regulations.

iv. All existing FPIs registered as Category II FPIs under the 2014 Regulations shall be deemed to have been registered either as Category I FPI or Category II FPI under the Regulations,

depending on the eligibility criteria met by such FPIs under the Regulations, as illustrated below:

Table 1

Existing Categories as per 2014 Regulations	New Categories as per the Regulations
Appropriately regulated broad based funds such as mutual funds, investment trusts, insurance/reinsurance companies;	(i) All Insurance entities - Category I; (ii) Funds from FATF member countries - Category I ; (iii) Funds from non-FATF member countries - Category II
Appropriately regulated persons such as banks, asset management companies, investment managers / advisors, portfolio managers, broker dealers and swap dealers	All are re-categorized as Category I
University funds and pension funds	All are re-categorized as Category I
university related endowments already registered with the Board as foreign institutional investors or sub-accounts	All are re-categorized as Category I
Unregulated funds/entity categorized as Cat II by virtue of Regulated Investment Manager also registered as Category II FPI	Unregulated funds/entity where regulated Investment Manager is from: (i) FATF member country and also registered as Category I FPI - Category I (ii) non-FATF member country - Category II

v. No incremental fees is payable upon deemed re-categorization.

vi. To ensure transition of existing FPIs, re-categorization of registration shall be done by NSDL in consultation with the respective DDPs.

After the exercise of deemed re-categorisation as mentioned above, an FPI desirous to be re-categorized from Category II FPI to Category I, can request to DDP along with requisite information, documents and payment of applicable fees.

2. Guidance for Processing of FPI applications by DDPs

FPI applicant shall submit duly filled prescribed application form (Annexure B) supported by required documents and applicable fees. The application form should be duly signed with all signatures in original. Where the application form is incomplete, or lacks clarity, the applicant shall be advised by the DDP to clarify or furnish the desired information within a reasonable time.

However, DDP may continue to accept in-transit FPI applications received in Form A under 2014 Regulations (without insisting for new form) for a period of 90 days from date of issuance of these operational guidelines. DDP may however satisfy itself on any incremental due diligence requirement to process the application under the Regulation.

DDPs shall consider the following checks for determination of eligibility at the time of processing

FPI application:-

i. Country Check - The residency status of the FPI applicant may be ascertained from the place of incorporation/ establishment through appropriate document or information such as any identification / registration document issued by applicable regulator or the Income Tax authority. The country code in the FPI registration number shall be the country of its registered/residence address. For due diligence, DDP may verify the country as below -

Table 2

Sl. No.	Countries	Source for verification from website of
(a)	List of countries where the securities market regulator is a signatory to IOSCO MMOU shall be verified by the DDP.	IOSCO
(b)	List of countries that have bilateral MOU with SEBI	SEBI
(c)	The list of countries whose Central Bank is a member of the BIS	BIS.
(d)	List of countries that are listed in the public statements issued by FATF and list of FATF member country	FATF.

With respect to the eligibility of FPI applicants from a country where there are separate securities market regulators for different provinces/ states within that country, applicants from only those provinces / states whose securities market regulator is a signatory to IOSCO MMOUs or has entered into a Bilateral Memorandum of Understanding with SEBI would be eligible for grant of registration as FPI.

Any reference in the Regulations and in these Operating Guidelines, an entity 'from a FATF member country' will mean that the entity has its primary place of business in a FATF member country and, if regulated, is appropriately regulated in a FATF member country.

ii. Non-resident Indian (NRI) / overseas citizens of India (OCI) / resident Indians (RI) check - DDP may obtain requisite declaration from applicant for satisfying eligibility criteria under regulation 4 of the Regulations and the conditions mentioned below relating to NRIs, OCIs and/or RIs being constituents of the applicant.

Where NRIs or OCI or RIs are constituents of the applicant -

a. the contribution of a single NRI or OCI or RI shall be below twenty-five percent of the total contribution in the corpus of the applicant;

b. the aggregate contribution of NRIs, OCIs and RIs shall be below fifty percent of the total contribution in the corpus of the applicant.

Explanation: The contribution of RI is permitted, if made through the Liberalised Remittance Scheme (LRS) approved by Reserve Bank of India in global funds whose Indian exposure is less than 50%.

c. the NRIs, OCIs and RIs shall not be in control of the applicant. This is not applicable if the applicant is an 'offshore fund' for which 'No Objection Certificate' has been issued by the Board in terms of the Securities and Exchange Board of India (Mutual Funds)

Regulations, 1996, or is controlled by an Investment Manager which is controlled and/ or owned by NRI or OCI or RI if the following conditions are satisfied:

i. such Investment Manager is appropriately regulated in its home jurisdiction and registered with the Board as a non-investing FPI, or

ii. such Investment Manager is incorporated or setup under the Indian laws and appropriately registered with the Board.

d. The above shall not apply to non-investing FPI or if the applicant proposes to invest or invests only in units of schemes floated by mutual funds in India.

e. An applicant or an existing FPI not meeting above requirements shall comply within a period of two years from the date of registration or by 31st December 2020, whichever is later. A foreign portfolio investor who remains non-compliant even after the period specified above shall be prohibited from making any fresh purchase of securities and such foreign portfolio investor shall liquidate its existing position in the Indian securities market within a period of one hundred and eighty days.

f. In case of temporary breach of above investment limits after December 31. 2020, the foreign portfolio investor shall comply with the eligibility conditions within ninety days of its breach. In case the foreign portfolio investor remains non-compliant with the said requirement even after ninety days, then no fresh purchases shall be permitted and such foreign portfolio investor shall liquidate its existing position in Indian securities market within a period of the next one hundred and eighty days.

iii. Fit and proper person check - DDP may obtain declaration from the applicants about their meeting eligibility criteria specified under Regulation 4 of the Regulations and shall exercise its due diligence, as applicable.

iv. Category I FPI check - DDP may verify the eligibility of Category I FPI (under Regulation 5(a)(i)) based on relevant details under which the entity has been established - e.g. Government Charter, Act, Legislation, the shareholding pattern provided by the FPI applicant.

v. Regulatory check - The DDP may verify if the applicant is regulated or supervised by the securities market regulator or banking regulator and that its registration/license granted by its regulator has not been cancelled and is still valid through any one of the following:

a. Obtain a copy of certificate issued by such regulator or;

b. verify the registration details directly from the registry or the website of such regulator.

Explanation: Certain type of structures in some of the jurisdictions permitted by SEBI in the past shall continue to be considered as appropriately regulated.

vi. Any past action taken by FPI applicant's regulator may not necessarily render such an applicant ineligible as long as such action did not result in cancellation of its registration. Further, if an FPI applicant, which is present in multiple jurisdictions, is suspended by one of its foreign regulator and if this suspension does not affect the entity or any of its affiliates' ability to trade in any other country around the world, DDP can consider such an applicant eligible for grant of FPI registration subject to fulfillment of applicable eligibility requirements.

vii. DDP shall mention name of its signatory(ies) in the FPI registration approval while communicating registration approval to the FPI.

viii. The applicant may also add the name of its investment manager/ umbrella fund/trustee, etc. as a suffix to its name.

3. Guidance for certain specific entities

i. Bank or Subsidiary of Bank applicant

An FPI applicant under bank category (other than a central bank) would be deemed to be appropriately regulated if it is regulated by the unified financial sector regulator in its home jurisdiction or by a banking sector regulator in its home jurisdiction.

In case an applicant/ its group entity is (i) bank or its subsidiary and has a bank branch/ representative office in India or (ii) a central bank or its subsidiary, the respective DDP shall forward the application form to SEBI. SEBI would in turn request RBI to provide its comments. Based on the comments received from RBI, SEBI would notify the comments of RBI to DDP to consider while processing such applications. No such reference to SEBI/ RBI shall be required for continuance of registration.

In case a bank FPI applicant is regulated by the banking sector regulator in its home jurisdiction, but the central bank of that country is not a member of BIS, the FPI can seek registration under Category II.

ii. Insurance/Reinsurance entity

Insurance and reinsurance entities shall be deemed to be appropriately regulated for the purpose of the Regulations, if they are regulated or supervised by the relevant regulator in their concerned foreign jurisdiction in the same capacity in which they propose to make investments in India.

iii. Pension funds

Pension funds shall include superannuation or similar schemes that provides retirement benefits to employees/ contributors.

iv Entities which is at least 75% owned, directly or indirectly by another entity under Regulation 5(a)(v)(B)

v. Appropriately regulated entities investing on behalf of clients

Appropriately regulated entities such as banks and merchant banks, asset management companies, investment managers, investment advisors, portfolio managers, insurance & reinsurance entities, broker dealers and swap dealers will be permitted to undertake investments on behalf of their clients as Category II FPIs in addition to undertaking proprietary investment by taking separate registrations as Category I FPI.

Where such entities are undertaking investments on behalf of their clients, Category II FPI registration shall be granted subject to following conditions:

i. Clients of FPI can only be individuals and family offices.

ii. Clients of FPI should also be eligible for registration as FPI and should not be dealing on behalf of third party.

iii. If the FPI is from a Financial Action Task Force member country, then the KYC including identification & verification of beneficial owner of the clients of such FPI should be

done by the FPI as per requirements of the home jurisdiction of the FPI. FPIs from non-Financial Action Task Force member countries should perform KYC of their clients including identification & verification of beneficial owner as per Indian KYC requirements.

iv. FPI has to provide complete investor details of its clients (if any) on quarterly basis (end of calendar quarter) by end of the following month to DDP as below.

Table 3

Name of FPI-

FPI Registration number-

We herewith submit the investor details of our clients-

Details of clients				
Sr. No.	Name	Country	Address	Type (Individual/ Family office)

v. Investments made by each such client, either directly as FPI and/or through its investor group shall be clubbed with the investments made by such clients (holding more than 50% in the FPI) through the above referenced appropriately regulated FPIs.

vi. Applicant incorporated or established in an International Financial Services Centre:

The proviso under Regulation 4 of the Regulations will be applicable to those applicants incorporated or established in an International Financial Service Centre under SEBI (International Financial Services Centres) Guidelines and rules therein, as amended from time to time.

4. Multiple Investment Managers (MIM)

i. Where an entity engages multiple investment managers (MIM) for managing its investments, the entity can obtain multiple FPI registrations mentioning name of Investment Manager for each such registration. There should be external investment managers in case of MIM structures and such applicants can appoint different DDPs for each such registration. Investments made under such multiple registrations shall be clubbed for the purposes of monitoring of investment limits.

ii. In case of MIM structures, if the entity has already furnished registration details to a DDP at the time of its registration, then, the entity will not be required to again provide the registration details for each new FPI registration under this structure, unless there has been a change in the registration details provided to a DDP earlier. However, such FPI need to provide the name of its Investment Manager at the time of request for new FPI registration along with the confirmation that information provided in earlier application is updated and valid. Such FPIs registered under MIM structure shall have the same PAN. Where the entity seeks registration under this structure with another custodian/DDP, the investor or existing custodian/DDP shall provide certified true copy of the application form to new custodian/

DDP.

5. Continuance of Registration

i. FPIs who wish to continue with their registration for the next block of three years, should pay the fees to their DDPs and inform change in information, if any, as submitted earlier.

ii. In case of no change in information, FPIs shall give declaration that there is no change in the information, as previously furnished.

iii. FPI shall provide the additional information, if applicable, along with supporting documents including fees for continuance of its registration at least 15 days prior to current validity of its registration in order to facilitate a smooth continuance process. FPI is required to submit a reason for delay if any in delayed submission of such information/fees.

iv. If DDP is in receipt of registration fees prior to validity date but the due-diligence including KYC review is not complete by the validity date due to non-submission of information by the FPI, no further purchases may be permitted till the intimation of continuance is given by DDP.

v. Where the FPI has not paid fees for continuance of its registration, its FPI registration shall cease to be valid after the date, up to which, the last registration fees were duly paid by the FPI.

vi An FPI cannot apply for continuance after expiry of its registration. However, if such entity intends to have FPI registration, it will have to make a fresh application for registration after surrender of its earlier FPI registration.

6. Certificate of Registration

The designated depository participant shall grant the certificate of registration, bearing registration number generated by National Securities Depositories Limited in a centralised manner.

7. Rejection of FPI application

i. A DDP may consider an FPI application, which has been previously rejected by another DDP. However, before considering such an application, the DDP shall ascertain the reasons for which the application was rejected. In case the application was rejected on technical grounds, the DDP shall ensure that such deficiencies have been rectified by the applicant, before assessing the application afresh on its own merits. If the application has been rejected for any other reason, then the DDP shall assess the application on its own merit as per FPI Regulations.

ii. The depositories (NSDL and CDSL) shall maintain a database of FPI applicants. Every DDP shall input the details of FPI applicants in the database. Where an FPI application is rejected by a DDP, the DDP shall mention the reason for such rejection in the database, which would be accessible to all DDPs.

8. Obligations of DDPs:

i. Infrastructure: Every DDP shall have necessary infrastructure, including adequate office space, adequate and competent manpower and computer systems capability required to discharge its activities as DDP in compliance with Regulations and other guidelines, circulars, issued thereunder.

ii. Manual: Every DDP shall have a manual setting out systems and procedures to be followed for the effective and efficient discharge of its functions as a DDP.

iii. Monitoring of systems and controls: Every DDP shall have adequate mechanisms for the purposes of reviewing, monitoring and evaluating its controls, systems, procedures and safeguards.

9. Reporting:

i. Every DDP shall submit to SEBI monthly reports on application received from FPI applicants as per the format set out in Annexure C hereto and such other reports as may be required by SEBI. The report pertaining to a month may be submitted by DDPs to SEBI latest by 10th of the following month.

ii. Depository/DDP shall submit to SEBI monthly reports of the fees collected for all the FPIs registered by it as per the format set out in Annexure D hereto and such other reports as may be required by SEBI.

10. Name change

i. In case the FPI has undergone a change in name, the request for updation/ incorporation of new name should be submitted by the FPI to the DDP accompanied by documents certifying the name change. Such name change can be evidenced by:

- Information available on the website of the home regulator; or
- Certified copy of document(s) from home regulator; or
- Certified copy of document(s) from Registrar of Company (or equivalent authority) (wherever applicable) issued; or
- Where above is not applicable, a Board Resolution or equivalent authorizing the name change

ii. An undertaking by the FPI shall be given stating that it is a mere name change and does not involve change in beneficial ownership, category or structure. Where FPIs has delayed in submitting details of name change beyond 6 months, DDP shall provide details of all such instances with reasons.

iii. Upon receipt of the request for name change along with abovementioned documents, the DDP shall effect the change in name in the certificate. The DDP shall issue a letter and fresh registration certificate to such applicant acknowledging the change in name. NSDL shall make necessary arrangements for DDPs to provide fresh registration certificate as an acknowledgement from its database including a statement that the name change has been granted without prejudice to any tax liability/ implication in India.

iv. FPI shall forthwith apply for appropriate change in name in the PAN records, pursuant to its name change.

11. Surrender of Registration

i. DDP shall seek a “No Objection Certificate” (NOC) from the Board to process such surrender after ensuring that the holdings of the concerned applicant in security account and bank

account is nil and there are nil outstanding derivative positions.

ii. DDP shall process such surrender applications post receipt of NOC from the Board and shall issue a confirmation to the FPI in this regard

12. Change in Custodian/DDP

i. In case, an FPI or its Global Custodian wishes to change the local custodian/DDP, the request for change shall be forwarded to new local custodian/DDP. In case, the Global Custodian of FPI wishes to change the local custodian/DDP, then the request for change can be sent by the Global Custodian on behalf of its underlying FPI clients provided such Global Custodian has been explicitly authorized to take such steps by the client.

ii. Upon receipt of no objection from the transferor local custodian/DDP, the transferee local custodian/DDP shall approve the change. In case, the request for change in local custodian/DDP is received from Global Custodian, the transferee local custodian/DDP shall inform Compliance Officer of the concerned FPI(s) regarding the change in their local custodian/DDP.

iii. Once the change of DDP/Custodian is approved by DDP, the FPI will need to transfer accounts and assets to the new DDP/Custodian within a period of 30 days. In case the transition does not take place within the stipulated time, the FPI shall provide reasons for the same and seek extension from DDP for a further period of 30 days. Once the transition is complete, transferee local custodian/DDP shall intimate SEBI about the change. Both the DDPs will provide joint confirmation on completion of transition of data and documents to SEBI.

iv. With respect to the process of change of local custodian/DDP by an FPI, the new DDP (i.e. transferee) may rely on the due diligence carried out by the old DDP. However, the new DDP is required to carry out adequate due diligence at the time when the FPI applies for continuance of its registration.

13. Requirement for segregated portfolios

i. Funds investing in India include those with sub-funds or separate classes of shares or equivalent structure with segregated portfolio for such sub-funds or separate classes of shares or equivalent structure. The assets & liabilities across such sub-funds or separate classes of shares or equivalent structure may be ring fenced from each other as directed by FPI. FPIs having segregated portfolio(s) are required to provide BO declaration for each fund/sub-fund/share class/equivalent structure that invests in India. Further, in case of addition of fund / sub fund / share class /equivalent structure with segregated portfolio that invests in India, the FPI shall be required to provide BO information prior to investing in India through such new fund/sub fund/share class/equivalent structure.

ii. Existing FPIs with segregated portfolio are required to provide the BO details for each fund/sub-fund/share class/equivalent structure that invests in India at the time of continuance of registration or within six months from the date of notification of the Regulations, whichever is later. In case of non-submission of BO details within six months, the FPI shall not be allowed to make fresh purchases till the time it is compliant with the said requirement.

iii. For deletion of sub-fund/share classes/equivalent structure that invests in India, an intimation should be provided to DDP forthwith.

iv. The FPI shall also ensure that funds/sub funds/share classes/equivalent structure that do not adhere to the above requirement shall not invest in India in future.

14. Reclassification

If an FPI registered under a particular category/sub-category fails to comply with applicable eligibility requirements, it shall promptly notify this change to its DDP to be reclassified under appropriate category/sub-category. FPI may be required to provide to the DDP with additional KYC documents, as applicable. The concerned DDP / Custodian shall not allow (block) such FPI to make fresh purchases till additional KYC requirements (if any) are complied with. However, such FPI shall be allowed to continue to sell the securities already purchased by it. If such FPI continues to hold securities 180 days after blocking, such FPI shall be referred to SEBI for any further action.

15. Change in Material Information

i. In terms of Regulation 22(1)(c), if there is any change in the material information previously furnished by the FPI to the DDP and/or SEBI, which has a bearing on the certificate granted by the DDP on behalf of the Board or relating to any direct or indirect change in its structure or ownership or control, change in regulatory status, merger, demerger or restructuring, change in category/ sub-category / structure/ jurisdiction/ name of FPI/ beneficial ownership etc, of the FPI, it shall forthwith inform the DDP and/or the Board in writing.

ii. The DDP shall examine all such material changes and re-assess the eligibility of the FPI including requiring FPIs to seek fresh registration. However, DDP shall not process any request for change in jurisdiction of the FPI and in such cases, FPI may apply for new FPI registration.

iii. Where there is a delay of more than six months in intimation of material change by the FPI to the DDP, the DDP shall, forthwith, inform all such cases to SEBI for appropriate action, if any, along with reason for delay.

16. Change in Status of a Compliant Jurisdiction

i. If a jurisdiction, which was a compliant jurisdiction at the time of grant of registration to FPI, becomes non-compliant jurisdiction i.e. ceases to be member of IOSCO/ Bilateral Memorandum of Understanding with SEBI/ BIS or the concerned jurisdiction of FPI is listed in FATF public statement as “high risk” and “non-cooperative” jurisdiction or the concerned jurisdiction of FPI then concerned Custodian shall not allow such FPIs to make fresh purchases till the time the jurisdiction/FPI is compliant with the Regulations. However, the FPI shall be allowed to sell the securities or continue to hold the securities already purchased by it. The concerned DDP shall inform to SEBI details of such FPIs upon such change.

Further, in case the FPI itself or its underlying investors contributing twenty-five percent or more in the corpus of the FPI or identified on the basis of control, come under the Sanctions List notified by the United Nations Security Council, custodian shall not allow any further buy/sell in the account of such FPI and shall forthwith notify such instances to SEBI.

17. Other Changes relating to FPI

i. DDP shall take note of the other changes such as change in Compliance Officer, change in

contact details and address and update the records accordingly.

PART B - KNOW YOUR CLIENT REQUIREMENTS FOR FOREIGN PORTFOLIO INVESTORS (FPIs)

FPIs are required to provide KYC related documents based on the category under which it is registered. Once the KYC is completed, the intermediary will upload the Form and supporting documents on the KRA portal for other market intermediaries to access and complete their KYC requirements. Apart from the KYC requirement stated below, each intermediary may have additional documentation requirement for conducting enhanced due diligence as per their internal policies.

1. KYC documentation requirements for FPI

KYC documentation applicable for FPIs shall be as under:-

Table 4

KYC Documentation				
Sr. No	**D°cumen«Tvpe**	**Details**	**Category - I**	**Category - II**
1	**Applicant Level**	Constitutive Docs (MoA, COI, prospectus etc.)	Required	Required
2		Proof of Address[1]	Required	Required
3		PAN	Required	Required
4		Board Resolution[2]	Not required	Required
5		FATCA / CRS form	Required	Required
6		Form/ KYC Form	Required	Required
7	**Authorised Signatories**	List of Signatures[2]	Required	Required
8	**Ultimate Beneficial Owner (UBO)**	List of UBO including the details of Intermediate BO[3]	Required	Required
9		Proof of Identity	Not Required	Required

[1] Power of Attorney having address provided to Custodian is accepted as address proof.

[2] Power of Attorney granted to Global custodian/ local custodian is accepted in lieu of Board Resolution (BR). BR and the authorized signatory list (ASL) is not required if SWIFT is used as a medium of instruction.

[3] UBO is not required for Government and Government related entities.

Notes to the Table:

i. FPIs to provide an undertaking that upon demand by Regulators/ Law Enforcement Agencies the exempted / relevant document/s would be submitted to the intermediary.

ii. For FPI Category - I coming from high-risk jurisdiction (other than those registered under Regulation 5(a)(i)), the KYC documentation equivalent to FPI Category II shall apply.

iii. FPI Category - II registered under Regulation 5(b)(i), shall provide KYC documentation equivalent to FPI Category - I. However, BO details need to be provided in specified format.

iv. For non-PAN related KYC documents (including KYC form), a local custodian can rely on KYC

carried out by another entity of the same financial group (like a Global Custodian or Investment Manager) which is regulated and coming from an FATF member country, where KYC is carried out as per their home jurisdiction standards. Where this reliance is placed, such entity/ FPI shall provide an undertaking to the effect that the relevant KYC documents, would be submitted to the DDP/ Local Custodian when required by regulator/law enforcement agency/ government departments/ tax authority, etc. However, the Custodian / local intermediary will be required to collect constitution documents and BO related declarations (wherever applicable) of the FPI and also, upload the evidence of KYC reliance on KRA.

v. Prospectus and Information Memorandum are acceptable in lieu of an official constitutional document.

vi. Valid FATCA / CRS documentations is required to be submitted at the time of account opening.

vii. Intermediary can verify the PAN of FPIs online from website authorized by the Income-Tax department. To clarify no certification of PAN document required from FPI. Alternatively, e-PAN issued by CBDT can also be produced by FPI for KYC compliance without requiring any certifications. In such situations where the broker is relying on KRA, it shall verify the PAN and download the available documents from KRA. PAN is not mandatory for UBO, senior management and authorized signatories of FPI.

viii. PAN is not mandatory for UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.

ix. Board Resolution and the authorized signatory list (ASL) is also not required if there is no exchange of physically signed documents / agreements between the local Broker and the FPI or its authorized representative being an Investment Manager regulated in FATF member country.

x. Existing risk based KYC requirement applicable to FPIs should also be made applicable to securities account of FDI, FVCI/DR and FCCB accounts/entities if the same entities are registered as FPIs.

xi. If all information required in KYC Form (Part I and II) is provided in Form itself, no separate KYC Form (Part I and II) will be required to be submitted.

2. Sharing of KYC documents with banks towards opening of bank accounts of FPIs

i. Intermediaries are advised to share the relevant KYC documents with the banks concerned based on appropriate authorization.

ii. Accordingly, a set of hard copies of the relevant KYC documents furnished by the FPIs to intermediaries may be transferred to the concerned bank through their authorised representative.

iii. While transferring such documents, intermediaries shall certify that the documents have been duly verified with the original or notarised documents have been obtained, where applicable. In this regard, a proper record of transfer of documents, both at the level of the Intermediaries as well as at the bank, under signatures of the officials of the transferor and

transferee entities, may be kept.

3. Depository Account by Foreign Portfolio Investor:

In case, a FPI holds separate depository accounts in both NSDL and CDSL, it is allowed to appoint only one custodian.

4. Identification and verification of Beneficial Owners

i. Beneficial Owners (BOs) are the natural persons who ultimately own or control an FPI and should be identified in accordance with Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (hereinafter referred as PMLA Rules). FPIs are required to maintain a list of BOs and should provide such list of their BOs as below:-

Table 5

Sl. No	Name & Address of the Beneficial Owner (Natural Person)	Date of Birth	Tax Residency Jurisdiction	Nationality	Whether acting alone or together through one or more natural persons as group, with their name & address	BO Group's percentage Share-holding / Capital / Profit ownership in the FPIs	Tax Residency Number/ Social Security Number/ Passport Number of BO/ any other Government issued identity document number (example driving license) (Please provide any) #

 # Not required for Category I FPIs.

BOs of FPIs having General Partner/Limited Partnership structure shall be identified on ownership or entitlement basis and control basis.

ii. Category I FPI registered under Regulation 5(a)(i) are exempt from providing BO details.

iii. In respect of FPIs (other than Category I FPI registered under Regulation 5(a)(i)) coming from "high risk jurisdictions" as identified by intermediary, the intermediaries may apply lower materiality threshold of 10% for identification of BO. For category I FPIs (other than registered under regulation 5(a)(i)) from high risk jurisdictions KYC documentation as applicable for category II FPIs need to be collected.

iv. The materiality threshold to identify the beneficial owner should be first applied at the level of FPI and next look through basis shall be applied to identify the beneficial owner of the intermediate shareholder/ owner entity. Beneficial owner and intermediate shareholder/ owner entity with holdings equal & above the materiality thresholds in the FPI need to be identified through the look through basis. For intermediate material shareholder/ owner entity/ies, name, country and percentage holding shall also be disclosed as per Annexure E. In case the intermediate shareholder/ owner entity is eligible for registration as Category

I FPI under Regulation 5(a)(i), there is no need for further identification and verification of beneficial owner of such intermediate shareholder/ owner entity.

v. The term senior managing official (SMO), for identification as BO, means individual(s) as designated by the FPI who holds a senior management position and makes key decisions relating to the FPI.

vi. No foreign company shall be entitled to exemption under Rule 9(3)(f) of PMLA Rules.

vii. In case of companies/ trusts represented by service providers like lawyers/ accountants, FPIs should provide information of the real owners/ effective controllers of those companies / trusts. If the BO exercises controls through means like voting rights, agreements, arrangement etc., that should also be specified. It is clarified that BO should not be a nominee of another person and real BO should be identified.

5. Periodic KYC review

KYC review means steps taken to ensure that documents, data or information collected under the due-diligence process are kept up-to-date and relevant by undertaking reviews of existing records on a periodical basis.

i. At the time of KYC review, custodian may seek confirmation from FPI whether there is any change in the documents/ information provided earlier. If there is any change, the FPI shall provide the updated documents/ information to the custodian.

Table 6

Jurisdiction	FPI Category - I	FPI Category - II -
High Risk	Registered under Regulation 5(a)(i) - During continuance of registration i.e. every 3 years. Others - Annually	Annually
Non-High Risk	During continuance of registration i.e. every 3 years.	Regulated entities during continuance of registration i.e. every 3 years. Others- Annually.

6. Data security

The KYC Registration Agencies (KRAs) shall secure personal information provided with regard to beneficial owner including SMO of FPI. Such information should be made available to intermediaries only on 'need to know basis' using an authentication method wherein an intermediary, can access the information from KRA using the authentication (similar to One Time Password "OTP") after the KRA gets confirmation from the FPI or its Global custodian or Investment Manager. For this purpose, KRAs need to maintain email ids of the FPI and/ or its representative. This functionality will be optional and it will be deactivated only upon receipt of instruction from the FPI to KRA.

The Key features as below:

a. Up to 3 email ids of the FPI can be recorded with 1 mandatory id and 2 optional email ids

b. Download Consent Flag - Yes / No (Default value is set as "Yes")

i. 'Yes' means Consent required for download

ii. 'No' means download without consent

c. Where Download Consent Flag is "Yes", an email with the consent link with decision tab "Approve" or "Reject", will be sent to the authorised representative of FPI (as per the details updated in "a" above) , requesting their consent to provide the KYC records to the requesting intermediary.

d. KRA will send an email to the requesting intermediary that consent request email has been sent to the authorised representative of the FPI, to enable them to follow up for the consent.

e. KRA will permit download of KYC records and information once the consent is received from the authorised representative of the FPI.

f. Whenever KYC details of client are modified by intermediaries, KRA system sends unsolicited download of KYC information to all intermediaries who have either uploaded/downloaded/ modified KYC information of the FPI. The unsolicited KYC download including UBO details of the FPI will be available to the intermediaries who have uploaded/downloaded/modified, such FPIs KYC details in the past, even when the Download Consent Flag is set as "Yes" or otherwise.

g. In case the FPI closes the account with an intermediary, the FPI or the intermediary shall inform KRA to delink the KYC of such FPI, so that unsolicited download request can be discontinued.

7. Period for maintenance of records

The Custodian should maintain the KYC records in original for a minimum period of five years from the date of cessation of the transactions with the said FPI. In case any litigation is pending, these records should be maintained till the completion of the proceedings.

8. Guidelines for KYC:

i. Copies of all the documents submitted by the applicant should be accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents. Additional requirement of self-certification of documents is no longer required.

ii. If any proof of identity or address is in a foreign language, then translation into English is required.

iii. Name & address of the applicant mentioned on Form, should match with the documentary proof submitted.

iv. If more than one address is provided, proof should be enclosed.

v. The Global Custodian or the Local Custodian may fill the Form, if authorized through the Power of Attorney (PoA).

vi. In person verification is not applicable for a non-individual Client. IPV for individual clients through web camera shall be allowed.

vii. Reliance on information available from reliable public sources- In addition to information provided by the client, the intermediaries can rely on documents / information available from reliable public sources (for e.g. websites of Regulators, Exchanges, SROs, Registrars) while collecting documents /

information required for an FPI. Attestation of these documents (by way of mentioning the source of the document and signature against the same) may be carried out by a duly authorized official of the Intermediary. No further attestation of such documents is required.

viii. List of people authorized to attest the documents: Notary Public, officials of Multinational Foreign Banks or any Bank regulated by Reserve Bank of India (Name, Designation & Seal should be affixed on the copy).

9. List of supporting documents:

A. Proof of Identity (POI): - List of documents admissible as Proof of Identity:

For individuals only

i. Identity card / document with applicant's Photo such as Passport, Driving license etc, issued by any of the following:

Central / State Government and its Departments, Statutory / Regulatory Authorities, Tax Authorities.

B. Proof of Address : - List of documents admissible as Proof of Address:

(Documents having an expiry date should be valid on the date of submission.)

i. Document specifying the address issued by any of the following:

Central/State Government and its Departments, Statutory/Regulatory Authorities, Tax Authorities such as Passport, Driving license, etc. Intermediaries may place reliance on address appearing on website of regulator/ registrar for address proof

ii. Utility bills like Telephone Bill, Electricity bill or Gas bill - Not more than 2 months old.

iii. Bank Account Statement/Passbook/letter -- Not more than 3 months old.

iv. Power of Attorney given by FPI to Custodians specifying the address (duly notarized and/or apostilled or consularised).

v. Intermediary may rely on constitutive documents to establish Proof of residency for multilateral organisations.

Proof of address to be submitted only if the submitted POI does not have an address or address as per POI is invalid or not in force.

PART C - INVESTMENT CONDITIONS / RESTRICTION ON FOREIGN PORTFOLIO INVESTORS REGISTERED SEBI (FOREIGN PORTFOLIO INVESTOR) REGULATIONS, 2019

1. Monitoring of investment limit at investor group level

i. Where multiple FPIs belong to the same investor group as provided under Regulation 22(3) of the Regulations, the investment limits of all such FPIs taken together shall be clubbed at the investment limit as applicable to a single FPI. For individuals registered as FPIs, the individual and his/her relatives who is/are also registered as FPI(s) should also be considered for the purposes of investor group. The definition of "relative" shall be as per Section 2 Sub section 77 of the Companies Act, 2013.

ii. Where different FPIs belonging to the same investor group are serviced by different custodians, the custodians shall report the holdings of such FPIs to both the depositories. The

depositories shall club the investments of such FPIs and ensure that combined holdings of all these FPIs remains below 10% of the total paid up equity capital in a listed or to be listed company on a fully diluted basis at any time.

iii. The depositories shall monitor the aggregate investment limits of FPI group based on demat holdings data, daily on an end of day basis.

iv. The depositories shall put in place appropriate systems, procedures and mechanisms to capture and maintain the details of FPIs belonging to the same investor group, based on the information provided by the DDPs, from time to time.

v. The depositories shall put in place appropriate systems, procedures and mechanisms to monitor the investment limit/ holdings of FPIs belonging to the same investor group.

vi. The depositories shall forthwith report the details of those FPIs who are responsible for breach of investment limit to SEBI.

vii. FPIs forming part of an investor group may approach NSDL to get information regarding the aggregate percentage holdings of their group entities in any particular scrip before making investment decision.

viii. Government of India, vide letter No. 10/06/2010-ECB dated January 06, 2016 has exempted World Bank Group viz. IBRD, IDA, MIGA and IFC from clubbing of the investment limits for the purpose of application of below 10% limit for FPI investments in a single company.

ix. The investment by foreign Government/ its related entities from provinces/ states of countries with federal structure shall not be clubbed if the said foreign entities have different BO identified in accordance with PMLA Rules.

x. The investment by foreign Government agencies shall be clubbed with the investment by the foreign Government/ its related entities for the purpose of calculation of below 10% limit for FPI investments in a single company, if they form part of an investor group.

2. Monitoring of Investment Limit at individual level

In order to facilitate the listed Indian companies to ensure compliance with the various foreign investment limits, architecture of the System has been explained as under:-

Housing of the System

A. The system for monitoring the foreign investment limits in listed Indian companies shall be implemented and housed at the depositories (NSDL and CDSL).

Designated Depository

B. A Designated Depository is a depository which has been appointed by an Indian company to facilitate the monitoring of the foreign investment limits of that company. As defined at Rule 2(y) of FEMA (Non-debt Instruments) Rules, 2019 (hereinafter referred as FEMA Rules), the term 'Indian company' means a company incorporated in India.

C. The Designated Depository shall act as a lead depository and the other depository shall act as a feed depository.

Company Master

D. The company shall appoint any one depository as its Designated Depository for the purpose of

monitoring the foreign investment limit.

E. The stock exchanges (BSE, NSE and MSEI) shall provide the data on the paid-up equity capital of an Indian company to its Designated Depository. This data shall include the paid-up equity capital of the company on a fully diluted basis.

F. The depositories shall provide an interface wherein the company shall provide the following information to its Designated Depository:

i. Company Identification Number (CIN)

ii. Name

iii. Date of incorporation

iv. PAN number

v. Applicable Sector

vi. Applicable Sectoral Cap

vii. Permissible Aggregate Limit for investment by FPIs

viii. Permissible Aggregate Limit for investment by NRIs

ix. Details of shares held by FPI, NRIs and other foreign investors, on repatriable basis, in demat as well as in physical form

x. Details of indirect foreign investment which are held in both demat and physical form

xi. Details of demat accounts of Indian companies making indirect foreign investment in the capital of the company

xii. Whether the Indian company that has foreign investment in it is either owned and controlled by resident Indian Citizens or is owned or controlled by person's resident outside India

xiii. ISIN-wise details of the downstream investment in other Indian companies

The information provided by the companies shall be stored in a Company Master database. The Designated Depository, if required, may seek additional information from the company for the purpose of monitoring the foreign investment limits. The companies shall ensure that in case of any corporate action, the necessary modification is reflected immediately in the Company Master database.

G. In the event of any change in any of the details pertaining to the company, such as increase/decrease of the aggregate FPI/NRI limits or the sectoral cap or a change of the sector of the company, etc. the company shall inform such changes along with the supporting documentation to its Designated Depository.

Reporting of trades

H. At present, as per SEBI guidelines, the custodians are reporting confirmed trades of their FPI clients to the depositories on a T+1 basis. This reporting shall continue and the data shall be the basis of calculating FPI investments/holding in Indian companies.

I. With respect to NRI (repatriable) trades, Authorized Dealer (AD) Banks shall continue to report the transactions of their NRI clients to the depositories. The AD Banks shall be guided

by the circulars issued by RBI in this regard.

Activation of a Red Flag Alert

J. The monitoring of the foreign investment limits shall be based on the paid-up equity capital of the company on a fully diluted basis to ensure that all foreign investments are in compliance with the foreign investment limits.

K. A red flag shall be activated whenever the foreign investment is 3% or less than 3% of the aggregate NRI/FPI limits or the sectoral cap. This shall be done as follows : Aggregate NRI investment limit in the company

a. The system shall calculate the percentage of NRI holdings in the company and the investment headroom available as at the end of the day with respect to the aggregate NRI investment limit

b. If the available headroom is 3% or less than 3% of the aggregate NRI investment limit, a red flag shall be activated for that company.

c. Thereafter, the depositories and exchanges shall display the available investment headroom, in terms of available shares, for all companies for which the red flag has been activated, on their respective websites.

d. The data on the available investment headroom shall be updated on a daily end-of-day basis as long as the red flag is activated.

Aggregate FPI investment limit of the company

e. The system shall calculate the percentage of FPI holding in the company and the investment headroom available as at the end of the day with respect to the aggregate FPI investment limit

f. If the available headroom is 3% or less than 3% of the aggregate FPI investment limit, a red flag shall be activated for that company.

g. Thereafter, the depositories and exchanges shall display the available investment headroom, in terms of available shares, for all companies for which the red flag has been activated, on their respective websites.

h. The data on the available investment headroom shall be updated on a daily end-of-day basis as long as the red flag is activated.

Sectoral cap of the company

i. The system shall calculate the total foreign investment in the company by adding the aggregate NRI investment, the aggregate FPI investment and other foreign investment in the company as provided by the company in the company master.

j. If the total foreign investment in a company is within 3% or less than 3% of the sectoral cap, then a red flag shall be activated for that company.

k. Thereafter, the depositories and exchanges shall display the available investment headroom, in terms of available shares, for all companies for which the red flag has been activated, on their respective websites.

l. The data on the available investment headroom shall be updated on a daily end-of-day

basis as long as the red flag is activated.

L. The depositories shall inform the exchanges about the activation of the red flag for the identified scrip. The exchanges shall issue the necessary circulars/public notifications on their respective websites. Once a red flag has been activated for a given scrip, the foreign investors shall take a conscious decision to trade in the shares of the scrip, with a clear understanding that in the event of a breach of the aggregate NRI/FPI limits or the sectoral cap, the foreign investors shall be liable to disinvest the excess holding within five trading days from the date of settlement of the trades.

Breach of foreign investment limits

M. Once the aggregate NRI/FPI investment limits or the sectoral cap for a given company have been breached, the depositories shall inform the exchanges about the breach. The exchanges shall issue the necessary circulars/public notifications on their respective websites and shall halt all further purchases by :

m. FPIs, if the aggregate FPI limit is breached

n. NRIs, if the aggregate NRI limit is breached

o. All foreign investors, if the sectoral cap is breached

N. In the event of a breach of the sectoral cap/aggregate FPI limit/aggregate NRI limit, the foreign investors shall divest their excess holding within 5 trading days from the date of settlement of the trades, by selling shares only to domestic investors.

Method of disinvestment

O. The proportionate disinvestment methodology shall be followed for disinvestment of the excess shares so as to bring the foreign investment in a company within permissible limits. In this method, depending on the limit being breached, the disinvestment of the breached quantity shall be uniformly spread across all foreign Investors/FPIs/NRIs which are net buyers of the shares of the scrip on the day of the breach.

P. This method has been illustrated with the help of an example provided below.

Table 7

Total shares that can be purchased by foreign investors till sectorial cap is not breached	600
Total quantity purchased by foreign investors on T day	1000
Breach quantity	400

Time	Foreign Investor	Purchased quantity	Cumulative Purchase by foreign investor	Quantity to be disinvested by the foreign investor
1000 hrs	ABC	100	100	40
1015 hrs	XYZ	250	350	100
1145 hrs	TYU	50	400	20
1230 hrs	POI	180	580	72

1300 hrs	QSX	120	700	48
1400 hrs	REW	150	850	60
1410 hrs	LOP	150	1000	60
Total		**1000**		**400**

Q. As can be observed from the above table, the foreign investors/FPIs/NRIs which are required to disinvest shall be identified and shall be informed of the excess quantity that they are required to disinvest.

R. In the case of FPIs which have been identified for disinvestment of excess holding, the depositories shall issue the necessary instructions to the custodians of these FPIs for disinvestment of the excess holding within 5 trading days of the date of settlement of the trades.

S. In the case of NRIs which have been identified for disinvestment of excess holding, the depositories shall issue the necessary instructions to the Authorized Dealer (AD) Banks for disinvestment of the excess holding within 5 trading days of the date of settlement of the trades.

T. The depositories shall utilize the FPI trade data provided by the custodians, post custodial confirmation, on T+1 day, where T is the trade date. The breach of investment limits (if any) shall be detected at the end of T+1 day and therefore, the announcement pertaining to the breach shall be made at the end of T+1 day. The foreign investors who have purchased the shares of the scrip during the trading hours on T+1 day shall also be given a time period of 5 trading days from the date of settlement of such trades, to disinvest the holding accruing from the aforesaid purchase trades. In other words, the purchase trades of such foreign investors which have taken place on T+1 day, shall be settled on T+3 day and thereafter a time period from T+4 day to T+8 day shall be available to them to disinvest their entire holding arising from purchases on T+1 day.

U. If T+1 is a settlement holiday, then the custodial confirmation of the trade executed on T day shall be done on T+2 day and the subsequent settlement of the trade on T+3 day. In such a scenario, the breach would be detected at the end of T+2 day.

V. A table summarizing the breach-disinvestment scenario is given below

Table 8

Parameter	Purchase on T Day	Purchase on T+1
Date of breach	T day	T day
Date of trade	T day	T+1 day

Date of detection of breach	T+1 day (End of day)	T+1 day (End of day)
	T+2 day (End of Day, if T+1 is a settlement holiday	T+2 day (End of Day), if T+1 is a settlement holiday
Date of settlement of transaction	T+2 day T+3 day, if either T+1 day or T+2 day is a settlement holiday	T+3 day T+4 day, if either T+2 day or T+3 day is a settlement holiday
Disinvestment time frame	5 trading days from the date of settlement of the transactions which were executed on the day of the breach i.e. 5 trading days from T+2 day	5 trading days from the date of settlement of the transactions which were executed on T+1 day i.e. 5 trading days from T+3 day
	If T+1 day or T+2 day is a settlement holiday, then 5 trading days from T+3 day	If T+2 day or T+3 day is a settlement holiday, then 5 trading days from T+4 day

W. In the event the foreign shareholding in a company comes within permissible limit during the time period for disinvestment, on account of sale by other FPI or other group of FPIs, the original FPIs, which have been advised to disinvest, would still have to do so within the disinvestment time period, irrespective of the fresh availability of an investment headroom during the disinvestment time period.

X. There shall be no annulment of the trades which have been executed on the trading platform of the stock exchanges and which are in breach of the sectoral caps/aggregate FPI limits/ aggregate NRI limits.

Failure to disinvest within 5 trading days

Y. If a breach of the investment limits has taken place on account of the FPIs and the identified FPIs have failed to disinvest within 5 trading days, then the matter shall be referred to SEBI.

3. Off-Market transfer of securities

i. In addition to the transactions set out under Regulation 20(4)(d) of the Regulations with domestic or foreign investors, FPIs shall also be permitted to request for 'Off Market' transfer of assets between FPIs operating under MIM structure (with same PAN issued by Income Tax Department) to their DDPs and such requests can be processed by DDPs at their end.

ii. Any such approval of off market transactions of assets by DDPs will be without prejudice to provisions of taxation.

iii. FPIs are permitted to sell off-market unlisted, illiquid, suspended, and delisted shares in accordance with the pricing guidelines for such sale as per FEMA Rules.

4. "To be listed" shares

FPIs shall be permitted to acquire "to be listed" shares pursuant to initial public offer (IPO), follow-on public offer (FPO), rights issue, private placement or shares received through involuntary corporate actions including a scheme of a merger or demerger.

5. Short sale of securities

FPIs are not allowed to short sell in Indian market except as allowed under Securities Lending & Borrowing (SLB) or any other framework specified by the Board. Further, sales against open purchases are not permitted for FPIs and FPIs can sell such securities only after their settlement.

6 Investment by FPI through primary market issuances

i. As per Regulation 20(7) of the Regulations, the purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of total paid-up equity capital on a fully diluted basis of the company.

ii. To ensure compliance of the above, at the time of finalization of basis of allotment during primary market issuances, Registrar and Transfer Agents ('RTAs') shall use PAN issued by Income Tax Department of India for checking compliance for a single FPI. Also, RTAs should obtain validation from Depositories for the FPI investor group who have invested in the particular primary market issuance to ensure there is no breach of investment limit within the timelines specified by SEBI for issue procedure.

iii. Bids by FPIs submitted under MIM structure with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple bids.

7. Transfer of Right entitlements

FPI shall ensure that the transfer of rights entitlements shall be at market price or fair value, as applicable.

8. Risk management framework for FPIs

i. Margining of trades undertaken by FPIs in the Cash Market

a) The trades of FPIs shall be margined on a T+1 basis as specified by SEBI.

b) However, the trades of Category II FPIs who are corporate bodies, Individuals or Family offices shall be margined on an upfront basis as per the extant margining framework for the non-institutional trades.

ii. Facility for allocation of trades among related FPIs: The following framework may be implemented to facilitate allocation of trades among the FPIs:

a) Entities who trade on behalf of FPIs shall inform the stock brokers of the details of FPIs on whose behalf the trades would be undertaken.

b) The stock broker, in turn, shall inform the stock exchanges the details of such related FPIs.

c) Stock exchanges shall put-in place suitable mechanism to ensure that allocation of trade is permitted only among such related FPIs.

9. FPIs investments in debt securities

i. With respect to FPIs investments into government (Central and State) securities, exchange traded currency and interest rate derivatives, FPIs shall be guided by directions issued by RBI from time to time.

ii. In respect of investment conditions in the corporate debt securities, the FPI shall also comply with terms, conditions or directions, specified or issued by RBI, from time to time.

No separate circular(s) shall be issued by SEBI. The intermediaries may take steps required to operationalize the RBI notifications.

iii. FPIs are eligible to invest in corporate debt issues which are "to be listed" without any end-use restriction as applicable to unlisted debt securities. However, if the listing does not happen within 30 days or the issue is not meeting end use restriction, FPI shall immediately dispose such investment to either domestic investor or issuer

iv. The investments by FPIs in debt oriented mutual fund schemes shall be reckoned as investments in corporate debt.

10. Allocation of corporate debt limit

FPI corporate debt investments are subject to Corporate Debt Investment Limits (CDIL) as announced by RBI from time to time.

i. The CDIL shall be available on tap for investment by foreign investors till the overall investment reaches 95% of the CDIL.

ii. In the event the overall FPI corporate debt investments exceeds 95% of the CDIL (as indicated by the debt utilisation status updated daily on the websites of NSDL and CDSL), the following procedure shall be followed:

a. The depositories (NSDL and CDSL) shall direct the custodians to halt all FPI purchases in corporate debt securities.

b. The depositories shall then inform the exchanges (NSE and BSE) regarding the unutilised debt limits for conduct of auction. Upon receipt of information from the depositories, the exchange (starting with BSE) shall conduct an auction for the allocation of unutilised debt limits on the second trading day from the date of receipt of intimation from the depositories. Thereafter, the auction shall be conducted alternately on NSE and BSE.

c. The auction shall be held only if the free limit is greater than or equal to INR 100 cr. However, if the free limit remains less than INR 100 cr for 15 consecutive trading days, then an auction shall be conducted on the sixteenth trading day to allocate the free limits.

d. The auction shall be conducted in the following manner:

Table 9

Particulars	Details
Duration of bidding:	2 hours (15:30 to 17:30 hrs)
Access to platform	Trading members or custodians
Minimum bid	INR 1 crore
Maximum bid	One-tenth of free limit being auctioned
Tick Size	INR 1 crore
Allocation Methodology	Price time priority
Pricing of bid	Minimum flat fees of INR 1000 or bid price whichever is higher

Particulars	Details
Time period for utilization of the limits	10 trading days from the date of allocation

e. Once the limits have been auctioned, the FPIs will have a utilisation period of 10 trading days within which they have to make the investments. The limits not utilised within this period shall come back to the pool of free limits.

f. Upon sale/redemption of debt securities, the FPI will have a re-investment period of 2 trading days. If the re-investment is not made within 2 trading days, then the limits shall come back to the pool of free limits.

g. A single FPI/ FPI investor group cannot bid for more than 10% of the limits being auctioned.

iii. The subsequent auction would be held 12 trading days after the previous auction, subject to the fulfilment of the condition mentioned at clause (ii)(c) above.

iv. The auction mechanism shall be discontinued and the limits shall be once again available for investment on tap when the debt limit utilisation falls below 92%. It is clarified that in such a scenario, the reinvestment facility mentioned at clause (ii)(f) above shall be terminated and cannot be availed for the same limits when the utilisation crosses 95% again. The custodians shall monitor and report the reinvestment facility availed by the FPIs to the depositories.

11. Position limits available to FPIs for stock and stock index derivative contracts

Stock derivative

i. Position limits available to Category I FPIs for stock derivative contracts shall continue to have 20% of market wide position limit (MWPL). Position limits available to Category II FPIs (other than FPIs in sub-category individuals, family offices, corporates) shall have 10% of MWPL. Position limits for individuals, family offices, and corporates shall be 5% of MWPL.

Stock Index derivative

ii. The position limit in index for Category I FPIs will remain at INR 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per exchange.

In addition, category I FPIs shall take exposure in equity index derivatives subject to the following limits:-

a. Short positions in index derivatives (short futures, short calls and long puts) not exceeding (in notional value) the FPI's holding of stocks.

b. Long positions in index derivatives (long futures, long calls and short puts) not exceeding (in notional value) the FPI's holding of cash, government securities, T bills and similar instruments.

iii. The position limit in index derivative for Cat. II FPI shall be as under:-

a. Higher of INR 300 crore or 10% of open interest for cat II FPIs (other than individuals, family offices and corporates).

b. Higher of INR 100 crore or 5% of open interest for Cat II FPIs under subcategory of Individuals, family offices, corporates.

iv. The above limits shall be separately applicable for equity index futures and equity index options as per the current mechanism for all categories of FPIs.

12. FPI Position Limits in Exchange Traded Interest Rate Futures (IRF)

i. Following position limits shall be applicable for Category I & II FPIs other than FPIs in sub-category individuals, family offices, corporates):

a. A limit of INR 5,000 crore on aggregate basis to FPIs for taking long position in IRFs

b. This limit will be calculated as follows:

i. For each interest rate futures instrument, position of FPIs with a net long position will be aggregated. FPIs with a net short position in the instrument will not be reckoned.

ii. No FPI can acquire net long position in excess of INR 1,800 crore at any point of time.

c. The limits prescribed for investment by FPIs in Government Securities shall be exclusively available for investment in Government Securities and shall not be reckoned for the purpose of computing utilisation under above mentioned limit of INR 5,000 crore.

d. The Position Limits for FPI across all contracts will be as below:

i. Category I and II FPIs (other than individuals, family offices and corporates) - Trading member level Position limits

ii. Category II FPIs (Individuals, family offices and corporates - Client level position limits will apply.

Category	**8-11 years maturity bucket**	**4-8 and 11-15 year maturity bucket**
Trading Member Level	10% of Open Interest or INR 12 billion whichever is higher	10% of Open Interest or INR 6 billion, whichever is higher
Client Level	3% of Open Interest or INR 4 billion, whichever is higher	3% of Open Interest or INR 2 billion, whichever is higher

iii. The total gross short (sold) position of an FPI in IRF shall not exceed its long position in the government securities and in Interest Rate Futures, at any point in time.

iv. Monitoring mechanism

a) Stock Exchanges shall put in place necessary mechanism for monitoring and enforcing limits of FPIs in IRFs.

b) Stock Exchanges shall aggregate net long position in IRF of all FPIs taken together at the end of the day and shall jointly publish/ disseminate the same on their website on daily basis.

c) Once 90% of the limit is utilized, Stock Exchanges shall put in place necessary mechanism to get alerts and publish on their websites the available limit, on a daily basis.

d) In case, there is any breach of the threshold limit, the FPI/s whose investment

caused the breach shall square off their excess position/s within five trading days or by expiry of contract, whichever is earlier.

13. Participation of FPIs in the Currency Derivatives segment and Position limits for currency derivatives contracts

FPIs are permitted to trade in the currency derivatives segment of stock exch anges, subject to terms and conditions as mentioned below:

i. Position limits of Category I and II FPIs other than individuals, family offices and corporates:

The gross open positions of the above FPIs across all contracts in the respective currency pairs shall not exceed the limits as mentioned below.

Currency Pairs	Position Limits
USD-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or USD 100 million, whichever is higher.
EUR-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or EUR 50 million, whichever is higher.
GBP-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or GBP 50 million, whichever is higher.
JPY-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or JPY 2000 million, whichever is higher.

ii. Position limits of category II FPIs that are individuals, family offices and corporates:

The gross open positions of the above FPI across all contracts in the respective currency pairs shall not exceed the limits as mentioned below. For the purpose of computing the FPI level gross open position, Long position shall be considered as Long Futures, Long Calls, and Short Puts and Short Position shall be considered as Short Futures, Short Calls, and Long Puts

Currency Pairs	Position Limits
USD-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or USD 10 million, whichever is higher.
EUR-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or EUR 5 million, whichever is higher.
GBP-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or GBP 5 million, whichever is higher.
JPY-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or JPY 200 million, whichever is higher.

iii. In case of positions taken to hedge underlying exposure, the position limit linked to open interest shall be applicable at the time of opening a position. Such positions shall not be required to be unwound in the event a drop of total open interest in a currency pair at a stock exchange. However, participants shall not be allowed to increase their existing positions or create new positions in the currency pair till they comply with the position limits.

iv. Limits for FPIs and Domestic Clients based on Underlying Exposure:

- FPIs may take long or short positions without having to establish existence of underlying

exposure, upto a single limit of USD 100 million equivalent, across all currency pairs involving INR, put together, and combined across all the stock exchanges.

- FPIs shall ensure that their short positions at all stock exchanges across all contracts in FCY-INR pairs do not exceed USD 100 million. In the event a FPI breaches the short position limit, stock exchanges shall restrict the FPI from increasing its existing short positions or creating new short positions in the currency pair till such time FPI complies with the said requirement.
- To take long positions in excess of USD 100 million in all contracts in FCY-INR pairs, FPIs shall be required to have an underlying exposure in Indian debt or equity securities, including units of equity/debt mutual funds

v. FPIs are allowed to take positions in the exchange traded cross-currency futures and option contracts in the EUR-USD, GBP-USD and USD-JPY currency pairs and exchange traded currency option contracts in EUR-INR, GBP-INR and JPY-INR currency pairs, subject to terms and conditions as mentioned below

Position limits of Category I and II FPIs other than individuals, family offices and corporates:

Currency Pairs	Position Limits
EUR-USD	Gross open position across all contracts shall not exceed 15% of the total open interest or EUR 100 million, whichever is higher.
GBP- USD	Gross open position across all contracts shall not exceed 15% of the total open interest or GBP 100 million, whichever is higher.
USD- JPY	Gross open position across all contracts shall not exceed 15% of the total open interest or USD 100 million, whichever is higher. The aforementioned limits shall be the total limits available to the stock brokers for taking positions on proprietary basis and for positions of their clients.

Position limits of category II FPIs that are individuals, family offices and corporates:

Currency Pairs	Position Limits
EUR-USD	Gross open position across all contracts shall not exceed 6% of the total open interest or EUR 10 million, whichever is higher.
GBP-USD	Gross open position across all contracts shall not exceed 6% of the total open interest or GBP 10 million, whichever is higher.
USD-JPY	Gross open position across all contracts shall not exceed 6% of the total open interest or USD 10 million, whichever is higher.

vi. The following shall be implemented by the clearing corporations and the cu stodians of the FPIs for enabling monitoring of positions of FPIs:

- The clearing corporation shall provide details on the FPI's day-end and day's highest open positions at end of day to the custodians of the FPI.
- The custodian of the FPI shall aggregate the positions taken by th e FPI on the currency derivatives segments of all the stock exchanges and forward such details to the designated bank of the FPI. The custodian of securities of the FPI shall also provide the

market value of applicable underlying exposure of the FPI to the designated bank of the FPI.

vii. The onus of complying with the above provisions shall rest with the FPI and in case of any contravention, the FPI shall render itself liable to any action that may be warranted by RBI as per the provisions of Foreign Exchange Management Act, 1999 and Regulations, Directions, etc. framed thereunder. These limits shall be monitored by stock exchanges and/or clearing corporations and breaches, if any, shall be reported to RBI. In this regard, stock exchanges / clearing corporations shall devise a suitable mechanism to monitor the aforesaid limits, subject to appropriate regulatory concurrence

14. Investments by FPIs in REITs, InvITs, AIFs

i. FPIs are permitted to invest in units of REITs, InvITs and Category III AIFs in terms of Regulation 21 (1) of SEBI (FPI) Regulations, 2019 subject to such other terms and conditions as may be prescribed by SEBI from time to time.

ii. A FPI shall not hold more than twenty five percent stake in a category III AIF.

iii. Investments in REITs and InvITs shall be captured under the category "Hybrid Security" for the purpose of capturing and disseminating FPI investment data.

15. Investments by FPIs in corporate bonds under default

i. FPIs are permitted to acquire NCDs/bonds, which are under default, either fully or partly, in the repayment of principal on maturity or principal instalment in the case of an amortising bond. FPIs shall be guided by RBI's definition of an amortising bond in this regard.

ii. The revised maturity period for such NCDs/bonds restructured based on negotiations with the issuing Indian company, should be as per the norms prescribed by RBI from time to time, for FPI investments in Corporate Debt.

iii. The FPIs shall disclose to the Debenture Trustees, the terms of their offer to the existing debenture holders/beneficial owners of such NCDs/bonds under default, from whom they propose to acquire.

iv. All investments by FPIs in such bonds shall be reckoned against the prevalent corporate debt limit. All other terms and conditions pertaining to FPI investments in corporate debt securities shall continue to apply.

16. Clarification regarding adherence to below 10% investment limit

In the event an FPI and its investor group reach 10% or more of the total paid up equity capital of a company on a fully diluted basis, they must follow extant FEMA rules in this regard. If such FPI and its investor group opt to treat their entire investment into a company as FDI under Regulation 22(3), such FPI including its investor group shall not make further portfolio investment in that company under the Regulations. Such FPI/ its investor group shall inform respective custodians of the choice who in turn will report this to the board, depositories and the issuer. Such investments shall be treated as FDI subject to norms as prescribed by RBI from time to time and will be marked as FDI in custodian records. However, FPI and its investor group will be able to sell these securities only through the route as they were acquired and appropriate reporting (i.e. LEC reporting) will be

made by the respective custodian.

17. Write-off of securities held by FPIs

Where an FPI is not able to sell through permitted off-market transaction of unlisted, illiquid, suspended, and delisted shares, they can write-off such securities as per below process. as follows (only for FPIs whose registration is not valid or who intends to surrender their registration):

i. Custodian to obtain authorization from FPI to write-off securities. The FPI should also provide undertaking that it is giving away all its rights as the beneficial owner of the security(ies).

ii. Upon receipt of instruction from FPI, Custodian will extinguish the security from the safekeeping account (held in banks internal books/system) of the FPI -Securities written off should be reported to SEBI and RBI as sale trade with NIL sale proceeds.

iii. As securities in the electronic form in the demat account of the FPI cannot be extinguished, Custodian shall freeze depository account with reason being 'Write off securities as per client request' in the depository system and intimate such action to Depositories. To facilitate easy identification of such accounts in future depositories may issue guidance to the custodians for making make necessary changes in the existing FPI client 'type/ subtype' to the type of legal entity in the depository system of such demat accounts.

iv. Such FPI shall apply for surrender of its registration and the DDP of such FPI shall process the surrender after obtaining the approval from the Board.

v. Monetary corporate benefits if received by the Custodians shall be credited to the Investors Protection and Education Fund of SEBI not later than 30 days from the date of receipt of the same.

vi. Non-monetary corporate benefits if received shall accumulate in the demat account.

PART D - Issuance of Offshore Derivative Instruments by Foreign Portfolio Investors under SEBI (Foreign Portfolio Investor) Regulations, 2019

This section consolidates the requirements prescribed by SEBI relating to issuance of Offshore Derivative Instruments (ODIs) by Foreign Portfolio Investors (FPIs) and matters connected therewith.

1. Conditions for issuance of ODIs

i. FPIs shall not be allowed to issue ODIs referencing derivatives. Further, no FPI shall be allowed to hedge their ODIs with derivative positions on stock exchanges in India.

ii. As an exception to above clause (i), the following is permitted through a separate FPI registration of an ODI issuing FPI under Category I:

(a) Derivative positions that are taken on stock exchanges by the FPI for 'hedging of equity shares' held by it in India, on a one to one basis; and/or

The term "hedging of equity shares" means taking a one-to-one position in only those derivatives, which have the same underlying as the equity share held by the FPI in India.

(b) An ODI issuing FPI may hedge the ODIs referencing equity shares with derivative positions in Indian stock exchanges, subject to a position limit of 5% of market wide position limits for single stock derivatives. The permissible position limit for stock index

derivatives is higher of INR 100 crores or 5% open interest; and/or

For avoidance of any doubt on ODIs reference/ underlying and their allowance or otherwise, as stated under (i) and (ii) above, the following table shall be referred:

Table 10

Sl. No.	ODI reference/ underlying	ODI issuer's holding in India against the ODI	Allowed	Exception
1	Cash equity / debt securities / any permissible investment by FPI (other than derivatives)	Cash equity/ debt securities / any permissible investment by FPI (other than derivatives), for life of ODI	Yes	None. Separate registration required to undertake any proprietary derivative transactions by such ODI issuing FPI.
2	Cash equity	Cash equity on date of writing the ODIs and then move to derivative positions thereafter.	No	Allowed through separate FPI registration, subject to the above 5% limit.
3	Cash equity	Derivative on date of writing the ODI or thereafter except in manner referred at (2) above in table.	No	None
4	Derivatives	Derivatives	No	Allowed through separate FPI registration, if FPI is holding cash equity and has short future position exactly against the cash equity in the same security (one-to-one basis). FPI to retain the cash equity for the life of ODI.
5	Derivatives	Cash equity	No	None

Note: All reference to derivatives above include instruments or contracts or agreements referencing index.

An ODI issuing FPI, which hedges its ODI only by investing in securities (other than derivatives) held by it in India, cannot undertake proprietary derivative positions through the same FPI registration. Such FPI must segregate its ODI and proprietary derivative investments through separate FPI registrations. Such separate registrations should be in the name of FPI with "ODI" as suffix under same PAN. Where such addition is being requested for an existing FPI, this addition of suffix will not be considered change in name of of FPI and DDP may process this request and issue a new FPI registration certificate. An ODI issuing FPI cannot co-mingle

its non-derivative proprietary investments and ODI hedge investments with its proprietary derivative investment or vice versa in same FPI registration.

iii. No fresh derivative position which are not in compliance with above requirements shall be allowed henceforth. FPIs have 90 days' time from date of publication of the Operating Guidelines to comply with above requirements. Off-market transfer of assets/ positions will be allowed for FPIs intending to transfer assets/ position from one FPI account to another FPI account to comply with above requirements.

iv. An ODI subscriber who became ineligible under the Regulation may continue to hold their existing positions till December 31, 2020. No renewal/rollover of existing positions by such ODI subscribers shall be permitted and fresh issuance of ODIs shall be made only to eligible subscribers.

v. In determining whether a derivative instrument issued is an ODI or not, the threshold for trades with non-proprietary indices (e.g. MSCI World or MSCI EM Asia) as underlying shall be taken as 20%, i.e. those trades for which the materiality of Indian underlying is less than 20% of the index would not be regarded as ODIs, even if such exposure is hedged onshore in India. However, trades with custom baskets as underlying if hedged onshore would always be regarded as ODIs regardless of percentage of Indian component that is hedged onshore in India.

vi. Synthetic short activities, where ODI are issued which has the effect of short sale in the Indian securities, continue to be prohibited for FPIs.

vii. ODI issuer shall ensure that it has collected documents/ information enough to satisfy itself with regard to the relationship between the ODI subscriber and its Investment Manager from a FATF member country as allowed in explanation under Regulations 21 (1) (b) of the Regulations.

viii. Investment restrictions prescribed under the Regulation 20(7) of SEBI (Foreign Portfolio Investor) Regulations, 2019 shall apply to ODI subscribers also.

a. For this purpose, two or more ODI subscribers having common ownership, directly or indirectly, of more than fifty percent or common control shall be considered together as a single ODI subscriber, in the same manner as is being done in the case of FPIs.

b. Further, where an investor has investments as FPI and also holds positions as an ODI subscriber, these investment restrictions shall apply on the aggregate of FPI investments and ODI positions held in the underlying Indian Company. In other words, the investment as FPI and positions held as ODI subscriber will be clubbed together with reference to the said investment restrictions.

2. Know Your Client (KYC) norms for ODI subscribers and reporting of suspicious transactions

i. KYC requirement table, applicable for ODI subscribers is placed below:-

Table 11

	Document required

ODI subscriber	Constitutive Documents
	Proof of Address
	Board Resolution
Beneficial Owner (BO) of ODI subscriber	List
	Proof of Identity
	Proof of Address
Senior Management (Whole Time Directors/ Partners/ Trustees etc.)	List

ii. The ODI issuing FPIs shall maintain with them at all times the KYC documents regarding ODI subscribers and should be made available to SEBI on demand.

iii. Offshore Derivative Instrument (ODI) issuing FPIs shall identify and verify the BOs in the ODI subscriber entities, as applicable to FPIs. Beneficial owner and intermediate shareholder/ owner entity with holdings equal & above the materiality thresholds in the ODI subscriber need to be identified through the look through basis. The list of BOs of ODI subscribers be maintained as per Table 6. ODI issuing FPIs shall also continue to collect identification document number (such as passport, driving license) of BO of ODI subscriber.

iv. For intermediate material shareholder/ owner entity/ies, name, country and percentage holding shall also be disclosed as per Annexure E.

v. The KYC review shall be done on the basis of the risk criteria as determined by the ODI issuers, as follows:

a) In case of high risk ODI subscribers, on yearly basis

b) In case of all other ODI subscribers, once every three years.

vi. ODI issuing FPIs shall file suspicious transaction reports, if any, with the Indian Financial Intelligence Unit, in relation to the ODIs issued by it.

3. Reporting of ODIs and Maintenance of Control Systems

i. Reporting of complete transfer trail of ODIs - Presently, the details of the holder of ODIs have to be mandatorily reported to SEBI on a monthly basis. The ODI issuers are also required to capture the details of all the transfers of the ODIs issued by them and these can be made available to SEBI on demand. The Board decided that in the monthly reports on ODIs all the intermediate transfers during the month would also be required to be reported.

ii. Reconfirmation of ODI positions - ODI Issuers shall be required to carry out reconfirmation of the ODI positions on a semiannual basis. In case of any divergence from reported monthly data, the same should be informed to SEBI in format provided

iii. Periodic Operational Evaluation - ODI Issuers shall be required to put in place necessary systems and carry out a periodical review and evaluation of its controls, systems and procedures with respect to the ODIs. A certificate in this regard should be submitted on an annual basis to SEBI by the Chief Executive Officer or equivalent of the ODI Issuer. The said certificate should be filed within one month from the close of every calendar year.

iv. Report Details - Following reports need to be submitted by the 10th of every month for the

previous month in the format prescribed by SEBI as per the reporting format at Annexure F with effect from 1st January 2020 i.e. for the month of December 2019 the report to be filed by 10th January 2020 needs to be in the reporting format as annexed. Till such time, FPIs can continue to file the report in the existing format.

Table 12

S. No.	Heading
1.	Monthly Summary Report (MSR)- Statement of Outstanding Positions of Offshore Derivative Instruments (ISIN Wise) as on (last day of previous month)
2.	Annexure A - Offshore Derivative Instruments Activity For The Period ( )
3.	Details of Underlying Trade(s) in Indian Market - For the Period of _____ to _____ (Month) - Equity - Annexure B _ Equity
4.	Details of Underlying Trade(s) in Indian Market - For the Period of _____ to _____ (Month) - Debt - Annexure B _ Debt
5.	Details of Underlying Trade(s) in Indian Market - For the Period of _____ to _____ (Month) - Derivative - Annexure B _ Derivative
6.	Details of Underlying Trade(s) in Indian Market - For the Period of _____ to _____ (Month) - Hybrid - Annexure B _ Hybrid
7.	Details of Assets Under Management in Indian Market - Equity as on _____ (Last reporting date of the Month) - Annexure C _ Equity
8.	Details of Assets Under Management in Indian Market - Debt as on _____ (Last reporting date of the Month)- Annexure C _Debt
9.	Details of Assets under Management in Indian Market - Derivative as on _____ (Last reporting date of the Month) - Annexure C _ Derivative
10.	Details of Assets Under Management in Indian Market - Hybrid as on _____ (Last reporting date of the Month) - Annexure C _ Hybrid
11.	Annexure D - Statement on Beneficial owners of ODI subscribers*
12.	Annexure E - Reconciliation/Reconfirmation Report

v. ODI Issuing FPI should compulsorily reflect all their ODIs to Indian underlying in each row of MSR in a true & fair manner. Thus, advise given vide circular dated June 15, 2011 that "The ODI Issuers shall link hedges to the extent that such a link can be made" shall be withdrawn. Format of the monthly ODI reports to be uploaded on SEBI website shall be as per Annexure G.

PART E - Guidelines for participation/functioning of Eligible Foreign Investors (EFIs) in International Financial Services Centre (IFSC)

EFIs operating in International Financial Services Centre (IFSC) shall not be treated as entities regulated by SEBI. Further, SEBI registered FPIs, proposing to operate in IFSC, shall be permitted, without undergoing

any additional documentation and/or prior approval process.

Following are eligibility and KYC norms for EFIs:

I. Eligibility norms: EFIs are those foreign investors who are eligible to invest in IFSC by satisfying the following conditions:

   a. the investor is not resident in India

   b. the investor is not resident in a country identified in the public statement of Financial Action Task Force as:

      I. a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or

      II. a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies;

   c. the investor is not prohibited from dealing in securities market in India.

ii. KYC norms: Intermediary operating in IFSC needs to ensure that records of their clients are maintained as per Prevention of Money-laundering Act, 2002 and rules made thereunder. The following KYC norms may be made applicable to EFIs:

   a. In case of participation of an EFI, not registered with SEBI as an FPI, but desirous of operating in IFSC, a trading member of the recognized stock exchange in IFSC, may rely upon the due diligence carried out by a bank, which is permitted by RBI to operate in IFSC, during the account opening process of EFI.

   b. In case of EFIs that are not registered with SEBI as FPI and also not having bank account in IFSC, KYC as applicable to Category II FPI as per the new FPI categorization shall be made applicable. However, PAN shall not be applicable for KYC of EFIs in IFSC.

   c. In case of participation of FPI in IFSC, due diligence carried out by SEBI registered Intermediary during the time of account opening & registration shall be considered.

iii. Segregation of accounts: FPIs, who presently operate in Indian securities market and propose to operate in IFSC also, shall be required to ensure clear segregation of funds and securities. Custodians shall, in turn, monitor compliance of this provision for their respective FPI clients. Such FPIs shall keep their respective custodians informed about their participation in IFSC

ANNEXURE-A

The following circulars issued by the Board shall stand rescinded:

Date of Circular	Reference	Title
15-Apr-10	CIR/IMD/FIIC/1/2010	Additional information regarding PCC, MCV or equivalent structure by FIIs.
19-Dec-13	CIR/IMD/FIIC/21/ 2013	Declaration and Undertaking regarding PCC, MCV or equivalent structure by FIIs
8-Jan-14	CIR/IMD/FIIC/02/2014	Operational Guidelines for Designated Depository Participants
28-Apr-14	CIR/IMD/FIIC/ 09/ 2014	Infrastructure facilities and submission of periodic reports
04-Jan-17	IMD/HO/FPIC/CIR/P/2017/003	Guidelines for participation/functioning of Eligible Foreign Investors(EFIs) and FPIs in International Financial services Centre (IFSC)
12-Jun-15	CIR/IMD/FIIC/05/2015	Clarification on grant of registration as a Foreign Portfolio Investor (FPI) to Registered Foreign Venture Capital Investors (FVCI)
15-Feb-18	CIR/IMD/FPIC/ 26 /2018	Easing of Access Norms for investment by FPIs
13-Mar-18	CIR/IMD/FPIC/47/2018	Clarifications in respect of investment by certain Category II FPIs
21-Mar-18	IMD/ FPIC/CIR/P/2018/53	Due diligence and reporting requirements under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)
10-Apr-18	SEBI/HO/IMD/FPIC/CIR/P/2018 /66	Clarification on clubbing of investment limits of foreign Government/ foreign Government related entities
21-Sep-18	CIR/IM D/FPIC/CIR/P/2018/132	Eligibility conditions for Foreign Portfolio Investors (FPIs)
21-Sep-18	CIR/IM D/FPIC/CIR/P/2018/131	Know Your Client requirements for Foreign Portfolio Investors (FPIs)
11-Oct-18	SEBI/HO/FPIC/CIR/P/2018/135	Monthly report of FPI registration on SEBI's website
13-Dec-18	SEBI/HO/IMD/FPIC/CIR/P/2018 /150	Clarification on clubbing of investment limits of Foreign Portfolio Investors ("FPIs")
5 -Sep-12	CIR/MIRSD/ 11 /2012	Know Your Client Requirements
12-Sep-13	CIR/MIRSD/ 07 /2013	KYC Requirements for Eligible Foreign investors
16-Jun-14	CIR/IMD/FIIC/11/2014	KYC for FPIs
17-Nov-16	CIR/IMD/FPIC/123/2016	Review of requirement of copy of PAN card to open accounts of FPIs
30-Jun-17	SEBI/HO/IMD/FIIC/CIR/P/2017/ 068	Acceptance of e-PAN card for KYC purpose

Date of Circular	Reference	Title
10-Apr-18	CIR/IM D/FPIC/CIR/P/2018/64	Know Your Client Requirements for Foreign Portfolio Investors (FPIs)
21-Aug-18	IMD/FPIC/CIR/P/2018/124	Amendment to SEBI Circular No. CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 on Know Your Client Requirements for Foreign Portfolio Investors (FPIs)
21-Sep-18	CIR/IM D/FPIC/CIR/P/2018/131	Know Your Client Requirements for Foreign Portfolio Investors (FPIs)
31-Oct- 01	FITTC/CUST/14/2001	Issuance of Derivative Instruments by Registered Foreign Institutional Investors (FII
12-Mar-19	IMD/FPIC/CIR/P/2019/37	Review of Investment by Foreign Portfolio Investors (FPI) in Debt Securities
05-Apr-06	IMD/FII/20/2006	FII investments in Debt Securities
19-Jan-07	IMD/FII & C/25/2007	FII investments in Debt Securities
31-Jan-08	IMD/FII & C/27/2008	FII investments in Debt Securities
06-Jun-08	IMD/FII & C/29/2007	FII investments in Debt Securities
06-Feb-09	IMD/FII & C/37/2009	Allocation methodology of debt investment limits to FIIs
12-May-09	IMD/FII & C/39/2009	Allocation methodology of debt investment limits to FIIs
04-Sep-09	IMD/FII & C/40/2009	Allocation methodology of debt investment limits to FIIs
15-Dec-09	IMD/FII & C/41/2009	Allocation methodology of debt investment limits to FIIs
11-Jun- 10	CIR/IMD/FII/3/2010	Allocation of Corporate debt investment limits to FIIs
06-Aug-10	CIR/IMD/FIIC/9/2010	Allocation of Government debt & Corporate debt investment limits to FIIs
26- Nov-10	CIR/IMD/FIIC/18/2010	Allocation of Government debt & Corporate debt investment limits to FIIs
08-Mar-11	CIR/IMD/FII C/3/2011	Allocation of Government debt long term & corporate debt -old investment limits to FIIs
31-Mar- 11	CIR/IMD/FII C/5/2011	FII Investment in corporate bonds infra long term category
29-Jul-11	CIR/IMD/FIIC/11/2011	Allocation of Government debt long term limits to FIIs
26-Aug-11	CIR/IMD/FIIC/15/2011	Infrastructure Finance Companies(IFCs)-- as eligible issuers for FIIs investment limit in debt instrument for infrastructure

Date of Circular	Reference	Title
30-Sep-11	CIR/IMD/FIIC/18/2011	Revisions in FII Investments in corporate debt long term infra category
18-Nov-11	CIR/IMD/FIIC/20/2011	Increase in FII debt limit in Government & Corporate debt category
03-Jan-12	CIR/IMD/FIIC/1/2012	Changes in Re-investment period of FII debt limit
13-Jan-12	CIR/IMD/FII&C/3/2012	Investment by Qualified Foreign Investors (QFI) in Indian equity shares.
17-Feb-12	CIR/IMD/FII C/5/2012	Allocation of Corporate debt long term category to FIIs.
12-Mar-12	CIR/IMD/FIIC/09/2012	Allocation of debt limits in corporate debt old and Government Debt long term category to FIIs
27-Apr-12	CIR/IMD/FIIC/12/2012	Auction calender for allocation of FII debt limit
07-Jun-12	CIR/IMD/FII&C/13/2012	Revision in framework for Qualified Foreign Investor (QFI) investment in Equity Shares and Mutual Fund schemes
26-Jun-12	CIR/IMD/FII&C/15/2012	FII Investment in Government debt long term and corporate debt log term infra category
07-Nov-12	CIR/IMD/FIIC/22/2012	Debt Allocation Mechanism for FII
01-Jan-13	CIR/IMD/FIIC/1/2013	Debt Allocation Mechanism for FII
08-Feb-13	CIR/IMD/FII C/3/2013	Increase in FII debt limit for Government and Corporate Debt category
01-Apr-13	CIR/IMD/FII C/6/2013	Rationalisation of Debt Limits
12-Jun-13	CIR/IMD/FII C/8/2013	Enhancement in Foreign Investment limits in Government debt
31-Jul-13	CIR/IMD/FIIC/11/2013	Utilisation period for Government Debt Limits
13-Sep-13	CIR/IMD/FIIC/15/2013	Debt Allocation Mechanism for FII/QFI-Government debt securities
29-Jan-14	CIR/IMD/FII C/3/2014	Change in Government Debt Investment Limits
14-Feb-14	CIR/IMD/FII C/4/2014	FII/QFI investments in Commercial papers
07-Apr-14	CIR/IMD/FII C/8/2014	Change in investment conditions / restrictions for FII/QFI investments in government debt securities
23-Jul-14	CIR/IMD/FIIC/17/2014	Change in Government Debt Investment Limits
09-Oct-14	CIR/IMD/FIIC/19/2014	Clarification on Government Debt Investment Limits
05-Feb-15	CIR/IMD/FIIC/2/2015	Change in investment conditions for FPI investments in Government Debt securities
06-Oct-15	CIR/IMD/FII C/8/2015	Investments by FPIs in Government securities
29-Mar-16	IMD/FPIC/CIR/P/2016/45	Investments by FPIs in Government securities
03-Oct-16	IMD/FPIC/CIR/P/2016/107	Investments by FPIs in Government securities
03-Apr-17	IMD/FPIC/CIR/P/2017/30	Investments by FPIs in Government securities
04-Jul-17	IMD/FPIC/CIR/P/2017/74	Investments by FPIs in Government securities

Date of Circular	Reference	Title
04-Oct-17	IMD/FPIC/CIR/P/2017/113	Investments by FPIs in Government securities
20-Dec-17	IMD/FPIC/CIR/P/2017/129	Investments by FPIs in Government securities
29-Mar-11	CIR/IMD/FII C/4/2011	Dissemination of further information about FII activity-Discontinues of Reporting
09-Jul-13	CIR/IMD/FII C/9/2013	FII/QFI investments in Security Receipts
28-Nov-13	CIR/IMD/FIIC/19/2013	Investments by FII/QFIs in Credit Enhanced Bonds
20-Jan-14	CIR/MRD/DRMNP/2/2014	FII Position Limits in Exchange Traded Interest Rate Futures (IRF)
17-Jun-17	CIR/IMD/FIIC/13/2014	Investments by FPIs in Non-Convertible/ Redeemable preference shares or debentures of Indian companies
03-Feb-15	CIR/IMD/FIIC/1/2015	Change in investment conditions/restrictions for FPI investments in Corporate Debt securities
15-Mar-16	CIR/IMD/FPIC/39/2016	Investments by FPIs in REITs, InvIts, AIFs and corporate bonds under default
04-Aug-16	SEBI/HO/IMD/FPIC/CIR/P/201 6/67	Foreign Investment in Rupee denominated bonds issued overseas by Indian Corporates
02-Jan-17	IMD/HO/FPIC/CIR/P/2017/001	Reference to Circular no. FITTC/FII/02/2002 dated May 15, 2002-In regard to credit of proceeds due to write off of securities held by Foreign Portfolio Investors/deemed Foreign Portfolio Investors
28-Feb-17	SEBI/HO/IMD/FPIC/CIR/P/201 7/16	Investments by FPIs in corporate debt securities
20-Jul-17	IMD/FPIC/CIR/P/2017/81	Investments by FPIs in Coporate Debt
29-Sep-17	SEBI/HO/IMD/FPIC/CIR/P/201 7/112	Foreign Portfolio Investment in Corporate debt securities
15-Nov-17	IMD/FPIC/CIR/P/2017/121	Investments by FPIs in Hybrid Securities
08-Mar-18	IMD/FPIC/CIR/P/2018/46	Separate limit of Interest Rate Futures (IRFs) for Foreign Portfolio Investors (FPIs)
12-Apr-18	SEBI/IMD/FPIC/CIR/P/2018/70	Investments by FPIs in Government and Corporate debt securities
27-Apr-18	IMD/FPIC/CIR/P/2018/74	Amendment to SEBI Circular No. IMD/FPIC/ CIR/P/2018/61 dated April 5,2018 on Monitoring of Foreign Investment limits in listed Indian companies
17-May-18	SEBI/HO/IMD/FPIC/CIR/P/201 8/81	Amendment to SEBI Circular No. IMD/FPIC/ CIR/P/2018/61 dated April 5,2018 and Circular No. IMD/FPIC/CIR/P/2018/74 dated April 27,2018 on Monitoring of Foreign Investment limits in listed Indian companies
15-June-18	IMD/FPIC/CIR/P/2018/101	Review of Investment by Foreign Portfolio Investors (FPI) in Debt

Date of Circular	Reference	Title
13-Jul-18	IMD/FPIC/CIR/P/2018/114	Investment by Foreign Portfolio Investors (FPI) through primary market issuances
13-Dec-18	SEBI/HO/IMD/FPIC/CIR/P/201 8/150	Clarification on clubbing of Investment limits of Foreign Portfolio Investors (''FPIs'')
08-May-19	IMD/FPIC/CIR/P/2019/62	Permitting Foreign portfolio Investors (FPI) to invest in Municipal Bonds
31-Oct-01	FITTC/CUST/14/2001	Issuance of Derivative Instruments by Registered Foreign Institutional Investors (FII
08-Aug-03	IMD/CUST/8/2003	Issuance of Offshore Derivative Instruments by Registered Foreign Institutional Investors (FII
20-Nov- 03	IMD/CUST/9/2003	Issuance of Offshore Derivative Instruments by Registered Foreign Institutional Investors (FII)
02-Apr-04	IMD/CUST/15/2004	Reporting of Offshore Derivative Instruments by Registered Foreign Institutional Investors (FII)
17-Jan-11	CIR/IMD/FIIC/1/2011	Reporting of Offshore Derivative Instruments(ODIs)/ Participatory Notes(PNs) activity
18-Jan-11	CIR/IMD/FIIC/2/2011	Addendum to the Circular No. CIR/IMD/ FIIC/1/2011
12-May-11	CIR/IMD/FII C/6/2011	Reporting of Offshore Derivative Instrument s(ODIs)/ Participatory Notes(PNs) activity
15-Jun-11	CIR/IMD/FII&C/7/2011	Reporting of Offshore Derivative Instruments(ODIs)/ Participatory Notes(PNs) activity
07-Jun12	CIR/IMD/FIIC/14/2012	Reporting of Offshore Derivative Instruments (ODIs)/ Participatory Notes (PNs) activity
24-Nov- 14	CIR/IMD/FIIC/ 20 /2014	Conditions for issuance of Offshore Derivative Instruments under SEBI (Foreign Portfolio Investor) Regulations, 2014
10-Jun-16	CIR/IMD/FPI&C/59/2016	Know Your Client (KYC)norms for ODI subscribers, transferability of ODIs, reporting of suspicious transactions, periodic review of systems and modified ODI reporting format.
29-Jun-16	CIR/IMD/FPI&C/61/2016	Clarification regarding grandfathering of ODI issuers and modification of replies of FAQ 70 and FAQ 71 of SEBI FAQs to SEBI (FPI) Regulations, 2014
07-Jul-17	CIR/IMD/FPI&C/76/2017	Guidelines for issuance of ODIs, with derivative as underlying, by the ODI issuing FPIs.

ANNEXURE-B

Form

SECURITIES AND EXCHANGE BOARD OF INDIA (FOREIGN PORTFOLIO INVESTORS) REGULATIONS, 2019

Application Form for Grant of Certificate of Registration as Foreign Portfolio Investor (FPI)

1. Details of the applicant:

1.1 Name of the applicant:

1.2 Registered /Residence Address of the applicant:

Address			
Postal Code		Country	
Telephone No.		Fax No	
Web-site			

1.3 Date of Birth/ incorporation /establishment/ formation: dd/mm/yyyy

1.4 Date of commencement of business dd/mm/yyyy

1.5 Place and Country of Birth/ incorporation/establishment/ formation:

Place		Country	

In case of Foreign Individual applicant, please specify the nationality and passport no. of the applicant:

Nationality		Passport No.	

1.6 Legal Entity Identifier:

1.7 Information pertaining to compliance officer (not applicable to individuals):

Name		
Job Title		
Telephone no	Fax No	
E-mail id		

2 Category of the applicant

2.1 Classification of applicant (please select the most appropriate category)*:

Type of Category	Name of Sub-Category
Category – I	
Category - II	

* applicant should select only one category and sub-category, which is most appropriate for it. If the applicant selects more than one category or selects an incorrect category or sub-category, the application form shall be deemed to be defective and is liable to be rejected.

2.2 Details for appropriately regulated entities seeking registration under Category I FPI

☐ Investing entity ☐ Non- Investing entity

2.3 Separate registration for the purposes of hedging the ODIs with derivatives as underlying in India?(applicable only for Category I)

☐ Yes ☐ No

2.4 Whether the applicant is seeking registration under Multi Investment Manager (MIM) structure?

☐ Yes ☐ No

2.5 If segregated portfolio is maintained for each sub-funds or share classes/ equivalent structures of the applicant, names of such sub-funds or share classes/ equivalent structures that intend to invest in India.

Sr. No.	Name of sub-funds or share classes/ equivalent structures that intend to invest in India

(Details can be provided under separate annexure)

2.6 Details of Investment Manager of FPIs which are registered under regulation 5 (a) of SEBI (FPI) Regulations, 2019 (as amended from time to time), if applicable or FPI seeking registration under MIM structure

Sr. No.	Name of Investment Manager	SEBI Registration No., if any

2.7 Details of eligible Category I entity registered under 5(a)(v)(B) of SEBI (FPI) Regulations, 2019 (as amended from time to time)

Name of entity	Country	Entity type as per Regulation 5(a)

2.8 Bank or subsidiary of bank declaration

☐ We are not a bank or a subsidiary of a bank

☐ We are a bank or a subsidiary of a bank and we/ group companies have a branch office or representative office in India

Name of entity

☐ We are a bank or a subsidiary of a bank and we/group companies do not have any branch office or representative office in India

2.9 Information regarding foreign investor groups:

☐ We share common ownership, directly or indirectly, of more than fifty percent or common control with other FPIs and are not exempt from regulation 22(4). Details of investor group are as below

Sr. No.	Name of FPI/ ODI subscriber with whom the applicant shares, ownership of more than 50% or common control	If ODI subscriber, please mention the name of dealing FPI	Registration No. of FPI

☐ In case Clubbing of investment limits of FPIs having common control is not being done in case of public retail funds as referred in Regulation 22(4), please provide following details:

Sr. No.	Name of FPI	FPI Registration Number	Name of Common Controlling Person

3. Details of Regulatory authority by which the applicant is regulated (If applicable)

Name			
Country		Web-site	
Registration Number/ Code with Regulator, if any			
Category / Capacity in which the applicant is Regulated			

4. Disciplinary History

Whether there has been any instance of violation or non-adherence to the securities laws , code of ethics/ conduct, code of business rules, for which the applicant or its parent/holding company or associate / or promoter/ investment manager may have been subjected to criminal liability or suspended from carrying out its operations or the registration, has been revoked, temporarily or permanently or any regulatory actions that have resulted in temporary or permanent suspension of investment related operations in the applicant's home jurisdiction and has a bearing on obtaining FPI registration for investing in India? .

☐ Yes ☐ No

If yes, please furnish details in annexure

5. Details of the designated depository participant, custodian and designated bank appointed

5.1 Details of the DDP/Custodian

Name	
SEBI Registration number	

5.2 Details of designated bank:

Name of the Bank and Branch	
Address	

6. Details of prior association with the Indian securities market.

6.1 Whether the applicant was anytime registered as FPI, FII, sub account, QFI or FVCI with the Securities and Exchange Board of India.

☐ Yes ☐ No

If yes, then please provide details:

Name of the entity	Registered/associated as	SEBI Registration No. (if applicable)

7. Declaration and Undertaking

I/We, the applicant, do hereby declare that what is stated in the aforesaid application form (including the enclosed documents/annexures) is complete and true to the best of my/ our information and belief. I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/ we are aware that I/we may be held liable for it. I/we hereby apply for registration as Foreign Portfolio Investor in accordance with the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. Further, I/We have read and understood the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 and its operating guidelines issued by SEBI and shall abide with any other terms and conditions specified by SEBI from time to time. I/We hereby declare that I/we fulfill all the eligibility requirements under Regulation 4 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, including the fit and proper person criteria, under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 and I/we am/are eligible to register as a FPI.

We also declare that we have complied and will continue to comply with FEMA Act 1999 and rules & regulations made thereunder. I/We shall provide any additional information or documents or declarations and undertakings as may be required to ensure compliance with the Prevention of Money Laundering Act, 2002 and rules and regulations prescribed thereunder, FATF standards and circulars issued from time to time by SEBI, RBI or any other regulators from time to time.

I/ We undertake to abide by operational instructions/ directives as may be issued by Securities and Exchange Board of India, Reserve Bank of India or any other authority from time to time under provisions of the Act or any other applicable law.

Signature of Authorized Signatory(ies)	
Name	
Designation **(not applicable to individual persons)**	
Date	dd/mm/yyyy

Annexure to Form

(Only applicable sections to be submitted)

1. **NON RESIDENT INDIANS (NRIs) AND/OR OVERSEAS CITIZEN OF INDIA (OCIs) AND/OR RESIDENT INDIAN (RI) DECLARATION**

(not applicable for entities seeking registration under regulation 5(a)(i))

Section A- I: NRI/OCI/RI - Control:

1. ☐ There is no NRI/OCI/RI who exercises control over the FPI

OR

☐ NRI/OCI/RI exercise control in us and we confirm that we will meet eligibility conditions mentioned within two years from the date of registration

2. ☐ The applicant is not controlled by an investment manager who in turn is controlled by NRI/ OCI/RI.

OR

☐ NRIs/OCI/RIs controlled Investment Manager (IM) is in control of the applicant and the said IM is:

OR

☐ Appropriately regulated and is registered with SEBI as a non-investing FPI.

OR

☐ Incorporated/setup under Indian laws and appropriately registered with SEBI.

3. ☐ We are a non-investing FPI directly or indirectly fully owned and/ or controlled by a NRI/ OCI/ RI.
4. ☐ We are an offshore fund for which no-objection certificate has been provided by SEBI in terms of SEBI (Mutual Funds) Regulations, 1996

SECTION B - II: NRI/OCI/RI - Entitlement in FPI

1. ☐ We confirm that there are no NRI/OCI/RI who are constituents/investors in the FPI
2. ☐ We confirm that NRIs/ OCIs/ RIs* as investors in the FPI and contributions by single NRI/ OCI/RI including those of NRI/OCI/RI controlled Investment Manager are below 25 percent of the corpus of the FPI and in aggregate is below 50 percent of the corpus of FPI

* Explanation: Resident Indian's contribution, if any, that is made through Liberalised Remittance Scheme (LRS) approved by Reserve Bank of India in our funds and our Indian exposure is less than 50%.

OR

3. ☐ Investments by NRI/OCI/RI in the FPI are not meeting above condition(s) and we confirm that we will meet the condition(s) within two years from the date of registration.

OR

4. ☐ None of the above restrictions/conditions mentioned in Section A & B are applicable to us as we are/shall be investing only in mutual funds in India through our FPI registration

2. APPLICANTS UNDERTAKING INVESTMENTS ON BEHALF OF ITS CLIENTS

(Applicable only for entities seeking registration under regulation 5(b)(vii))

i. Clients are individuals and/or family offices.

ii. Clients are eligible for registration as FPI and are not dealing on behalf of third party.

iii. Applicable KYC prescribed by SEBI has been performed on the clients.

iv. The complete investor details of its clients is as below and we shall provide the same on quarterly basis (end of calendar quarter) by end of the following month to DDP.

Details of client				
Sr. No.	**Name**	**Country**	**Address**	**Type (Individual/ Family office)**

Date:

Name of Applicant

(Signature block for Applicant)

3. UNDERTAKING FROM INVESTMENT MANAGER UNDER REGULATION 5(a)(iv)(II) or 5(a)(v)(A), AS APPLICABLE

We ( ) are the Investment manager of ( ) and are responsible for investment activity of the fund. We also undertake that we shall be responsible and liable for all acts of commission and omission of (name of the Applicant) and other deeds and things done by them under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. We continue to meet eligibility requirements as applicable to Category I FPI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

Place:

Date :

(Signature block)

Signature(s) of Authorised Person(s)

4. UNDERTAKING FROM ELIGIBLE CATEGORY I ENTITY UNDER REGULATION 5(a)(v)(B)

We ( ), undertake that we shall be responsible and liable for all acts of commission and omission of (name of the Applicant) and other deeds and things done by them under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. We continue to meet eligibility requirements as applicable to Category I FPI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

Place:

Date :

(Signature block)

5. ADDITIONAL KYC DETAILS

i. Correspondence Address of FPI Applicant ((if different from Registered Address)

Address			
Postal Code		Country	
Telephone No.		Fax No	
Web-site			

ii. Specify the proof of address submitted for address

iii. Contact Details (email ID is mandatory)

Tel. (Off.)		Tel. (Res.)	
Fax No.		Mobile No.	
Email ID			

iv. Latest available Net worth in INR (cannot be older than one year from the date of application; please provide date)

Net worth in INR	**As on**
	dd/mm/yyyy

v. Whether the applicant or the applicant's authorized signatories/ senior management is:

A politically exposed person	YES/NO
Related to a politically exposed person	YES/NO

vi. Does FPI wish KRAs to seek consent prior to permitting any intermediary to download their KYC information (YES / NO)
(If Yes please provide below information)

Name of authorized representative of FPI (optional)	
Email id 1 (Mandatory) :	
Email id 2 (Optional) :	
Email id 3 (Optional) :	
Mobile number (optional):	

vii. Information in respect of authorized signatories/ senior management of FPI applicant

Sr. No.	Name	Relationship with applicant (i.e., directors, authorized signatory etc.)	PAN (if applicable)	Nationality	Date of Birth (DD/MM/ YYYY)	Residential/ Registered Address	Any government issued identity document number (example driving license)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.							
2.							

Note: Column 8 be provided by Category II FPI only.

DEPOSITORY & BANK ACCOUNT OPENING RELATED INFORMATION

i. Mode of Operation for Sole/First Holder (in case of joint holdings, all the holders must sign) [applicable to Non-individuals]

☐ Any one single	
☐ Jointly by	
☐ As per resolution	
☐ Others (please specify)	

ii. I/We hereby request Depository Participant viz., to open Depository account in my/our name as mentioned in the application form.

iii. I/We hereby request to open Special Non Resident Rupee Account (SNRA) in my/our name.

iv. Declaration and undertaking

a. I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant

b. We authorize custodian to operate the account through Power of Attorney (PoA) and not to receive credits automatically into our account.

c. We authorize custodian to send statement of account in electronic form and we will ensure the confidentiality of the password of the email, as applicable.

d. We authorize custodian to maintain appropriate house account details on depository platforms for the purpose of collection of monetary corporate benefits and any other similar activities on our behalf.

FOR OFFICE USE ONLY

Name of Depository Participant			
Address of Depository Participant			
DP ID		Client ID	

Emp. Name _____ Emp. Code _____

Emp. Designation _____ Emp. Branch _____

_____
Signature

INSTITUTION DETAILS

Name _____

Code _____

Annexure C

MONTHLY APPLICATIONS REPORT

The report pertaining to a month to be submitted by DDPs to SEBI by 10th of the following month in the format prescribed under:

Summary of the applications received and disposed during the month

Name of the DDP	Application type*	Opening balance	Received during the month	Disposed during the month	Pending as on last day of month	Average time taken for registration during the month**	No. of applications pending for registration for more than 30 days of receipt of application **	Reasons given regarding application(s) pending for more than 30 days **

* Indicate application type as

1 Fresh Registration

2 Continuance

** Applicable for application type Fresh Registration only.

Annexure D

FEE REPORT

The report pertaining to a month to be submitted by DDPs/Depository to SEBI in the format prescribed under:

Sr. No.	Name of DDP	Name of FPI	Type of Fees (Registration/Continuance of registration/Change in category)	Category of FPI	Amount of Fees (US$)	Date of remittance in SEBI's Bank A/c	Registration Period for which the fee is paid	Payment reference no./ Transaction ID

The Bank account details to which the payment is to be done electronically is as follows-

Bank Account Details:

Name of Bank Account	SECURITIES AND EXCHANGE BOARD OF INDIA
Name of Bank, Branch	Bank of India, Bandra Kurla Complex, Bandra (East), Mumbai 400051.
Saving Bank Account No	012210210000007
IFSC Code	BKID0000122
MICR Code No.	400013119
Swift Code No.	BKIDINBBBKC

If a DDP has not granted any registration/continuance of registration during the previous month, then it is required to send a "Nil" report.

Annexure E

Information of intermediate material shareholder/ owner entity illustration:

- FPI ABC, a trust, is held 75% by XYZ Ltd. (intermediate material shareholder/ owner) -therefore XYZ needs to be identified and the identification of underlying individuals / non-individuals having controlling ownership interest in the FPI OR control of XYZ should be identified
- XYZ is further controlled by PQR fund (trust)- Hence, PQR fund also needs to be identified on a look through basis.
- Mr. ST is holding 35% in PQR fund and Mr. UV is holding 15% in PQR fund - So, Mr. ST needs to be identified as BO.

Information of Intermediate material shareholder/ owner-on Ownership basis Name	Direct / Indirect Stake	Names of the entity(ies) through which the stake in the FPI is held indirectly	Percentage stake held in the applicant	Country/ Nationality	Individual / Non-Individual
XYZ Ltd.	Direct		*75*		Non-Individual

Information of Intermediate material shareholder/ owner- on control basis

Name	Method of Control (Give Details including names of the intermediate structures, if any, through which control is exercised)	Percentage control on the applicant, if applicable	Country/ Nationality	Individual/ Non-Individual
PQR fund	Management Share in XYZ Ltd.			Non-Individual
Mr. ST	Holds 35% shares of PQR Fund			Individual

Annexure G

Outstanding Notional Value of Offshore Derivative Instruments (ODIs) hedged by securities in India Vs Assets Under Custody (AUC) of FPIs.

(₹ Crore]

Month	Notional value of ODIs on Equity, Debt, Hybrid Securities & Derivatives *	Notional value of ODIs on Equity, Debt & Hybrid Securities excluding Derivatives *	Notional value of ODIs on Equity *	Notional value of ODIs on Debt *	Notional value of ODIs on Hybrid Securities *	Notional value of ODIs on Derivatives *	AUC of FPIs #	Notional value of ODIs on Equity, Debt & Hybrid Securities excluding Derivatives as % of B
	A1	A2	A3	A4	A5	A6	B	C

** Figures compiled based on reports submitted by FPIs issuing ODIs*

 # Figures compiled based on reports submitted by custodians & does not includes positions taken by FPIs in derivatives.

Column A2 is being provided which depicts the Total Value of ODI issued -with underlying as Equity ,Debt & Hybrid Securities but excluding derivatives

Column A3 is being provided which depicts the Total Value of ODI issued -with underlying as Equity

Column A4 is being provided which depicts the Total Value of ODI issued -with underlying as Debt

Column A5 is being provided which depicts the Total Value of ODI issued -with underlying as Hybrid Securities.

Column A5 is being provided which depicts the Total Value of ODI issued -with underlying as derivatives.

Column C is being provided which depicts the Total Value of ODI issued -with underlying as Equity, Debt & Hybrid Securities but excluding derivatives- as percentage of Assets under custody

GAZETTE OF INDIA

EXTRAORDINARY

PART - III - SECTION 4

PUBLISHED BY AUTHORITY

SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 23rd September, 2019

SECURITIES AND EXCHANGE BOARD OF INDIA

(FOREIGN PORTFOLIO INVESTORS) REGULATIONS, 2019

No. SEBI/LAD-NRO/GN/2019/36 - In exercise of the powers conferred by sub-section (1) of Section 30 read with sub section (1) of Section 11, clause (ba) of sub-section (2) of Section 11 and sub-sections (1) and (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992, and under Section 25 of the Depositories Act, 1996, the Securities and Exchange Board of India hereby, makes the following regulations, to provide the framework for registration and procedures with regard to foreign investors who propose to make portfolio investment in India, namely,—

CHAPTER I
PRELIMINARY

Short title and commencement.

1. (1) These regulations may be called the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

   (2) They shall come into force on the date of their publication in the Official Gazette. Definitions.

2. (1) In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions and variations shall be construed accordingly,—

   (a) "Act" means the Securities and Exchange Board of India Act, 1992;

   (b) "appropriately regulated" entity means an entity which is regulated by the securities market regulator or the banking regulator of home jurisdiction or otherwise, in the same capacity in which it proposes to make investments in India;

   (c) "Bilateral Memorandum of Understanding with the Board" shall mean a bilateral Memorandum of Understanding between the Board and any authority outside India that provides for information sharing arrangement as specified under clause (ib) of sub-section (2) of Section 11 of the Act;

   (d) "Board" means the Securities and Exchange Board of India established under section 3 of the Act;

   (e) "certificate" means a certificate of registration granted to a foreign portfolio investor by the designated depository participant on behalf of the Board under these regulations;

   (f) "control" includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting agreements or in any other manner;

(g) "custodian" means a person registered under the Securities and Exchange Board of India (Custodian) Regulations, 1996;

(h) "designated bank" means a scheduled bank in India, which has been authorised by the Reserve Bank of India to act as a banker to foreign portfolio investors;

(i) "designated depository participant" means a person who has been approved by the Board under Chapter III of these regulations;

(j) "foreign portfolio investor" means a person who has been registered under Chapter II of these regulations and shall be deemed to be an intermediary in terms of the provisions of the Act;

(k) "Form" means an application form for obtaining registration as foreign portfolio investor as notified by the Government of India or as specified by the Board;

(l) "International Financial Services Centre" or "IFSC" shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005;

(m) "investment manager" shall include an entity performing the role of investment management or any equivalent role, including trustee(s);

(n) "non-resident Indian" and "overseas citizen of India" shall have the same meaning as assigned to such terms under regulation 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 made under the Foreign Exchange Management Act, 1999;

(o) "offshore derivative instrument" means any instrument, by whatever name called, which is issued overseas by a foreign portfolio investor against securities held by it in India, as its underlying;

(q) "resident Indian" shall have the same meaning assigned to the term "person resident in India" under the Foreign Exchange Management Act, 1999;

(r) "Schedule" means a Schedule to these regulations;

(s) 'stock exchange' means a recognised stock exchange under the Securities Contracts (Regulation) Act, 1956.

(2) Words and expressions used and not defined in these regulations, but defined in the Act or the Foreign Exchange Management Act, 1999, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the rules and regulations made thereunder shall have the same meaning respectively assigned to them in those Acts or rules or regulations or any statutory modification or re-enactment thereto.

CHAPTER II
REGISTRATION OF FOREIGN PORTFOLIO INVESTORS

Application for grant of certificate as a foreign portfolio investor.

3. (1) No person shall buy, sell or otherwise deal in securities as a foreign portfolio investor unless it has obtained a certificate granted by a designated depository participant on behalf of the Board.

Explanation - An offshore fund floated by an asset management company that has received no-objection certificate in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, shall be required to obtain registration as a foreign portfolio investor, for investment in securities in India, within one hundred and eighty days from the date of notification of these regulations.

(2) An application for the grant of certificate as a foreign portfolio investor shall be made to a designated depository participant in the Form specified by the Government or the Board from time to time and shall be supported by the fee specified in Part A of the Second Schedule.

Eligibility criteria of foreign portfolio investor.

4 A designated depository participant shall consider an application for grant of certificate of registration as a foreign portfolio investor if the applicant satisfies the following conditions namely: -

(a) the applicant is not a resident Indian;

(b) the applicant is not a non-resident Indian or an overseas citizen of India;

(c) non-resident Indians or overseas citizens of India or resident Indian individuals can be constituents of the applicant provided they meet conditions specified by the Board from time to time;

(d) the applicant is a resident of the country whose securities market regulator is a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to the bilateral Memorandum of Understanding with the Board:

Provided that an applicant being Government or Government related investor shall be considered as eligible for registration, if such applicant is a resident in the country as may be approved by the Government of India;

(e) the applicant being a bank is a resident of a country whose central bank is a member of Bank for International Settlements:

Provided that a central bank applicant need not be a member of Bank for International Settlements;

(f) the applicant or its underlying investors contributing twenty-five per cent or more in the corpus of the applicant or identified on the basis of control, shall not be the person(s) mentioned in the Sanctions List notified from time to time by the United Nations Security Council and is not a resident in the country identified in the public statement of Financial Action Task Force as -

(i) a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or

(ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies;

(g) the applicant is a fit and proper person based on the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008;

(h) any other criteria specified by the Board from time to time:

Provided that clause (a), (d) and (e) shall not apply to an applicant incorporated or established in an International Financial Services Centre.

Categories of foreign portfolio investor.

5. An applicant seeking registration as a foreign portfolio investor may apply in one of the categories mentioned hereunder or any other category as may be specified by the Board from time to time -

(a) "Category I foreign portfolio investor" which shall include -

(i) Government and Government related investors such as central banks, sovereign wealth funds, international or multilateral organizations or agencies including entities controlled or at least 75% directly or indirectly owned by such Government and Government related investor(s);

(ii) Pension funds and university funds;

(iii) Appropriately regulated entities such as insurance or reinsurance entities, banks, asset management companies, investment managers, investment advisors, portfolio managers, broker dealers and swap dealers;

(iv) Entities from the Financial Action Task Force member countries which are -

I. appropriately regulated funds;

II. unregulated funds whose investment manager is appropriately regulated and registered as a Category I foreign portfolio investor:

Provided that the investment manager undertakes the responsibility of all the acts of commission or omission of such unregulated fund;

III. university related endowments of such universities that have been in existence for more than five years;

(v) An entity (A) whose investment manager is from the Financial Action Task Force member country and such an investment manager is registered as a Category I foreign portfolio investor; or (B) which is at least seventy-five per cent owned, directly or indirectly by another entity, eligible under sub-clause (ii), (iii) and (iv) of clause (a) of this regulation and such an eligible entity is from a Financial Action Task Force member country:

Provided that such an investment manager or eligible entity undertakes the responsibility of all the acts of commission or omission of the applicants seeking registration under this sub-clause.

(b) "Category II foreign portfolio investor" shall include all the investors not eligible under Category I foreign portfolio investors such as -

(i) appropriately regulated funds not eligible as Category-I foreign portfolio investor;

(ii) endowments and foundations;

(iii) charitable organisations;

(iv) corporate bodies;

(v) family offices;

(vi) Individuals;

(vii) appropriately regulated entities investing on behalf of their client, as per conditions specified by the Board from time to time;

(viii) Unregulated funds in the form of limited partnership and trusts;

Explanation: An applicant incorporated or established in an International Financial Services Centre shall be deemed to be appropriately regulated.

Furnishing of information, and personal representation.

6. (1) The Board or the designated depository participant may require the applicant to furnish such further information or clarification as may be considered necessary for the grant of the certificate of registration as a foreign portfolio investor.

(2) The applicant or his authorised representative shall, if so required by the Board or the designated depository participant, appear before them for personal representation in connection with the grant of a certificate.

Certificate of registration

7. (1) The designated depository participant shall on behalf of the Board grant the certificate of registration, bearing registration number generated by National Securities Depositories Limited, as specified in the First Schedule to an applicant if it is satisfied that the applicant is eligible and fulfils the requirements as specified in these regulations.

(2) The designated depository participant shall endeavour to dispose of the application for grant of certificate of registration as soon as possible but not later than thirty days after receipt of application by the designated depository participant, or after the information called for under regulation 6 has been furnished; whichever is later.

(3) Upon grant of certificate of registration to the applicant, the designated depository participant shall remit the fees, as specified in Part A of the Second Schedule, received from the applicant to the Board.

(4) If an applicant seeking registration as a foreign portfolio investor has any grievance with respect to its application or if the designated depository participant has any question in respect of interpretation of any provision of this regulation, it may approach the Board for appropriate instructions.

(5) The foreign portfolio investor needs to have a valid registration as long as it is holding securities or derivatives in India:

Provided that a foreign portfolio investor whose registration is not valid and who is holding securities or derivatives in India shall be allowed to sell such securities or wind up their open position in derivatives within one year from the date of publication of these regulations.

Application to conform to the requirements

8 (1) An application for grant of certificate of registration to act as a foreign portfolio investor, which is not complete in all respects or is false or misleading in any material particular or does not satisfy the requirements specified in these regulations shall be deemed to be deficient and liable to be rejected by the designated depository participant:

Provided that before rejecting any such application, the applicant shall be given a reasonable opportunity of being heard and to remove the deficiency, within the time as specified by the designated depository participant.

(2) The decision to reject the application shall be communicated by the designated depository participant to the applicant in writing indicating the grounds for rejection of the application.

(3) The applicant, who is aggrieved by the decision of the designated depository participant under sub-regulation (1) may, within a period of thirty days from the date of receipt of

communication under sub-regulation (2), apply to the Board for reconsideration of the decision of the designated depository participant:

Provided that such application for reconsideration shall not be considered by the Board where the rejection was on account of technical reasons such as non-submission of complete information, documents, including non-payment of specified fees.

(4) The Board shall, as soon as possible, after considering the submissions made in the application seeking reconsideration made under sub-regulation (3) and after giving a reasonable opportunity of being heard, communicate its decision in writing to the applicant.

Suspension, cancellation or surrender of certificate.

9. (1) Subject to the compliance with the provisions of the Act, these regulations and the circulars issued thereunder, the registration granted by the designated depository participant on behalf of the Board under these regulations shall be permanent unless suspended or cancelled by the Board or surrendered by the foreign portfolio investor.

(2) The suspension and cancellation of the certificate of registration granted by the Board under these regulations, shall be dealt with in the manner as provided in Chapter V of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

(3) When the foreign portfolio investor fails to pay the required fees for continuance of registration within the specified due date and such foreign portfolio investor does not have any cash or security or derivative position in India, such foreign portfolio investor shall be deemed to have applied for surrender of its registration and the designated depository participant of such foreign portfolio investor shall process the surrender after obtaining the approval from the Board.

(4) Any foreign portfolio investor desirous of surrendering the certificate of registration may request for such surrender to the designated depository participant who shall accept the surrender of the certificate of registration after obtaining approval from the Board.

(5) While accepting the surrender of registration, the designated depository participant may impose such conditions as may be specified by the Board.

CHAPTER III

APPROVAL OF DESIGNATED DEPOSITORY PARTICIPANT

Application to act as a designated depository participant.

10. (1) No person shall act as a designated depository participant unless it has obtained the approval of the Board.

(2) An application for approval to act as a designated depository participant shall be made to the Board through a depository with which the applicant has an agreement to act as a participant and shall be accompanied by the application fee specified in Part B of the Second Schedule which shall be paid in the manner specified therein.

(3) The depository shall forward the application to the Board, as early as possible, but not later than thirty days from the date of its receipt by the depository, along with its recommendations and after certifying that the participant has complied with the eligibility criteria as provided for in these regulations.

Eligibility criteria of designated depository participant.

11. (1) The Board shall not consider an application for the grant of approval as designated depository participant unless the applicant satisfies the following conditions,

(a) the applicant is a registered depository participant under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;

(b) the applicant is a registered Custodian under the Securities and Exchange Board of India (Custodian) Regulations, 1996;

(c) the applicant is an Authorised Dealer Category-1 bank authorised by the Reserve Bank of India under the Foreign Exchange Management Act, 1999;

(d) the applicant has a multinational presence, either through its branches or through agency relationships with overseas intermediaries regulated in their respective home jurisdictions;

(e) the applicant has systems and procedures to comply with the requirements of the Financial Action Task Force Standards, Prevention of Money Laundering Act, 2002, Rules prescribed thereunder and the circulars issued from time to time by the Board;

(f) the applicant is a fit and proper person based on the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008; and

(g) any other criteria as may be specified by the Board from time to time.

(2) Notwithstanding anything contained in sub-regulation (1) of this regulation, the Board may consider an application from an entity, regulated in India or in its home jurisdiction, for grant of approval to act as designated depository participant, upon being satisfied that the applicant has sufficient experience in providing custodial services and that the grant of such approval is in the interest of the development of the securities market:

Provided that such entity shall be registered with the Board as a participant and custodian, and shall have a tie up with Authorised Dealer Category-1 bank.

Furnishing of information, clarification and personal representation.

12. (1) The Board may require the applicant or the depository of which the applicant is a participant to furnish such further information or clarification as may be considered necessary for grant of approval to act as a designated depository participant.

(2) The applicant or its authorised representative shall, if so required by the Board, appear before it for personal representation in connection with the grant of approval.

Procedure for granting of approval to designated depository participant.

13. (1) After considering the application made under regulation 10 of these regulations, the Board may grant approval to the applicant, upon being satisfied that the applicant is eligible and fulfils the requirements as specified in these regulations including payment of fees as specified in Part B of Second Schedule.

(2) The Board shall dispose of the application for grant of approval as soon as possible but not later than thirty days after receipt of application by the Board or, after all the information called for under regulation 12 has been furnished, whichever is later.

Application to conform to the requirements.

14. An application for grant of approval to act as designated depository participant which is not complete in all respects or is false or misleading in any material particular, shall be deemed to be deficient and shall be liable to be rejected by the Board:

    Provided that, before rejecting any such application, the applicant shall be given a reasonable opportunity to remove the deficiency, within the time as specified by the Board.

Procedure where approval is not granted.

15. (1) Where an application for grant of an approval does not satisfy the requirements specified in these regulations, the Board may reject the application after giving the applicant a reasonable opportunity of being heard.

    (2) The decision to reject the application shall be communicated by the Board to the applicant in writing stating therein the grounds on which the application has been rejected.

    (3) The applicant, who is aggrieved by the decision of the Board under sub-regulation (1) may, within a period of thirty days from the date of receipt of communication under sub-regulation (2), apply to the Board for reconsideration of its decision.

    (4) The Board shall, as soon as possible, in light of the submissions made in the application for reconsideration made under sub-regulation (3) and after giving a reasonable opportunity of being heard, convey its decision in writing to the applicant.

Validity of approval.

16. Subject to the compliance with the provisions of the Act, these regulations and the circulars issued thereunder, the approval granted by the Board under these regulations shall be permanent unless suspended or withdrawn by the Board or surrendered by the designated depository participant.

Suspension or withdrawal of approval.

17. Where any designated depository participant who has been granted approval under these regulations-

    (a) fails to comply with any conditions subject to which an approval has been granted to him under these regulations, or

    (b) contravenes any of the provisions of the securities laws or directions, instructions or circulars issued thereunder; the Board may, without prejudice to any action under the securities laws or directions, instructions or circulars issued thereunder, by an order suspend or withdraw such approval after providing the designated depository participant a reasonable opportunity of being heard.

Surrender of approval.

18. (1) Any designated depository participant, who has been granted approval under these regulations, desirous of surrendering the approval granted, may make a request for such surrender to the Board.

    (2) While accepting the surrender under sub-regulation (1), the Board may impose such conditions as it deems fit for the protection of investors or the clients of the designated depository participant or the securities market and such person shall comply with such conditions.

CHAPTER IV

INVESTMENT CONDITIONS AND RESTRICTIONS

Commencement of investment.

19. No foreign portfolio investor shall make any investment in securities in India without complying with the provisions of this Chapter.

Investment restrictions.

20. (1) A foreign portfolio investor shall invest only in the following securities, namely-

(a) shares, debentures and warrants issued by a body corporate; listed or to be listed on a recognized stock exchange in India;

(b) units of schemes launched by mutual funds under Chapter V, VI-A and VI-B of the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996;

(c) units of schemes floated by a Collective Investment Scheme in accordance with the Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999;

(d) derivatives traded on a recognized stock exchange;

(e) units of real estate investment trusts, infrastructure investment trusts and units of Category III Alternative Investment Funds registered with the Board;

(f) Indian Depository Receipts;

(g) any debt securities or other instruments as permitted by the Reserve Bank of India for foreign portfolio investors to invest in from time to time; and

(h) such other instruments as specified by the Board from time to time.

(2) Where a foreign portfolio investor, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognised stock exchange, and continues to hold such shares after the initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.

(3) Nothing contained in sub-regulation (2) shall be deemed to prejudice the applicability of any other law, regulation or guideline.

(4) In respect of investments in the secondary market, the following additional conditions shall apply -

(a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;

(b) Nothing contained in clause (a) shall apply to -

(i) any transactions in derivatives on a recognized stock exchange;

(ii) short selling transactions in accordance with the framework specified by the Board;

(iii) any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(iv) any other transaction specified by the Board;

(c) The transaction involving dealing in securities by a foreign portfolio investor shall be only through stock brokers registered with the Board;

(d) Nothing contained in clause (c) of this sub-regulation shall apply to -

(i) transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India carried out in the manner as specified by the Reserve Bank of India;

(ii) sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(iii) sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;

(iv) sale of securities in accordance with the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

(v) divestment of securities in response to an offer by Indian companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India from time to time;

(vi) any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;

(vii) any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(viii) transactions in corporate bonds by foreign portfolio investors;

(ix) transactions on the electronic book provider platform of recognised stock exchanges;

(x) transactions to receive, hold and sell unlisted securities as referred at regulation 20(2) and transactions in unlisted securities received through involuntary corporate actions including a scheme of a merger or demerger approved in accordance with the provisions of the Companies Act, 2013 as well as the applicable guidelines issued by the Board or pursuant to implementation of any resolution plan approved under the Insolvency and Bankruptcy Code, 2016 or in accordance with the guidelines issued by the Government of India or the Reserve Bank of India or any other regulator for a scheme of debt resolution:

Provided that such unlisted holdings of the foreign portfolio investor shall be treated as Foreign Direct Investment;

(xi) transactions for transfer of right entitlements;

(xii) purchase or sale transactions of illiquid or suspended or delisted securities by a foreign portfolio investor;

Explanation - Illiquid securities shall mean those securities that are not frequently traded in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(xiii) transactions between registered foreign portfolio investors, who are multi investment manager structure of the same beneficial owner and have common Permanent Account Number; and

(xiv) any other transaction as may be specified by the Board;

(e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in the dematerialized form:

Provided that any shares held in the physical form, before the commencement of these regulations, may continue to be held in the physical form, if such shares cannot be dematerialised:

Provided further that all the Rights Entitlements may be held or transferred in non-dematerialized form.

(5) In respect of investments in the debt securities, the foreign portfolio investors shall also comply with terms, conditions or directions, specified or issued by the Board or Reserve Bank of India, from time to time, in addition to other conditions specified in these regulations.

(6) Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996.

(7) The purchase of equity shares of each company by a single foreign portfolio investor including its investor group shall be below ten per cent of the total paid-up equity capital on a fully diluted basis of the company:

Provided that where the total investment under these regulations by a foreign portfolio investor including its investor group exceeds the threshold of below ten per cent of the total paid up equity capital in a listed or to be listed company on a fully diluted basis, the foreign portfolio investor shall divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach:

Provided further that in case the foreign portfolio investor fails to divest the excess holding, the entire investment in the company by such foreign portfolio investor including its investor group shall be considered as investment under the Foreign Direct Investment, as per the procedure specified by the Board and the foreign portfolio investor and its investor group shall not make further portfolio investment in that company under these regulations,

Explanation I - ‘investor group’ shall have the meaning as provided under regulation 22(3) of these regulations.

Explanation II - 'fully diluted basis' means the total number of shares that would be outstanding if all possible sources of conversion are exercised.

(8) An entity, registered as a foreign portfolio investor shall be permitted to invest in Indian securities as a person resident outside India in accordance with provisions of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 made under the Foreign Exchange Management Act, 1999.

(9) In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.

(10) A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

(11) The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.

Conditions for issuance of offshore derivative instruments.

21. (1) No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied -

(a) such offshore derivative instruments are issued only by persons registered as Category I foreign portfolio investor;

(b) such offshore derivative instruments are issued only to persons eligible for registration as Category I foreign portfolio investors;

Explanation - For the purpose of this sub-regulation, where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I foreign portfolio investor;

(c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by the Board; and

(d) such other conditions as may be specified by the Board from time to time.

(2) A foreign portfolio investor shall ensure that any transfer of offshore derivative instruments issued by or on behalf of it, is subject to the following conditions -

(a) such offshore derivative instruments are transferred to persons subject to the fulfilment of sub-regulation (1); and

(b) prior consent of the foreign portfolio investor is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the foreign portfolio investor.

(3) A foreign portfolio investor shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

(4) A foreign portfolio investor shall collect the regulatory fee, as specified in Part C of the Second Schedule, from every subscriber of the offshore derivative instrument issued by it and deposit the same with the Board.

CHAPTER V

GENERAL OBLIGATIONS AND RESPONSIBILITIES OF FOREIGN PORTFOLIO INVESTORS

General obligations and responsibilities of foreign portfolio investors.

22. (1) The foreign portfolio investor shall -

(a) comply with the provisions of these regulations, as far as they may apply, circulars issued thereunder and any other terms and conditions specified by the Board from time to time;

(b) forthwith inform the Board and designated depository participant in writing, if any information or particulars previously submitted to the Board or designated depository participant are found to be false or misleading, in any material respect;

(c) forthwith inform the Board and designated depository participant in writing, if there is any material change in the information including any direct or indirect change in its structure or ownership or control, previously furnished by him to the Board or designated depository participant;

(d) as and when required by the Board or any other Government agency in India, submit any information, record or documents in relation to its activities as a foreign portfolio investor;

(e) forthwith inform the Board and the designated depository participant, in case of any penalty, pending litigation or proceedings, findings of inspections or investigations for which action may have been taken or is in the process of being taken by an overseas regulator against it;

(f) obtain a Permanent Account Number from the Income Tax Department;

(g) in relation to its activities as foreign portfolio investor, at all times, subject itself to the extant Indian laws, rules, regulations, guidelines and circulars issued from time to time;

(h) be a fit and proper person based on the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008;

(i) undertake necessary KYC on its shareholders/investors in accordance with the rules applicable to it in the jurisdiction where it is organised;

(j) provide any additional information or documents including beneficiary ownership details of their clients as may be required by the designated depository participant or the Board or any other enforcement agency to ensure compliance with the Prevention of Money Laundering Act, 2002 and the rules and regulations specified thereunder, the Financial Action Task Force standards and circulars issued from time to time by the Board; and

(k) ensure that securities held by foreign portfolio investors are free from all encumbrances.

Explanation - An encumbrance created to meet any statutory and regulatory requirements shall not be considered under this clause.

(2) In case of jointly held depository accounts, each of the joint holders shall meet the requirements specified for foreign portfolio investor and each shall be deemed to be holding a depository account as a foreign portfolio investor.

(3) Multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than fifty per cent or common control, shall be treated as part of the same investor group and the investment limits of all such entities shall be clubbed at the investment limit as applicable to a single foreign portfolio investor:

Provided that in case the limit is breached due to transaction(s) by foreign portfolio investors under these regulations, the excess holding shall be divested within five trading days from the date of settlement of the trades causing the breach.

Provided further that in case the foreign portfolio investor fails to divest the excess holding, the entire investment in the company by such foreign portfolio investors including its investor group shall be considered as investment under the Foreign Direct Investment as per the procedure specified by the Board and the foreign portfolio investor and its investor group shall not make further portfolio investment in that company under these regulations.

(4) Notwithstanding anything contained in sub-regulation (3), the clubbing of investment limit of foreign portfolio investors having common control shall not be applicable where -

(a) foreign portfolio investors are appropriately regulated public retail funds; or

(b) the foreign portfolio investors are public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or

(c) foreign portfolio investors are public retail funds and investment managers of such foreign portfolio investors are appropriately regulated.

Explanation - Public retail funds means -

(i) mutual funds or unit trusts which are open for subscription to retail investors and which do not have specific investor type requirements like accredited investors;

(ii) insurance companies where segregated portfolio with one to one correlation with a single investor is not maintained; and

(iii) pension funds.

(5) In case of any direct or indirect change in structure or common ownership or control of the foreign portfolio investor, it shall forthwith bring the same to the notice of its designated depository participant.

Code of conduct.

23. A foreign portfolio investor shall, at all times, abide by the code of conduct as specified in the Third Schedule of these regulations.

Engagement of designated depository participant

24. An applicant seeking registration as a foreign portfolio investor shall engage a designated depository participant to avail its services for obtaining a certificate of registration as foreign portfolio investor and at all times the designated depository participant and the custodian of the foreign portfolio investor shall be the same entity.

Appointment of custodian.

25. (1) A foreign portfolio investor or a global custodian who is acting on behalf of the foreign portfolio investor, shall enter into an agreement with the designated depository participant engaged by it to act as a custodian, before making any investment under these regulations.

(2) In addition to the obligation of custodian under any other regulations, the custodian shall -

(a) report to the depositories and the Board on a daily basis the transactions entered into by the foreign portfolio investor in the form and manner specified by the Board or depositories from time to time;

(b) monitor investment of the foreign portfolio investors;

(c) maintain the relevant true and fair records, books of accounts, and documents including the records relating to transactions of foreign portfolio investors;

(d) report the holdings of foreign portfolio investors who form part of investor group to the depositories and the depositories shall club the investment limits to ensure that combined holdings of all these foreign portfolio investors remains below ten per cent of the total paid-up equity capital on a fully diluted basis of a investee company at any time.

Appointment of designated bank.

26. A foreign portfolio investor shall appoint a branch of a bank authorised by the Reserve Bank of India for opening a foreign currency denominated account and special non-resident rupee account before making any investments in India.

Appointment of compliance officer.

27. (1) Every foreign portfolio investor shall appoint a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines and instructions issued by the designated depository participant or the Board or the Central Government:

Provided that in case of a foreign portfolio investor who is an individual, such individual shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines and instructions issued by the designated depository participant or the Board or the Central Government.

(2) The compliance officer shall immediately and independently report any non-compliance observed by him to the Board and the designated depository participant.

Investment advice in publicly accessible media.

28. (1) A foreign portfolio investor, or any of its employees shall not render directly or indirectly any investment advice about any security in the publicly accessible media, whether real-time or otherwise, unless a disclosure of its interest including long or short position in the said security has been made, while rendering such advice.

(2) In case, an employee of the foreign portfolio investor is rendering such advice, he shall also disclose the interest of his dependent family members and his employer including their long or short position in the said security, while rendering such advice.

Maintenance of proper books of accounts, records and documents.

29. Every foreign portfolio investor shall maintain the following books of accounts, records and documents, namely -

(a) true and fair accounts relating to remittances of funds to India for buying and selling; and realising capital gains or losses on investment made from such remittances;

(b) bank statement of accounts;

(c) contract notes relating to purchase and sale of securities; and

(d) communication including in electronic mode from and to the designated depository participants, stock brokers and depository participants regarding investments in securities.

Preservation of books of accounts, records and documents.

30. Subject to the provisions of any other law, for the time being in force, every foreign portfolio investor shall preserve the books of accounts, records and documents specified in regulation 29 for a minimum period of five years from the date of approval of the surrender or cancellation of registration by the Board.

CHAPTER VI
GENERAL OBLIGATIONS AND RESPONSIBILITIES OF DESIGNATED DEPOSITORY PARTICIPANTS

Obligations and responsibilities of designated depository participants.

31. (1) All designated depository participants who have been granted approval by the Board shall -

(a) comply with the provisions of these regulations, as far as they may apply, circulars issued thereunder and any other terms and conditions specified by the Board from time to time;

(b) forthwith inform the Board in writing, if any information or particulars previously submitted to the Board are found to be false or misleading, in any material respect;

(c) forthwith inform the Board in writing, if there is any material change in the information previously furnished by him to the Board;

(d) furnish such information, record or documents to the Board and Reserve Bank of India, as may be required, in relation to its activities as a designated depository participant;

(e) ensure that only registered foreign portfolio investors are allowed to invest in securities market;

(f) have adequate systems to ensure that in case of jointly held depository accounts, each of the joint holders meet the requirements specified for foreign portfolio investors and shall perform KYC due diligence for each of the joint holders;

(g) in case of any penalty, pending litigation or proceedings, findings of inspections or investigations for which action may have been taken or is in the process of being taken by any regulator against a designated depository participant, the designated depository participant shall bring such information forthwith, to the attention of the Board, depositories and stock exchanges;

(h) be guided by the relevant circular on Anti-Money Laundering or Combating the Financing of Terrorism specified by the Board from time to time.

(2) The designated depository participant engaged by an applicant seeking registration as foreign portfolio investor shall -

(a) ascertain at the time of granting registration and whenever applicable, whether the applicant forms part of any investor group;

(b) open a dematerialized account for the applicant only after ensuring compliance with all the requirements under Prevention of Money Laundering Act, 2002 and rules and regulations specified thereunder, Financial Action Task Force standards and circulars issued by the Board in this regard, from time to time and shall also ensure that foreign portfolio investors comply with all these requirements on an ongoing basis;

(c) carry out necessary due diligence to ensure that no other depository account per depository is held by any of the concerned applicant as a foreign portfolio investor, before opening a depository account

Provided that a foreign portfolio investor can open separate depository accounts for holding securities under the Voluntary Retention Route or any other scheme as specified by the Reserve Bank of India or the Board;

(d) collect and remit fees to the Board, in the manner as specified in Part A of Second Schedule; and

(e) in case of change in structure or constitution or direct or indirect change in common ownership or control reported by the foreign portfolio investor, re-assess the eligibility of such foreign portfolio investor.

(3) The designated depository participant shall maintain segregation of activities such that there is no conflict of interest between the activity of grant of registration to a foreign portfolio investor in the capacity of a designated depository participant and its other activities.

(4) The designated depository participant shall submit the reports as specified by the Board from time to time.

(5) The designated depository participant shall carry out an annual review of its systems, procedures and controls by an independent professional.

Explanation: The review shall cover the systems and procedures being followed by them to meet its obligations towards its clients, regulators and other relevant bodies and compliance with the requirements of the regulations and circulars issued by the Board.

(6) The designated depository participant shall furnish to the Board annual audit reports on its internal control for a particular calendar year within ninety days of the next calendar year.

(7) The designated depository participant shall submit the Action Taken Report, if any, on the audit report on a quarterly basis to the Board.

Maintenance of proper books of accounts, records and documents.

32. (1) Every designated depository participant shall maintain the relevant true and fair records, books of accounts, and documents including the physical or electronic records relating to registration of foreign portfolio investors.

(2) The designated depository participant shall intimate to the Board in writing the location where such books, records and documents shall be maintained.

(3) Subject to the provisions of any other law for the time being in force, every designated depository participant shall preserve the books of accounts, physical or electronic records and documents specified in this regulation at all times.

Appointment of compliance officer.

33. (1) Every designated depository participant shall appoint a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines and instructions issued by the Board or the Central Government.

(2) The compliance officer shall immediately and independently report any non-compliance observed by him to the Board.

Information to the Board or the Reserve Bank of India.

34. Every designated depository participant shall, as and when required by the Board or the Reserve Bank of India, submit to the Board or the Reserve Bank of India, as the case may be, any information, such records or documents in relation to its activities of foreign portfolio investor.

Investment advice in publicly accessible media.

35. (1) A designated depository participant, or any of its employees shall not render directly or indirectly any investment advice about any security in the publicly accessible media, whether real-time or otherwise, unless a disclosure of its interest including long or short position in the said security has been made, while rendering such advice.

(2) In case, an employee of the designated depository participant is rendering such advice, he shall also disclose the interest of his dependent family members and his employer including their long or short position in the said security, while rendering such advice.

CHAPTER VII
INSPECTION

Board's right to inspect.

36. The Board may suo moto or upon receipt of any information or complaint, appoint one or more persons as inspecting authority to undertake inspection of the books of account, records and documents relating to a designated depository participant for any of the following purposes, namely, -

(a) to ensure that the books of account, records including telephone records and electronic records and documents are being maintained by the designated depository participants;

(b) to ascertain whether any circumstances exist that would render the designated depository participants unfit or ineligible;

(c) to inquire into the complaints received from investors, clients, other market participants or any other person on any matter having a bearing on the activities of the designated depository participants;

(d) to ascertain whether the provisions of the securities laws and the directions or circulars issued thereunder are being complied with by the designated depository participants;

(e) to ascertain whether the systems, procedures and safeguards which have been established and are being followed by the designated depository participants are adequate; and

(f) to investigate suo moto into the affairs of the designated depository participants in the interest of the securities market or in the interest of investors.

Notice before inspection.

37. (1) Before undertaking an inspection under regulation 36, the Board shall give not less than ten days' notice to the designated depository participants:

Provided that where the Board is satisfied that, in the interest of the investors, no such notice should be given, it may, by an order in writing direct that such inspection be taken up without such notice.

(2) During the course of an inspection, the designated depository participants against whom the inspection is being carried out shall be bound to discharge its obligation as provided in regulation 38.

Obligations of designated depository participants in connection with inspection by the Board.

38. (1) It shall be the duty of the designated depository participants whose affairs are being inspected, and of every director, officer and employee thereof to produce to the inspecting officer such books, securities, accounts, records and other documents in its custody or control and furnish him with such statements and information relating to its activities, as the inspecting officer may require, within such reasonable period as the inspecting officer may specify.

(2) The designated depository participants shall allow the inspecting officer to have reasonable access to the premises occupied by such designated depository participant or by any other person on its behalf and also extend reasonable facility for examining any books, records, documents and computer data in the possession of the designated depository participants or such other person and also provide copies of documents or other materials which in the opinion of the inspecting officer are relevant for the purposes of the inspection.

(3) The inspecting officer, in the course of inspection, shall be entitled to examine or to record the statements of any director, officer or employee of the designated depository participants.

(4) It shall be the duty of every director, officer or employee of the designated depository participants to give to the inspecting officer all assistance in connection with the inspection, which the inspecting officer may reasonably require.

Submission of report to the Board.

39. The inspecting officer shall, as soon as possible, on completion of the inspection or investigation as the case may be, submit a report to the Board:

Provided that if directed to do so by the Board, the inspecting officer may submit interim report(s).

Action on inspection report.

40. The Board shall after consideration of the inspection report, take such action as it may deem fit

including action under Chapter V of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

Appointment of an auditor.

41. The Board shall have the power to appoint an auditor to inspect or investigate, as the case may be, into the books of account, records, documents, infrastructures, systems and procedures or affairs of the applicant or the designated depository participants, as the case may be:

Provided that the auditors so appointed shall have the same powers as vested in the inspecting officer under regulation 36 and the applicant or designated depository participants and its directors, officers and employees shall be under the same obligations, towards the auditor so appointed, as are mentioned in regulation 38.

Board to recover the expenses.

42. The Board shall be entitled to recover from the designated depository participants or applicant, as the case may be, such expenses including the fees paid to the auditors as may be incurred by it for the purposes of inspecting or investigating the books of account, records, documents, infrastructures, systems and procedures or affairs of the designated depository participants or applicant, as the case may be.

CHAPTER VIII
PROCEDURE FOR ACTION IN CASE OF DEFAULT

Liability for action in case of default.

43. A foreign portfolio investor, designated depository participant, depository or any other person who contravenes any of the provisions of these regulations shall be liable for action under the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 or the relevant provisions of the Act or the Depositories Act, 1996 and the regulations made thereunder.

CHAPTER IX
MISCELLANEOUS

Power of the Board to issue clarifications.

44. In order to remove any difficulties in the application or interpretation of the provisions of these regulations, the Board may issue clarifications and guidelines in the form of circulars or issue separate circular or guidelines or framework for each category of foreign portfolio investors or designated depository participant.

Repeal, rescission and saving.

45. (1) The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 shall stand repealed.

(2) Notwithstanding such repeal-

(a) anything done or any action taken or purported to have been done or taken, including registration or approval granted, fees collected, registration or approval, suspended or cancelled, any adjudication, enquiry or investigation commenced or show-cause notice issued under the repealed regulations, shall be deemed to have been done or taken under the corresponding provisions of these regulations;

(b) a foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations, 2014 shall be re-categorised by their respective designated depository participant;

(c) any offshore derivative instrument issued under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 before the commencement of these regulations shall be deemed to have been issued under the corresponding provisions of these regulations;

(d) any application made to the Board under the repealed regulations, prior to such repeal, and pending before it shall be deemed to have been made under the corresponding provisions of these regulations; and

(e) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, incurred in respect of any violation committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the repealed regulations has never been repealed;

(3) After the repeal of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, any reference thereto in any other regulations made, guidelines or circulars issued thereunder by the Board shall be deemed to be a reference to the corresponding provisions of these regulations.

FIRST SCHEDULE SECURITIES AND EXCHANGE BOARD OF INDIA (FOREIGN PORTFOLIO INVESTORS) REGULATIONS, 2019

[See regulation 7(1)]

CERTIFICATE OF REGISTRATION

I. In exercise of the powers conferred by sub-section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992 (the "Act"), read with the regulations made thereunder the Board hereby grants a certificate of registration to as a foreign portfolio investor, subject to the conditions specified in the Act and in the regulations made thereunder.

II. The category and sub-category of the foreign portfolio investor is and respectively.

III. The registration number for the foreign portfolio investor is .../.../.../.../....

IV. The address of the foreign portfolio investor is.

V. This certificate shall be valid till it is suspended, cancelled or surrendered in accordance with the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

Date :

Place:

By Order Signature

Name and Designation of the Authorised Signatory of Designated depository participant Issued on behalf of Securities and Exchange Board of India

SECOND SCHEDULE PART A

PAYMENT OF FEES APPLICABLE TO FOREIGN PORTFOLIO INVESTOR

[See regulation 3 and regulation 7(3)] Registration Fee

(1) Foreign portfolio investor belonging to Category I and II shall pay registration fees of US $ 3000 and US $300, respectively or any other amount specified by the Board from time to time at the time of submission of the Form to the designated depository participant.

(2) Foreign portfolio investor belonging to Category I and II shall pay registration fees for every block of three years, till the validity of its registration,

(3) International or multilateral agency such as World Bank and other institutions, established outside India for providing aid, which have been granted privileges and immunities from payment of tax and duties by the Central Government shall be exempted from the payment of registration fees.

(4) The designated depository participants of the respective foreign portfolio investors shall collect the registration fees in advance once in every three years from all the foreign portfolio investors registered by it, and remit the fees to the Board in the manner specified by the Board from time to time.

(5) Every designated depository participant shall remit the fees collected from the foreign portfolio investors during the immediate preceding month, to the Board, by 5th working day of every month, along with the details in the format, as may be specified from time to time.

PART B

PAYMENT OF FEES APPLICABLE TO DESIGNATED DEPOSITORY PARTICIPANT

[See regulation 10(2) and regulation 13(1)]

(1) Every designated depository participant shall pay application fees and approval fees, before commencement of its activity.

(2) Every designated depository participant shall pay application fees of ? 10,000/- at the time of making application, by way of direct credit through NEFT/RTGS/IMPS in the bank account in the name of "Securities and Exchange Board of India" payable at Mumbai.

(3) Every designated depository participant shall pay approval fees of ? 5,00,000/- by way of direct credit through NEFT/RTGS/IMPS in the bank account in the name of "Securities and Exchange Board of India" payable at Mumbai, at the time of grant of prior approval by the Board.

PART C

COLLECTION OF REGULATORY FEES BY FOREIGN PORTFOLIO INVESTOR FROM ODI SUBSCRIBERS

[See sub-regulation (4) of Regulation 21]

Regulatory Fee

(1) A foreign portfolio investor shall collect the regulatory fee of US $ 1000 or any other amount, as may be specified by the Board from time to time, from every subscriber of offshore derivative instrument issued by it and deposit the same with the Board by way of electronic transfer in the designated bank account of the Board.

(2) The regulatory fee shall be deposited once every three years beginning April 1, 2017.

THIRD SCHEDULE
SECURITIES AND EXCHANGE BOARD OF INDIA (FOREIGN PORTFOLIO INVESTORS) REGULATIONS, 2019
CODE OF CONDUCT
[See regulation 23]

1. A foreign portfolio investor and its key personnel shall observe high standards of integrity, fairness and professionalism in all dealings in the Indian securities market with intermediaries, regulatory and other government authorities.
2. A foreign portfolio investor shall, at all times, render high standards of service, exercise due diligence and independent professional judgment.
3. A foreign portfolio investor shall ensure and maintain confidentiality in respect of trades done on its own behalf or on behalf of its clients.
4. A foreign portfolio investor shall ensure the following -

(a) Clear segregation of its own money and securities and that of its client's money and securities.

(b) Arm's length relationship between its business of fund management/investment and its other business.

5. A foreign portfolio investor shall maintain an appropriate level of knowledge and competency and abide by the provisions of the Act, regulations made thereunder and the circulars and guidelines, which may be applicable and relevant to the activities carried on by it. Every foreign portfolio investor shall also comply with award of the Ombudsman and decision of the Board under Securities and Exchange Board of India (Ombudsman) Regulations, 2003.
6. A foreign portfolio investor shall not make any untrue statement or suppress any material fact in any documents, reports or information to be furnished to the designated depository participant and/or Board.
7. A foreign portfolio investor shall ensure that good corporate policies and corporate governance policies are observed by it.
8. A foreign portfolio investor shall ensure that it does not engage in fraudulent and manipulative transactions in the securities listed in any stock exchange in India.
9. A foreign portfolio investor or any of its directors or managers shall not, either through its/his own account or through any associate or family members, relatives or friends indulge in any insider trading.
10. A foreign portfolio investor shall not be a party to or instrumental for - a) creation of false market in securities listed or proposed to be listed in any stock exchange in India; b) price rigging or manipulation of prices of securities listed or proposed to be listed in any stock exchange in India; c) passing of price sensitive information to any person or intermediary in the securities market.

Sd/-

AJAY TYAGI

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Circular No.: NSDL/POLICY/DDP/2019/0002 May 10, 2019	***Subject: Permitting Foreign Portfolio Investors (FPI) to invest in Municipal Bonds.*** Attentions of Participants who are registered with SEBI as Custodian of securities (Custodians) are invited to SEBI circular no. **IMD/FPIC/CIR/P/2019/62** dated **May 8, 2019** (copy enclosed) regarding permitting Foreign Portfolio Investors (FPIs) to invest in Municipal Bonds. In this regard, SEBI has decided that in accordance with the provisions of Regulation 21(1)(p) of SEBI (Foreign Portfolio Investors) Regulations, 2014, FPIs are, henceforth, permitted to invest in municipal bonds.

CIRCULAR

IMD/FPIC/CIR/P/2019/62 **May 08, 2019**

To

1. **All Foreign Portfolio Investors** (through their Custodian of Securities)
2. **All Custodians**
3. **The Depositories (NSDL and CDSL)**
4. **The Stock Exchanges (BSE, NSE and MSEI)**

Dear Sir / Madam,

Subject: Permitting Foreign Portfolio Investors (FPI) to invest in Municipal Bonds

1. RBI vide A.P. (DIR Series) Circular No. 33 dated April 25, 2019 has permitted FPIs to invest in municipal bonds.
2. It is decided that in accordance with the provisions of Regulation 21(1)(p) of SEBI (Foreign Portfolio Investors) Regulations, 2014, FPIs are, henceforth, permitted to invest in municipal bonds.
3. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.
4. A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Circular No.: NSDL/POLICY/DDP/2019/0001 March 22, 2019	***Subject: Review of Investment by Foreign Portfolio Investors (FPI) in Debt Securities.*** Attention of Participants who are registered with SEBI as Custodian of securities (Custodians) is invited to SEBI Circular No. IMD/FPIC/CIR/P/2019/37 dated March 12, 2019 (copy enclosed) regarding review of Investment by Foreign Portfolio Investors (FPI) in Debt Securities. In this regard, it is stated at point no. 2, 3 & 4 of aforesaid SEBI circular dated March 12, 2019 as under : *"2. Now, in order to encourage a wider spectrum of investors to access the Indian corporate debt market, RBI vide A.P. (DIR Series) Circular No. 19 dated February 15, 2019 has withdrawn with immediate effect the above provision w.r.t. exposure of more than 20% of FPI's corporate bond portfolio to a single corporate.* *3. To give effect to the same in SEBI Circular dated June 15, 2018, the said provision in SEBI Circular dated June 15, 2018 stands withdrawn with immediate effect.*

	4. Further, in accordance with Regulation 21(5) of SEBI (FPI) Regulations, 2014, in respect of investments in the debt securities, the FPI shall also comply with terms, conditions or directions, specified or issued by the Board or RBI, from time to time, in addition to other conditions specified in these regulations. Thus, it is clarified that all the circulars and directions issued hereinafter by RBI w.r.t investment conditions for FPI Investment in corporate debt securities shall be complied with as per the timelines specified in the RBI circular(s). No separate circular(s) shall be issued by SEBI. All the intermediaries may take steps required to operationalize the RBI Circular(s)".

CIRCULAR

IMD/FPIC/CIR/P/2019/37 **March 12, 2019**

To

1. **All Foreign Portfolio Investors** (through their Custodian of Securities)
2. **All Custodians**
3. **The Depositories (NSDL and CDSL)**
4. **The Stock Exchanges (BSE, NSE and MSEI)**

Dear Sir / Madam,

Sub: Review of Investment by Foreign Portfolio Investors (FPI) in Debt Securities

1. SEBI and RBI, after mutual consultations, issued Circular No. CIR/IMD/CIR/P/2018/101 and A.P. (DIR Series) Circular No. 31, respectively, both dated June 15, 2018 reviewing the requirements w.r.t investment by FPI in Debt securities. Both the circulars had, inter-alia, mandated that no FPI shall have an exposure of more than 20% of its corporate bond portfolio to a single corporate (including exposure to related parties of corporate as defined under section 2(76)(viii) of Companies Act, 2013).
2. Now, in order to encourage a wider spectrum of investors to access the Indian corporate debt market, RBI vide A.P. (DIR Series) Circular No. 19 dated February 15, 2019 has withdrawn with immediate effect the above provision w.r.t. exposure of more than 20% of FPI's corporate bond portfolio to a single corporate.
3. To give effect to the same in SEBI Circular dated June 15, 2018, the said provision in SEBI Circular dated June 15, 2018 stands withdrawn with immediate effect.
4. Further, in accordance with Regulation 21(5) of SEBI (FPI) Regulations, 2014, in respect of investments in the debt securities, the FPI shall also comply with terms, conditions or directions, specified or issued by the Board or RBI, from time to time, in addition to other conditions specified in these regulations. Thus, it is clarified that all the circulars and directions issued hereinafter by RBI w.r.t investment conditions for FPI Investment in corporate debt securities shall be complied with as per the timelines specified in the RBI circular(s). No separate circular(s) shall be issued by SEBI. All the intermediaries may take steps required to operationalize the RBI Circular(s).
5. Any non-compliance with the requirements prescribed by RBI from time to time w.r.t corporate debt securities shall be liable for action in terms of SEBI (Foreign Portfolio Investors) Regulations, 2014.

This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in.
Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Circular No.: NSDL/ POLICY/DDP/0017 Date: December 19, 2018	***Subject: Clarification on clubbing of investment limits of Foreign Portfolio Investors ("FPIs").*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) are invited to SEBI Circular No. IMD/FPIC/CIR/P/2018/114 dated December 13, 2018 (copy enclosed) regarding clarification on clubbing of investment limits of Foreign Portfolio Investors ("FPIs").

CIRCULAR

SEBI/HO/IMD/FPIC/CIR/P/2018/150 **December 13, 2018**

To,

1. **All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities.**
2. **The Depositories (NSDL and CDSL)**

Sir/ Madam,

Subject: Clarification on clubbing of investment limits of Foreign Portfolio Investors ("FPIs")

1. This has reference to SEBI circulars No CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 on Know Your Client (KYC) requirements for Foreign Portfolio Investors (FPIs) and No SEBI/HO/IMD/FPIC/CIR/P/2018/66 dated April 10, 2018 providing Clarification on clubbing of investment limits of foreign Government/ foreign Government related entities.
2. SEBI Board in its meeting held on December 12, 2018, has after considering the interim recommendations of SEBI Working Group under the chairmanship of Shri H R Khan (hereinafter referred as HR Khan group) in relation to the circular No CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 on Know Your Client (KYC) requirements for Foreign Portfolio Investors (FPIs) and comments received from public decided that Beneficial ownership criteria in Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (hereinafter referred as PMLA Rules) should be made applicable for the purpose of KYC only and not for clubbing of investments of FPIs.
3. Accordingly, in supersession of the directions contained in SEBI circular No CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 and in partial modification of SEBI circular No SEBI/HO/IMD/FPIC/CIR/P/2018/66 dated April 10, 2018 providing Clarification on clubbing of investment limits of foreign Government/ foreign Government related entities, it is clarified that:-
   a. Clubbing of investment limit for FPIs will be on the basis of common ownership of more than 50% or based on common control. However, clubbing of investment limit of FPIs having common control shall not be done in case of (a) FPIs which are appropriately regulated public retail funds or (b) FPIs which are public retail funds majority owned by appropriately regulated public retail funds on look through basis or (c) FPIs which are public retail funds and investment managers (IMs) of such FPIs are appropriately regulated.

Explanation:

(1) Public retail funds mean (i) mutual funds or unit trusts which are open for subscription to retail investors and do not have specific investor type requirements e.g. accredited investors etc, (ii) insurance companies where segregated portfolio with one to one correlation with a single investor is not maintained and (iii) pension funds.

(2) Control includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

b. In case, two or more FPIs including foreign Governments/ their related entities are having direct or indirect common ownership of more than 50% or control, all such FPIs will be treated as forming part of an investor group and the investment limits of all such entities shall be clubbed at the investment limit as applicable to a single foreign portfolio investor.

c. In cases where Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, SEBI may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.

d. The investment by foreign Government agencies shall be clubbed with the investment by the foreign Government/ its related entities for the purpose of calculation of 10% limit for FPI investments in a single company, if they form part of an investor group.

e. The investment by foreign Government/ its related entities from provinces/ states of countries with federal structure shall not be clubbed if the said foreign entities have different ownership and control.

f. In respect of any breach of the investment limit mentioned above, the FPI's shall have the following two options:-

i. FPI in breach shall have to divest its holding within five trading days from the date of settlement of the trades to bring its shareholding below 10% of the paid up capital of the company, or,

ii. The said investments shall be treated as Foreign Direct Investment from the date of breach.

4. The necessary amendments in SEBI (Foreign Portfolio Investors) Regulations, 2014 will be notified separately.

5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

6. A copy of this circular is available at the links "Legal Framework—Circulars" and "Info for —F.P.I" on our website www.sebi.gov.in. The DDPs/ Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

(Achal Singh)
Deputy General Manager
Tel. No. 022-2644 9619
e-mail: achals@sebi.gov.in

Circular No.: NSDL/ POLICY/DDP/0016 Date: October 15, 2018	***Subject: Monthly report of FPI registration on SEBI's website.*** **Attention of Participants who are registered with SEBI as Designated Depository Participants (DDP's) are invited to SEBI Circular No.** SEBI/ HO/ FPIC/CIR/P/2018/135 **dated** October 11, 2018 **(copy enclosed) regarding monthly report of FPI registration on SEBI's website.**

CIRCULAR

SEBI/HO/FPIC7CIR/P/2018/135 October 11, 2018

To

1. **The Designated Depository Participants**
2. **The Depositories (NSDL and CDSL)**

Dear Sir / Madam

Sub: Monthly report of FPI registration on SEBI's website

1. Regulation 7(2) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 specifies that the designated depository participant (DDP) shall endeavor to dispose of the application for grant of certificate of registration as soon as possible but not later than thirty days after receipt of application by the DDP or, after the information called for under regulation 6 has been furnished, whichever is later.
2. For the purpose of transparency in the processing of applications for FPI registration, it has been decided that the average time taken by the DDPs in processing such applications be disseminated on SEBI's website on a monthly basis.
3. In order to disseminate the aforesaid information on SEBI's website, the DDPs shall provide the number of FPI applications received and the average time taken in processing the said applications during the immediate preceding month, to SEBI, by 5th working day of every month, in the following format:

Name of DDP	***No. of FPIs registered during the month***	***Average time taken for registration during the month***	***No. of applications pending for registration for more than 30 days of receipt of application.***	***Reasons given regarding application(s) pending for more than 30 days***

4. This circular shall come into effect immediately. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992.
5. A copy of this circular is available at the web page "Circular" on our website www.sebi.gov.in. under the head "Legal Framework—Circulars" and "Info for ->F.P.I.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Circular No.: NSDL/ POLICY/DDP/0015 Date: October 9, 2018	***Subject: Eligibility conditions for Foreign Portfolio Investors (FPIs).*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) are invited to SEBI Circular No. CIR/IMD/FPIC/CIR/P/2018/132 dated September 21, 2018 (copy enclosed) regarding eligibility conditions for Foreign Portfolio Investors (FPIs).

CIR/IMD/FPIC/CIR/P/2018/132 September 21, 2018

To,

1. **All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities.**
2. **Designated Depository Participants ("DDPs")/ Custodian of Securities.**
3. **All Recognized Stock Exchanges**
4. **The Depositories (NSDL and CDSL)**
5. **Stock Brokers through Recognized Stock Exchanges**
6. **Depository Participants through Depositories**
7. **Mutual Funds**
8. **Association of Mutual Funds in India**
9. **Portfolio Managers**
10. **KYC Registrations Agencies (KRAs)**
11. **Alternative Investment Funds (AIFs)**

Sir/ Madam,

Subject: Eligibility conditions for Foreign Portfolio Investors (FPIs)

SEBI Board in its meeting held on September 18, 2018, has after considering the interim recommendations of SEBI Working Group under the chairmanship of Shri H. R. Khan (hereinafter referred as HR Khan group) in relation to the circular No CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 on Know Your Client (KYC) requirements for Foreign Portfolio Investors (FPIs) and comments received from public decided that Beneficial ownership criteria in Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (hereinafter referred as PMLA Rules) should be made applicable for purpose of KYC and not for determining eligibility of FPIs. The clubbing of investment limit for FPIs should not be done on the basis of beneficial owner (BO) as per PMLA Rules. Accordingly, there will be a separate set of norms for determining conditions where Non Resident Indians (NRIs) and Overseas Citizens of India (OCIs) and Resident Indians (RIs) are constituents.

2. The Board broadly accepted the recommendations of HR Khan group. Accordingly, it has been decided to put in place the following eligibility norms. The Amendments in SEBI (FPI) Regulations, 2014, wherever necessary, will be notified separately.

2.1. Non Resident Indians (NRIs) and Overseas Citizens of India (OCIs) shall have the same meaning as assigned to them under regulation 2 of the Foreign Exchange Management (Transfer or issue of security by a Person Resident outside India) Regulations, 2017.

2.2. NRIs/ OCIs/ Resident Indians (RIs) shall be allowed to be constituents of FPIs subject to the following conditions:-

a. Contributions by NRI/ OCI/ RI including those of NRI/ OCI/ RI controlled Investment Manager should be below 25% from a single NRI/ OCI/ RI and in aggregate should be below 50% to corpus of FPI.

Explanation: Resident Indian's contribution permitted is that made through Liberalised Remittance Scheme (LRS) approved by Reserve Bank of India in global funds whose Indian exposure is less than 50%.

b. NRI/ OCI/ RI should not be in control of FPI.

2.3 FPIs can be controlled by investment managers (IMs) which are controlled and / or owned by NRI/ OCI/ RI if following conditions are satisfied:-

i. IM is appropriately regulated in its home jurisdiction and registers itself with SEBI as non-investing FPI; or

i. IM is incorporated or setup under Indian laws and appropriately registered with SEBI.

2.4 A non-investing FPI may be directly or indirectly fully owned and/ or controlled by a NRI/ OCI/ RI.

2.5 The restriction that NRI/ OCI/ RI should not be in control of FPI shall also not apply to FPIs which are 'offshore funds' for which no-objection certificate has been provided by the Board in terms of SEBI (Mutual Funds) Regulations, 1996.

2.6 These restrictions in regard to eligibility conditions *(viz.* referred at para 2.2 above) will not be applicable to FPIs investing only in mutual funds in India.

2.7 Existing FPIs and new applicants shall be given a time period of two years from the date of coming into force of the amended regulations or from the date of registration, whichever is later in order to satisfy these eligibility conditions.

2.8 In case of temporary breach, a time period of 90 days will be given to ensure compliance with above conditions.

3. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

A copy of this circular is available at the links "Legal Framework->Circulars" and "Info for —F.P.I" on SEBI website www.sebi.gov.in. The DDPs/Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Circular No.: NSDL/ POLICY/DDP/0012 Date: August 29, 2018	***Subject: SEBI Circular on Amendment to SEBI Circular No. CIR/IMD/FPIC/ CIR/P/2018/64 dated April 10, 2018 on Know Your Client Requirements for Foreign Portfolio Investors (FPIs).*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of Securities (Custodians) are invited to SEBI Circular No. IMD/FPIC/CIR/P/2018/124 dated August 21, 2018 regarding Amendment to SEBI Circular No. CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 on Know Your Client Requirements for Foreign Portfolio Investors (FPIs). Copy of the same is enclosed.

IMD/FPIC/CIR/P/2018/124 August 21, 2018

To,

1. **All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities.**
2. **Designated Depository Participants ("DDPs")/ Custodian of Securities.**
3. **All Recognized Stock Exchanges**

4. **The Depositories (NSDL and CDSL)**
5. **Stock Brokers through Recognized Stock Exchanges**
6. **Depository Participants through Depositories**
7. **Mutual Funds**
8. **Association of Mutual Funds in India**
9. **Portfolio Managers**
10. **KYC Registrations Agencies (KRAs)**
11. **Alternative Investment Funds (AIFs)**

Dear Sir / Madam,

Sub: Amendment to SEBI Circular No. CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 on Know Your Client Requirements for Foreign Portfolio Investors (FPIs)

1. SEBI vide Circular No. CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 has prescribed Know Your Client Requirements for Foreign Portfolio Investors (FPIs).
2. The following timelines had been prescribed in the aforesaid circular:
   2.1. Existing FPIs were required to provide the list of beneficial owners (BO), in the format prescribed at para 2(b) of the aforesaid circular, within six months from the date of the circular,
   2.2. The existing FPI structures not in conformity with the requirement specified at para 2(c) of the aforesaid circular were required to change their structure or close their existing position in Indian securities market within six months from the date of the circular.
   2.3. The existing FPIs or their investors identified on basis of threshold for identification of BO in accordance with Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 who do not conform to the requirements prescribed at para 2(d) of the aforesaid circular, were required to ensure compliance within six months of the date of the circular.
   2.4. In respect of para 2(g) of the aforesaid circular, the existing FPIs were required to provide the documents specified therein within six months from the date of the circular.
   2.5. All existing FPIs whose clubbed investment in equity shares of a company is in breach of the provisions of Regulation 21(7) of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 were required to ensure compliance within six months from the date of the circular (para 3 of the aforesaid circular).
3. The above listed timelines are hereby extended to December 31, 2018.
4. All other terms and conditions specified in the aforesaid circular dated April 10, 2018 shall remain unchanged.
5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992.
6. A copy of this circular is available at the web page "Circular" on our website www.sebi.gov.in. Custodians/ DDPs are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Circular No.: NSDL/ POLICY/DDP/0011 Date: July 19, 2018	***Subject: Investment by Foreign Portfolio Investors (FPI) through primary market issuances.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) are invited to SEBI Circular No. IMD/FPIC/CIR/P/2018/114 dated July 13, 2018 (copy enclosed) regarding investment by Foreign Portfolio Investors (FPI) through primary market issuances.

CIRCULAR

IMD/FPIC/CIR/P/2018/114 July 13, 2018

To

1. **All Foreign Portfolio Investors** (through their Custodian of Securities)
2. **All Custodians**
3. **The Depositories (NSDL and CDSL)**
4. **All Registrar and Transfer Agents**
5. **All Merchant Bankers**

Dear Sir / Madam,

Sub: Investment by Foreign Portfolio Investors (FPI) through primary market issuances

1. Regulation 21(7) of SEBI (Foreign Portfolio Investors) Regulations, 2014 ('FPI Regulations') mandates that the purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
2. Further, Regulation 23(3) of FPI Regulations requires that in case the same set of ultimate beneficial owner(s) invest through multiple entities, such entities shall be treated as part of same investor group and the investment limits of all such entities shall be clubbed at the investment limit as applicable to a single foreign portfolio investor.
3. As prescribed in reply to FAQ No. 58 for FPIs, for the purpose of identifying the investor group, the Designated Depository Participant (DDP) shall obtain the details provided by the FPI under clause 2.2 of the FPI Application form (Form A) specified in First Schedule of FPI Regulations. The monitoring of investment limits at the level of investor group shall be performed by the depositories based on the information provided by DDPs.
4. To ensure compliance of the above, at the time of finalization of basis of allotment during primary market issuances, Registrar and Transfer Agents ('RTAs') shall:
   a) Use Permanent Account Number (PAN) issued by Income Tax Department of India for checking compliance for a single foreign portfolio investor; and
   b) Obtain validation from Depositories for the foreign portfolio investors who have invested in the particular primary market issuance to ensure there is no breach of investment limit within the timelines for issue procedure, as prescribed by SEBI from time to time.
5. The depositories shall put in place the necessary systems for sharing of information with RTAs within the timelines for issue procedure, as prescribed by SEBI from time to time.

This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Circular No.: NSDL/ POLICY/DDP/0010 Date: May 17, 2018	***Subject: Amendment to SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated April 5, 2018 and Circular No. IMD/FPIC/CIR/P/2018/74 dated April 27, 2018 on Monitoring of Foreign Investment limits in listed Indian companies.*** Attention of Participants who are registered with SEBI as Custodian of securities (Custodians) is invited to SEBI Circular No. SEBI/HO/IMD/FPIC/CIR/P/2018/81 dated May 17, 2018 regarding amendment to SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated April 5, 2018 and Circular No. IMD/FPIC/CIR/P/2018/74 dated April 27, 2018 on monitoring of foreign investment limits in listed Indian companies. Relevant extract of the same is given below: "2. In view of the requests from various stakeholders, the following has been decided: 2.1 The deadline for the companies to provide the necessary data to the depositories has been extended to May 25, 2018. 2.2 The new system for monitoring foreign investment limits in listed Indian companies shall be made operational on June 01, 2018."

CIRCULAR

SEBI/HO/IMD/FPIC/CIR/P/2018/81

May 17, 2018

To,

1. **All Foreign Portfolio Investors** (through their designated Custodian of Securities)
2. **The Depositories (NSDL and CDSL)**
3. **The Stock Exchanges (BSE, NSE and MSEI)**

Sir/ Madam,

Subject: Amendment to SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated April 5, 2018 and Circular No. IMD/FPIC/CIR/P/2018/74 dated April 27, 2018 on Monitoring of Foreign Investment limits in listed Indian companies

1. SEBI vide Circular No. IMD/FPIC/CIR/P/2018/61 dated April 5, 2018 introduced a new system for Monitoring of Foreign Investment limits in listed Indian companies and prescribed guidelines w.r.t the necessary infrastructure, data to be provided by listed Indian companies and other related matters.
2. In view of the requests from various stakeholders, the following has been decided:
   2.1. The deadline for the companies to provide the necessary data to the depositories has been extended to May 25, 2018.
   2.1. The new system for monitoring foreign investment limits in listed Indian companies shall be made operational on June 01, 2018.
3. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.
4. A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

(Achal Singh)
Deputy General Manager
Tel. No. 022-2644 9619
e-mail: achals@sebi.gov.in

Circular No.: NSDL/ POLICY/DDP/0009 Date: May 11, 2018	***Subject: Investments by FPIs in Government and Corporate debt securities.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to SEBI Circular No. SEBI/IMD/FPIC/CIR/P/2018/70 dated April 12, 2018 (copy enclosed) regarding investments by FPIs in Government and Corporate debt securities. In this regard, it is mentioned at point no. 3 (d) of aforesaid SEBI circular dated April 12, 2018 that "In partial modification to Para 4 of the SEBI circular SEBI/HO/IMD/FPIC/CIR/P/2017/112 dated September 29, 2017, the sub-limit for investment by Long Term FPIs in the infrastructure sector shall be done away with and the existing investment and free limits shall be merged into the CDIL." In this context, DDPs/Custodians are hereby informed that reporting of investment/ information pertaining to investments by Long Term FPIs related to Corporate debt securities issued by companies in the infrastructure sector reported by DDPs to NSDL under reporting code/ instrument type - 'UCSD' with type of limit 'EL' (as prescribed vide NSDL Circular ref. no. NSDL/POLICY/ DDP/2017/0003 dated March 15, 2017) shall be discontinued. Further, the reporting of information/transaction pertaining to investments by FPIs in unlisted corporate debt and securitised debt instruments using reporting code 'UCSD' (as prescribed vide NSDL Circular ref. no. NSDL/POLICY/DDP/2017/0003 dated March 15, 2017) and reporting of other corporate debt instruments in the existing prescribed reporting codes shall be continued to be reported by DDPs to NSDL on daily T-day basis before 8 pm.

CIRCULAR

SEBI/IMD/FPIC/CIR/P/2018/70 April 12, 2018

To

All Foreign Portfolio Investors

through their designated Custodians of Securities

The Depositories (NSDL and CDSL) Sir / Madam,

Subject: Investments by FPIs in Government and Corporate debt securities

1. RBI in its Fourth Bi-monthly Policy Statement for the year 2015-16, dated September 29, 2015 had announced a Medium Term Framework (MTF) for FPI limits in Government securities in consultation with the Government of India. Accordingly, SEBI had issued circulars CIR/IMD/FPIC/8/2015 dated October 06, 2015, IMD/FPIC/CIR/P/2016/45 dated March 29, 2016 and IMD/FPIC/CIR/P/2016/107 dated October 03, 2016, IMD/FPIC/CIR/P/2017/30 dated April 03, 2017, IMD/FPIC/CIR/P/2017/74 dated July 04, 2017, IMD/FPIC/CIR/P/2017/113 dated October 04, 2017 and IMD/FPIC/CIR/P/2017/129 dated December 20, 2017 regarding the allocation and monitoring of FPI debt investment limits in Government securities.

2. Vide circular SEBI/HO/IMD/FPIC/CIR/P/2017/112 dated September 29, 2017, a sub-Limit for investment by Long Term FPIs in the infrastructure sector was created within the Corporate Debt Investment Limits (CDIL).

3. In accordance with the A.P. (DIR Series) Circular No. 22 dated April 06, 2018 issued by RBI, it has been decided to revise the CDIL and the limit for investment by FPIs in Government Securities and State Development Loans (SDL), for the Financial Year 2018-19, as follows:

   a. Limit for FPIs in Central Government securities shall be enhanced to INR 207,300 cr on April 12, 2018 and INR 223,300 cr on October 01, 2018 respectively from the existing limit of INR 191,300 cr.

   b. Limit for Long Term FPIs (Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks) in Central Government securities shall be enhanced to INR 78,700 cr on April 12, 2018 and INR 92,300 cr on October 01, 2018 respectively from the existing limit of INR 65,100 cr.

   c. The debt limit category of State Development Loans (SDL) shall be revised as follows:

      i. SDL-General shall be enhanced to INR 34,800 cr on April 12, 2018 and INR 38,100 cr on October 01, 2018 respectively from the existing limit of INR 31,500 cr

      ii. SDL-Long Term shall be revised to INR 7,100 cr

   d. In partial modification to Para 4 of the SEBI circular SEBI/HO/IMD/FPIC/CIR/P/2017/112 dated September 29, 2017, the sub-limit for investment by Long Term FPIs in the infrastructure sector shall be done away with and the existing investment and free limits shall be merged into the CDIL. Further, all the existing sub-categories under the category of corporate bonds will be discontinued and there would be a single limit for FPI investment in all types of corporate bonds.

   e. The CDIL shall be enhanced to INR 266,700 cr on April 12, 2018 and INR 289,100 cr on October 01, 2018 respectively from the existing limit of INR 244,323 cr.

4. Accordingly, with effect from April 12, 2018, the revised FPI debt limits shall be as follows:

Type of Instrument	Upper Cap as on April 11, 2018 (INR cr)	Revised Upper Cap with effect from April 12, 2018 (INR cr)	Revised Upper Cap with effect from October 01, 2018 (INR cr)
Government Debt - General	191,300	207,300	223,300
Government Debt - Long Term	65,100	78,700	92,300
SDL - General	31,500	34,800	38,100
SDL - Long Term	13,600	7,100	7,100
Total Government Debt	**301,500**	**327,900**	**360,800**
CDIL	**244,323**	**266,700**	**289,100**

5. Investment of coupons by FPIs in Government securities, which was hitherto outside th investment limit, will now be reckoned within the Government Debt - General limit. FPIs ma however, continue to invest the coupons without any constraint, as they do now. Only at the tin of periodic re-setting of limits, coupon investments would be added to the amount of utilizatio Accordingly, the stock of coupon investment of Rs. 4,760 crore as on March 31, 2018, shall t added to the actual utilization under Government Debt - General.

6. All other existing conditions with regard to allocation and monitoring of debt limits shall contini to apply.

7. A separate notification will be issued announcing coupon reinvestment arrangements in respect of SDL and corporate debt and other changes affecting operational aspects of FPI investments in debt.

This circular shall come into effect immediately. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Circular No.: NSDL/ POLICY/DDP/0008 Date: May 10, 2018	***Subject: Monitoring of Foreign Investment limits in listed Indian companies.*** Attention of Participants who are registered with SEBI as Custodian of securities (Custodians) is invited to SEBI Circular Nos. IMD/FPIC/CIR/P/2018/61 dated April 05, 2018 and IMD/FPIC/CIR/P/2018/74 dated April 27, 2018 (amendment to aforesaid SEBI Circular dated April 5, 2018) regarding monitoring of foreign investment limits in listed Indian companies. It is mentioned at point no. 8 of Annexure A of aforesaid SEBI circular dated April 05, 2018 as under: 8. At present, as per SEBI guidelines, the custodians are reporting confirmed trades of their FPI clients to the depositories on a T+1 basis. This reporting shall continue and the data shall be the basis of calculating FPI investments/ holding in Indian companies. Accordingly, custodians are advised to continue to report/upload details of confirmed trades of their FPI clients to NSDL (i.e. respective depository) on NSDL FPI Monitor portal (www.fpi.nsdl.co.in) on a T+1 basis before 3 pm in the existing prescribed manner and format. Further, the information in respect of companies falling under Red Flag List and Threshold List will be published on NSDL FPI website viz., **(www.fpi.nsdl.co.in)** as per the guidelines prescribed by SEBI.

CIRCULAR

IMD/FPIC/CIR/P/2018/74 April 27, 2018

To

1. **All Foreign Portfolio Investors** (through their designated Custodian of Securities)
2. **The Depositories (NSDL and CDSL)**

3. **The Stock Exchanges (BSE,NSE and MSEI)**

Dear Sir / Madam,

Sub: Amendment to SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated April 5, 2018 on Monitoring of Foreign Investment limits in listed Indian companies

1. SEBI vide Circular No. IMD/FPIC/CIR/P/2018/61 dated April 5, 2018 introduced a new system for Monitoring of Foreign Investment limits in listed Indian companies and prescribed guidelines w.r.t the necessary infrastructure, data to be provided by listed Indian companies and other related matters.
2. In this regard, it is clarified as under:
   2.1. The deadline for the companies to provide the necessary data to the depositories has been extended to May 15, 2018.
   2.2. The new system for monitoring foreign investment limits in listed Indian companies shall be made operational on May 18, 2018.

This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in

Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

CIRCULAR

IMD/FPIC/CIR/P/2018/61 April 05, 2018

To

1. **All Foreign Portfolio Investors** (through their designated Custodian of Securities)
2. **The Depositories (NSDL and CDSL)**
3. **The Stock Exchanges (BSE,NSE and MSEI)**

Dear Sir / Madam,

Sub: Monitoring of Foreign Investment limits in listed Indian companies

1. Foreign Investment in India is regulated in terms of clause (b) of sub-section 3 of section 6 and section 47 of the Foreign Exchange Management Act, 1999 (FEMA) read with Foreign Exchange Management (Transfer or Issue of a Security by a Person resident Outside India) Regulations, 2017 issued vide Notification No. FEMA 20(R)/2017-RB dated November 7, 2017. FEMA prescribes the various foreign investment limits in listed Indian companies. These include the aggregate FPI limit, the aggregate NRI limit and the sectoral cap. The RBI Master Direction (FED Master Direction No. 11/2017-18) dated January 04, 2018 provides a compilation of the instructions issued on Foreign Investment in India and its related aspects under FEMA.
2. As per FEMA, the onus of compliance with the various foreign investment limits rests on the Indian company. In order to facilitate the listed Indian companies to ensure compliance with the various foreign investment limits, SEBI in consultation with RBI has decided to put in place a new system for monitoring the foreign investment limits. The architecture of the new system has been explained in Annexure A.
3. The depositories (NSDL and CDSL) shall put in place the necessary infrastructure and IT systems for operationalizing the monitoring mechanism described at Annexure A. The Stock Exchanges (BSE, NSE and MSEI) shall also put in place the necessary infrastructure and IT systems for disseminating

information on the available investment headroom in respect of listed Indian companies.

4. The depositories shall issue the necessary circulars and guidelines for collecting data on foreign investment from listed companies. The system for collecting this data from the companies shall go live on the date of the issuance of this circular. The companies shall provide the necessary data (details of which have been mentioned in Annexure A) to the depositories latest by April 30, 2018.

5. The new system for monitoring foreign investment limits in listed Indian companies shall be made operational on May 01, 2018. The existing mechanism for monitoring the foreign investment limits shall be done away with once the new system is operationalized. RBI shall issue the necessary guidelines in this regard.

This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,
ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Circular No.: NSDL/ POLICY/DDP/0007 Date: May 9, 2018	***Subject: Clarification on clubbing of investment limits of foreign Government-foreign Government related entities.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) are invited to SEBI Circular No. SEBI/HO/MRD/DP/CIR/P/2018/66 dated April 10, 2018 (copy enclosed) regarding clarification on clubbing of investment limits of foreign Government/ foreign Government related entities.

CIRCULAR

SEBI/HO/IMD/FPIC/CIR/P/2018/66 April 10, 2018

To,

1. All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities.
2. The Depositories (NSDL and CDSL)

Sir/ Madam,

Subject: Clarification on clubbing of investment limits of foreign Government/ foreign Government related entities

1. **SEBI has been monitoring investment by foreign Governments and their related entities** *viz.* **foreign central banks, sovereign wealth funds and foreign Governmental agencies registered as foreign portfolio investors (hereinafter referred to as FPIs) in India. Since various stakeholders have been seeking guidance on clubbing of investment limits to be applied to foreign Government/ its related entities, the following clarifications are issued:**

   a. What is the investment limit for foreign Government/ foreign Government related entities registered as Foreign Portfolio Investors (FPI)?

      Reply: **The purchase of equity shares of each company by a single FPI or an investor group shall be below ten percent of the total paid up capital of the company.** *[Ref. Regulation 21(7) of FPI Regulations].*

b. |What is an investor group?

Reply: **In case, same set of beneficial owners are constituents of two or more FPIs and such investor(s) have a common beneficial ownership of more than 50% in those FPIs, all such FPIs will be treated as forming part of an investor group and the investment limits of all such entities shall be clubbed at the investment limit as applicable to a single foreign portfolio investor.** *[Ref. Regulation 23(3) of FPI Regulations and FAQ 58].*

c. How to ascertain whether an FPI is forming part of any investor group?

Reply: **The designated depository participant engaged by an applicant seeking registration as FPI shall ascertain at the time of granting registration and whenever applicable, whether the applicant forms part of any investor group.** *[Ref. Regulation 32(2)(a) of FPI Regulations].*

Further, at para 2.2 in the Form A of first schedule, the applicant seeking registration as FPI is required to furnish information regarding foreign investor group. Accordingly, it is the prime responsibility and obligation of the FPI to disclose the information with regard to investor group.

d. How is the beneficial ownership of foreign Government entities/ its related entities determined for the purpose of clubbing of investment limit?

Reply: **The beneficial owner (BO) of foreign Government entities/ its related entities shall be determined in accordance with Rule 9 of Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (hereinafter referred to as PMLA Rules).The said PMLA Rules provide for identification of BO on the basis of two methodologies namely (a) controlling ownership interest (also termed as ownership or entitlement) and (b) control in respect of entities having company or trust structure. In respect of partnership firms and unincorporated associations, ownership or entitlement is basis for identification of BO.**

e. Whether two or more foreign Government related entities from the same jurisdiction will individually be permitted to acquire equity shares in an Indian company up to the prescribed limit of 10%?

Reply: **In case the same set of beneficial owner(s) invest through multiple entities, such entities shall be treated as part of same investor group and the investment limits of all such entities shall be clubbed as applicable to a single FPI.** *[Ref. Regulation 23(3) of FPI Regulations].*

Accordingly, the combined holding of all foreign Government/ its related entities from the same jurisdiction shall be below ten percent of the total paid up capital of the company.

However, in cases where Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, SEBI may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it. *[Ref. Regulation 21(9) of FPI Regulations].*

f. How will the investment by a Foreign Government Agency be treated?

Reply: **Foreign Government Agency is an arm/ department/ body corporate of Government or is set up by a statute or is majority (i.e. 50% or more) owned by the Government of a foreign country and has been included under "Category I Foreign portfolio investors".** *[Ref. Regulation 5(a) of FPI Regulations].*

The investment by foreign Government agencies shall be clubbed with the investment by the foreign Government/ its related entities for the purpose of calculation of 10% limit for FPI investments in a single company, if they form part of an investor group.

g. Whether any investment by World bank group entity viz. IBRD, IDA, MIGA and IFC should be clubbed with the investment from a foreign Government having ownership in such World bank group entity?

Reply: **Government of India, vide letter No. 10/06/2010-ECB dated January 06, 2016 has exempted World Bank Group *viz.* IBRD, IDA, MIGA and IFC from clubbing of the investment limits for the purpose of application of 10% limit for FPI investments in a single company.**

h. Where Provinces/States of some countries with federal structure have set up their separate investment funds with distinct beneficial ownership constituted with objectives suitable for their respective provinces, such funds not only have separate source of financing but also have no management, administrative or statutory commonality. Kindly inform whether investments by these foreign Government entities shall be clubbed?

Reply: **The investment by foreign Government/ its related entities from provinces/ states of countries with federal structure shall not be clubbed if the said foreign entities have different BO identified in accordance with PMLA Rules.**

i. How will the foreign Government/ its related entities know the available limit for investment, to avoid breach of the limit?

Reply: **The custodian of securities reports the holdings of FPIs/ investor groups to depositories who monitor the investment limits. As such, NSDL is in ready possession of aggregate holdings of FPIs/ investor groups in any particular scrip.** *[Ref. Regulation 26(2)(d) of FPI Regulations].*. **To this effect, SEBI, vide communication dated November 02, 2017 has already advised DDPs/ custodians of securities to approach NSDL to get information regarding aggregate percentage holdings of the group entities on whose behalf they are acting in any particular company before making investment decisions. SEBI has no objection to the said arrangement for sharing of data.**

j What if the investment by foreign Government/ its related entities cause breach of the permissible limit?

Reply: **The FPIs investing in breach of the prescribed limit shall divest their holdings within 5 trading days from the date of settlement of the trades causing the breach. Alternatively, the investment by such FPIs shall be considered as investment under Foreign Direct Investment (FDI) at the FPI's option. However, the FPIs need to immediately inform of such option to SEBI & RBI, since they cannot hold equity investments in a particular company under FPI and FDI route, simultaneously.**

2. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

3. A copy of this circular is available at the links "Legal Framework—Circulars" and "Info for —F.P.I" on our website www.sebi.gov.in. **The DDPs/ Custodians are requested to bring the contents of this circular to the notice of their FPI clients.**

Yours faithfully,

(Achal Singh)
Deputy General Manager
Tel. No. 022-2644 9619
e-mail: **achals@sebi.gov.in**

Circular No.: NSDL/ POLICY/DDP/0005 Date: April 4, 2018	***Subject: Revision of limits relating to requirement of underlying exposure for currency derivatives contracts.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) are invited to SEBI Circular No. SEBI/HO/MRD/DP/CIR/P/2018/50 dated March 15, 2018 (copy enclosed) regarding revision of limits relating to requirement of underlying exposure for currency derivatives contracts. DDPs/Custodians are requested to take note of the same and bring the contents of this circular to the notice of the FPIs (Foreign Portfolio Investors) registered with them.

CIRCULAR

SEBI/HO/MRD/DP/CIR/P/2018/50 March 15, 2018

To

All Stock Exchanges (other than Commodity Exchanges); All Clearing Corporations; All Depositories; All Designated Depository Participants (DDPs) through Depositories; All Custodians of Securities; All Foreign Portfolio Investors (FPIs) through their DDPs. Dear Sir / Madam,

Revision of limits relating to requirement of underlying exposure for currency derivatives contracts

This is further to SEBI circular no. CIR/MRD/DP/20/2014 dated June 20, 2014, wherein, limits were specified for the USD-INR, EUR-INR, GBP-INR and JPY-INR currency derivatives contracts beyond which market participants were required to establish proof of underlying exposure and SEBI circular no. CIR/MRD/DP/4/2015 dated April 08, 2015, wherein such limits were reviewed.

2. RBI vide A.P. (DIR Series) Circular no. 18 dated February 26, 2018 has revised the limits beyond which market participants would be required to establish underlying exposure in the currency derivatives segment. Copy of the RBI circular is enclosed for reference.
3. Accordingly, it has been decided to modify the circular no. CIR/MRD/DP/04/2015 dated April 08, 2015 as under:
   (a) Domestic clients / Foreign Portfolio Investors (FPIs) may take long or short positions without having to establish existence of underlying exposure, upto a single limit of USD 100 million equivalent, across all currency pairs involving INR, put together, and combined across all the stock exchanges.
   (b) FPIs shall ensure that their short positions at all stock exchanges across all contracts in FCY-INR pairs do not exceed USD 100 million.
   (c) In the event a FPI breaches the short position limit, stock exchanges shall restrict the FPI from increasing its existing short positions or creating new short positions in the currency pair till such time FPI complies with the said requirement.
   (d) To take long positions in excess of USD 100 million in all contracts in FCY-INR pairs, FPIs shall be required to have an underlying exposure in Indian debt or equity securities, including units of equity/debt mutual funds.
   (e) Domestic clients may take positions in excess of USD 100 million in in all contracts in FCY-INR pairs, subject to the conditions specified in the RBI A.P. (DIR Series) Circular no. 147 dated June 20, 2014 and RBI A.P. (DIR Series) Circular no. 90 dated March 31, 2015.
4. The onus of complying with the provisions of the RBI A.P. (DIR Series) Circular no. 18 dated February 26, 2018 shall rest with the client / FPI and in case of any contravention, the client shall render itself liable to any action that may be warranted by RBI as per the provisions of Foreign Exchange Management Act, 1999 and Regulations, Directions, etc. framed thereunder. These limits shall be

monitored by stock exchanges and/or clearing corporations and breaches, if any, shall be reported to the Market Surveillance Team of Financial Markets Regulation Department (FMRD), RBI. In this regard, stock exchanges / clearing corporations shall devise a suitable mechanism to monitor the aforesaid limits, subject to appropriate regulatory concurrence.

5. This Circular shall supersede SEBI circular no. CIR/MRD/DP/4/2015 dated April 08, 2015.
6. All other requirements, terms and conditions, as specified vide SEBI circular no. CIR/MRD/DP/20/2014 dated June 20, 2014, shall remain unchanged.
7. Stock Exchanges and Clearing Corporations are directed to:
   (a) take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;
   (b) bring the provisions of this circular to the notice of the stock brokers / clearing members and also disseminate the same on their website;
   (c) communicate to SEBI the status of implementation of the provisions of this circular.
8. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Susanta Kumar Das
Deputy General Manager
email: susantad@sebi.gov.in

Enclosure:

(i) Reserve Bank of India A.P. (DIR Series) Circular no. 18 dated February 26, 2018 on *'Risk Management and Inter-bank Dealings: Revised Guidelines relating to participation of Residents & Non-Residents in the Exchange Traded Currency Derivatives (ETCD) Market.*

Circular No.: NSDL/ POLICY/DDP/0004 Date: March 27, 2018	***Subject: Due diligence and reporting requirements under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS).*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of Securities (Custodians) are invited to SEBI Circular No. SEBI/CIR/IMD/FPIC/CIR/P/2018/53 dated March 21, 2018 (copy enclosed) regarding due diligence and reporting requirements under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS).

CIRCULAR

IMD/ FPIC/CIR/P/2018/53
March 21, 2018

To,

Designated Depository Participants ("DDPs")/ Custodians of Securities.

Sir/ Madam,

Subject: Due diligence and reporting requirements under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)

1. This is in continuation of SEBI circulars No. CIR/MIRSD/2/2015 dated August 26, 2015 and No. CIR/MIRSD/3/2015_dated September 10, 2015 wherein SEBI has informed all intermediaries regarding due diligence and reporting requirements under Rules 114F to 114H of the Income- tax Rules (hereinafter referred as Rule) and Guidance Note on FATCA and CRS issued by the CBDT, New Delhi, vide F.No.500/137/2011-FTTR-III dated August 31, 2015 (Available at http://www.incometaxindia.

gov.in/communications/notification/guidance_notes_on_implementation_31_08_2015.pdf)

2. In terms of Rule 114G(11), the regulators are required to issue necessary instructions and guidelines from time to time for:
   a) Incorporating the requirements of reporting and due diligence
   b) Providing the procedure and manner of maintaining the information by the Reporting financial institution (RFI). RFI is defined in Rule 114F (7).
   c) Ensuring the availability of the information with the reporting financial institution for meeting their reporting obligation, if such information is not maintained by it under any rule or regulation issued by the regulator
3. Accordingly, all RFIs are advised to take following necessary steps to ensure compliance with requirements specified in the aforesaid rules for carrying out the necessary due-diligence and reporting for Foreign Portfolio Investors (FPIs):-
   i. Obtain valid self-certifications/ FATCA and CRS declaration forms with documentary evidence as part of the account opening documentation in relation to FATCA/ CRS as specified in Rule 114H. Indicative self-certifications for individuals and entities are provided as Appendix D and E in the Guidance Note on FATCA and CRS.
   ii. In accordance with CBDT clarification dated February 19, 2016, Custodian are required to carry out the due diligence on the accounts held by Global Custodian (GC) end-clients. However, for carrying out due diligence, the Custodian may rely on the FATCA/CRS documentation done by GC for the account holders including the self-certification. Further, it may be clarified that the obligations for due diligence and reporting remain that of the Custodian who should also be able to access all documents in relation to an account holder.
   i. Create a process/system to capture and validate the information collected through valid FACTCA/ CRS declaration forms.
   ii. Develop framework for carrying out due diligence procedures and for maintaining reporting information, as provided in Rule 114G and 114H
   iii. Furnish the relevant information in Form 61B in respect of the identified reportable accounts as defined in Rule 114F(6) on or before the date prescribed in accordance with sub-rules (7), (8) and (9) of Rule 114G for every calendar year.
   iv. Develop a system of audit for compliance with Rules 114F, 114G and 114H of Income-tax rules.
   v. Ensure compliance with updated rules/ circulars/ notifications/ instructions/ / guidance notes issued on the subject by Central Board of Direct Taxes (CBDT) from time to time.
4. RFIs are required to certify to SEBI on annual basis regarding compliance with the provisions of Rules 114F to 114H of Income-tax rules relating to FATCA / CRS. This certificate would be a part of the audit report on internal controls submitted to SEBI annually.
5. DDPs should grant SEBI registration to a foreign Portfolio Investor (FPI) only after obtaining valid self-certification/ dully filled in forms. DDPs shall submit a certificate in respect of new registration(s) granted during every month at the end of the month that all due -diligence procedures, including obtaining of valid self-certification/ FATCA/ CRS declaration, have been followed before granting the said registration to FPI.
6. During inspection of DDPs/ Custodians, SEBI will examine the compliance with the certificate to SEBI regarding self-certification and due-diligence at the time of new registration.
7. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market read with Rule 114G(11) of Income Tax Rules.

8. A copy of this circular is available at the links "Legal Framework_>Circulars" and "Info for __F.P.I" on our website www.sebi.gov.in. The DDPs/Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

(Achal Singh)

Circular No.: NSDL/ POLICY/DDP/2018/0003 Date: March 21, 2018	***Subject: Separate limit of Interest Rate Futures (IRFs) for Foreign Portfolio Investors (FPIs).*** Attention of Participants who are registered with SEBI as Custodian of securities (Custodians) are invited to SEBI Circular No. SEBI/CIR/IMD/FPIC/CIR/P/2018/46 dated March 08, 2018 (copy enclosed) regarding separate limit of Interest Rate Futures (IRFs) for Foreign Portfolio Investors (FPIs).

CIRCULAR

IMD/FPIC/CIR/P/2018/46 March 08, 2018

To,

1. All Foreign Portfolio Investors (through their designated Custodians of Securities)
2. The Depositories (NSDL and CDSL)
3. The Recognized Stock Exchanges

Dear Sir / Madam,

Sub: Separate limit of Interest Rate Futures (IRFs) for Foreign Portfolio Investors (FPIs)

1. Reserve Bank of India, in its Statement on Developmental and Regulatory Policies, released on August 02, 2017, proposed to allocate a separate limit of INR 5,000 crore to Foreign Portfolio Investors (FPIs) for taking long position in Interest Rate Futures (IRFs) in order to facilitate further market development and to ensure that FPIs' access to bond futures remains uninterrupted during the phase when FPI limits on Government securities are under auction.
2. Accordingly, it has been decided to allocate a separate limit of INR 5,000 crore to FPIs for taking long position in IRFs. Para 13 (d) of Annexure 1 to SEBI Circular CIR/MRD/DRMNP/35/2013 dated December 05, 2013 and Para 13 (c) of Annexure 1 to SEBI Circular CIR/MRD/DRMNP/11/2015 dated June 12, 2015 stand partially modified to that extent.
3. This limit will be calculated as follows:
   a. For each interest rate futures instrument, position of FPIs with a net long position will be aggregated. FPIs with a net short position in the instrument will not be reckoned.
   b. No FPI can acquire net long position in excess of INR 1,800 crore at any point of time.
4. For monitoring the limit as mentioned in Paragraph '3' above and in SEBI Circular CIR/MRD/DRMNP/2/2014 dated January 20, 2014, Stock Exchanges, after consulting amongst themselves, shall adhere to the following mechanism:
   a. Stock Exchanges shall put in place necessary mechanism for monitoring and enforcing limits of FPIs in IRFs.
   b. Stock Exchanges shall aggregate net long position in IRF of all FPIs taken together at end of the day and shall jointly publish/ disseminate the same on their website on daily basis.
   c. Once 90% of the limit is utilized, Stock Exchanges shall put in place necessary mechanism to get alerts and publish on their websites the available limit, on a daily basis.
   d. In case, there is any breach of the threshold limit, the FPI/s whose investment caused the breach shall square off their excess position/s within five trading days or by expiry of contract, whichever is earlier.

5. The limits prescribed for investment by FPIs in Government Securities (currently INR 301,500 crore) shall be exclusively available for investment in Government Securities.

This circular shall come into effect immediately. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the web page "Circular" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: **achals@sebi.gov.in**

Circular No.: NSDL/ POLICY/DDP/2018/0002 Date: March 16, 2018	***Subject: Clarifications in respect of investment by certain Category II FPIs.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) are invited to SEBI Circular No. SEBI/CIR/IMD/FPIC/47/2018 dated March 13, 2018 (copy enclosed) regarding clarifications in respect of investment by certain Category II FPIs.

CIRCULAR

CIR/IMD/FPIC/47/2018 March 13, 2018

To,

1. **All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities.**
2. **All Recognized Stock Exchanges**
3. **The Depositories (NSDL and CDSL)**

Sir/ Madam,

Subject: Clarifications in respect of investment by certain Category II FPIs

I. This is in reference to SEBI circular No. CIR/IMD/FPIC/ 26 /2018 dated February 15, 2018 regarding *"Easing of access norms for investment by FPIs"*.

II. In view of queries from stakeholders, the following clarifications are made in respect of investment by certain category II FPIs:-

(1) The collective investment vehicle of private banks/ merchant banks investing on behalf of clients need to ensure the following:-

a) The client/ investor should have fulfilled know your client norms. The beneficial owners (BO) of client/ investor of bank should be identified in accordance with Rule 9 of Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

b) The client/ investor or their BO should not be Resident Indian/ NRI/ Overseas Citizen of India.

c) The client/ investor is not resident in a country identified in the public statement of Financial Action Task Force as:-

i. a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or

ii. a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies;

d) The client/ investor should not have opaque structure(s), as defined under Explanation 1 of Regulation 32(1)(f) of SEBI (Foreign Portfolio Investors) Regulations, 2014 or Bearer share structure.

e) The collective investment vehicle of the Bank (other than for ODIs) should be broad based (more than 20 investors and no investor having more than 49% stake) and there should be common portfolio for all clients/ investors.

f) The conditions already specified at point (g) of SEBI circular dated February 15, 2018 shall continue to be applicable.

(2) Presently, appropriately regulated broad based insurance/ reinsurance companies are investing proprietary funds and for unit linked/ investment products. In this regard, it is clarified that investment in India by insurance/ reinsurance companies must be maintained as an undivided common portfolio. Segregated portfolio or investor/ policy-holder level investment structure shall not be permitted.

(3) In respect of other appropriately regulated persons permitted as Cat. II FPIs viz. asset management companies, investment managers/ advisers, Portfolio managers, Broker-dealer and Swap-dealer. It is clarified that:-

(a) They are permitted to invest their proprietary funds,

(b) These appropriately regulated persons by taking separate registration can also invest with client funds as an ODI Issuing FPI or after fulfiling the condition of being broad based and having a common portfolio. However, asset management companies having thematic portfolios can also have segregated structure if each theme is broad based.

(4) All other investment restrictions and due diligence requirements as applicable to FPIs shall continue to be applicable on entities referred at (1) to (3) above.

III. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

IV. A copy of this circular is available at the links "Legal Framework—Circulars" and "Info for —F.P.I" on our website www.sebi.gov.in. The DDPs/Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

(Achal Singh)

Circular No.: NSDL/ POLICY/DDP/2018/0001 Date: February 19, 2018	***Subject: Easing of Access Norms for investment by FPIs.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to SEBI Circular No. SEBI/CIR/IMD/FPIC/26/2018 dated February 15, 2018 (copy enclosed) regarding easing of access norms for investment by FPIs.

CIRCULAR

CIR/IMD/FPIC/ 26 /2018 February 15, 2018

To,

1. **All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities.**
2. **All Recognized Stock Exchanges**
3. **The Depositories (NSDL and CDSL)**

Sir/ Madam,

Subject: Easing of Access Norms for investment by FPIs

SEBI in consultation with stakeholders has decided to make following changes in extant regulatory provisions to ease the access norms for investment by Foreign Portfolio Investors (FPIs):-

(a) Discontinuance of requirements for seeking prior approval from SEBI in case of change in local custodian/ Designated Depository Participant (DDP):

A Global Custodian generally manages a large number of FPI accounts in India. Sometimes they shift these FPIs accounts from one local custodian to another. At that time, taking specific request letter from each FPI regarding change of local custodian may create operational and logistical challenges. Accordingly, the following changes have been made:-:

Clause 5.4 of Operational Guidelines for DDPs ref. SEBI circular dated January 08, 2014 - Change in DDP/Custodian

Existing provision	Revised provision
In case the FPI wishes to change the DDP/ Custodian, the request for change shall be intimated to SEBI through the concerned DDP/Custodian. On receipt of no objection from the existing transferor DDP/Custodian and acceptance from the proposed transferee DDP/Custodian, then approval from SEBI shall be sought by concerned FPI.	In case, the FPI or its Global Custodian wishes to change the local custodian/DDP, the request for change shall be forwarded to new local custodian/DDP. In case, the Global Custodian of FPI wishes to change the local custodian/ DDP, then the request for change can be sent by the Global Custodian on behalf of its underlying FPI clients provided such Global Custodian has been explicitly authorized to take such steps by the client.
	Upon receipt of no objection from the transferor local custodian/DDP, the transferee local custodian/DDP shall approve the change and intimate SEBI about the change. In case, the request for change in local custodian/DDP is received from Global Custodian, the transferee local custodian/DDP shall inform Compliance Officer of the concerned FPI(s) regarding the change in their local custodian/DDP.

(b) Rationalization of procedure for submission of PCC/MCV Declarations and Undertakings (D&U) and Investor grouping requirement at the time of continuance of registration of FPIs:

At the time of FPI registration / conversion, PCC/MCV D&U and information regarding FPI investor group is provided and the same are recorded in NSDL portal. In case there is no change in the information already submitted, the requirement to resubmit PCC/MCV D&U and information regarding FPI investor groups at the time of continuance is being dispensed with. Accordingly, FAQ 51 has been changed in the following manner:

FAQ 51. Is a DDP required to collect Form A from an FPI at the time of payment of registration fee for continuance of its registration as FPI?	
Existing provision	**Revised provision**
In the FII regime, an FII/SA at the time of payment of registration fee for continuance of its registration as FII/SA is not required to submit Form A. However, it is required to submit certain documents namely Declaration and Undertaking as specified in SEBI circular No. CIR/IMD/FIIC/1/ 2010 dated April 15, 2010 and Information regarding FII groups along with a confirmation to the effect that there is no change in structure of the FII and SA as compared to that furnished to SEBI earlier. The same practice shall continue in the FPI regime.	In the FII regime, an FII/SA at the time of payment of registration fee for continuance of its registration as FII/SA was not required to submit Form A. The same practice shall continue in the FPI regime. Further, FPIs are not required to re-submit 'Declaration and Undertaking' (as specified in the SEBI Circular No. CIR/IMD/FIIC/1/ 2010 dated April 15, 2010) and information regarding FPI investor groups, in case there is no change in the information as compared to that furnished to the DDP earlier. DDPs may rely on the specific declaration from the FPI that there is no change in the information, as previously furnished. However, it may be noted that the DDP/Custodians will continue to ensure compliance with the KYC due diligence requirement prescribed by SEBI/RBI and changes therein as may be notified from time to time.

(c) **Placing reliance on due diligence carried out by erstwhile DDP at the time of change of Custodian/ DDP of FPIs:** At the time of change of local custodian/DDP by an FPI, the new local custodian/DDP is required to carry out the adequate due diligence requirement to ascertain the eligibility of the FPI. The due diligence by the new DDP on an already registered FPI at the time of change of local custodian/ DDP often leads to increased documentation and sometimes delays the transition. Accordingly, the following change has been made:-:

Existing provision (e-mail dated July 02, 2015)	Revised provision
With respect to the process of change of Custodian/ DDP by an FPI, it is informed that both old (i.e. transferor) as well as new Custodian/DDP (i.e. transferee) shall be required to carry out the adequate due diligence in the process.	With respect to the process of change of local custodian/DDP by an FPI, it is informed that the new DDP (i.e. transferee) may rely on the due diligence carried out by the old DDP. However, the new DDP is required to carry out adequate due diligence at the time when the FPI applies for continuance of its registration on an ongoing basis.

(d) **Exemption to FPIs having Multiple Investment Managers (MIM) structure from seeking prior approval from SEBI in case of Free of Cost (FOC) transfer of assets:**

As per Regulation 21(4)(d) of SEBI (FPI) Regulations, 2014, *"the transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board.'*

Notwithstanding the above, it is proposed that requests for FOC between FPIs operating under MIM structure (with same PAN issued by Income Tax Department) shall be permitted and can be processed by DDPs at their end. Accordingly, the following change has been made:-

FAQ 28. Who would consider application for free of cost transfer of assets?	
Existing provision	**Revised provision**
The request for free of cost transfer of assets by the FPI should be forwarded to SEBI for its consideration through the concerned DDP.	The request for free of cost transfer of assets between FPIs having same PAN and also registered with SEBI showing Multiple Investment Managers (MIM) structure may be processed by DDPs at their end.

(e) Simplification of process for addition of share class: FAQs 49 and 100 have been changed as below:

FAQ 49. Does every fund / sub fund / share class need to separately fulfil broad based criteria? Is prior approval required for launch of new share class from DDP?

Existing provision	Revised provision
Yes, every fund / sub fund / share class needs to separately fulfil broad based criteria, where segregated portfolio is maintained. In case of addition of classes of shares, the FPI shall be required to obtain prior approval from DDP. For granting of such prior approval, DDPs shall obtain following documents from the FPI applicant: a) A declaration and undertaking with respect to PCC, MCV status as specified in SEBI circular ref. no. CIR/IMD/ FIIC/1/ 2010 dated April 15, 2010; b) In cases where segregated portfolios are maintained, where the newly added share class is already broad based, the FPI will continue to be considered as being broad based. i. Where the newly added share class is not broad based, then an undertaking is to be obtained by the DDP that the newly added share class will become broad based within 90 days from the date of DDP approval letter. ii. In case of simultaneous addition of more than one share class, which are not broad based, then an undertaking is to be obtained by the DDP that all the newly added share classes will become broad based within 15 days from the date of DDP approval letter.	In case common portfolio of Indian securities is maintained across all classes of shares/fund/ sub-fund and broad based criteria are fulfilled at portfolio level after addition of share class, prior approval from DDP is not required. However, in case of segregated portfolio in India, every fund / sub fund / share class needs to separately fulfil broad based criteria. Further, in case of addition of classes of shares for segregated portfolio, the FPI shall be required to obtain prior approval from DDP. However, for deletion of share classes of shares of segregated portfolio, an intimation should be provided to DDP forthwith. For granting of such prior approval, DDPs shall obtain declaration and undertaking with respect to PCC, MCV status. Further, in case of addition of one or more than one share class, which are not broad based, an undertaking may be obtained by the DDP that all the newly added share classes shall attain broad based status within 180 days from the date of approval issued by DDP.

FAQ 100. If the prospectus of a fund (registered as FPI) allows for share classes such as various currencies, can such an FPI request for addition of share class for every single iteration/variant of a share-class at one time irrespective of whether it actua ly launches the share-class or not?

Existing provision	Revised provision
It has already been clarified in reply to Q 49 of FAQs that in case of simultaneous addition of more than one share class, which are not broad based, then an undertaking is to be obtained by the DDP that all the newly added share classes will become broad based within 15 days from the date of DDP approval letter. However, where common portfolio is maintained, the approval of launch of share class/variant shall be taken prior to its launch.	It has already been clarified in reply to Q 49 of FAQs that in case of simultaneous addition of more than one share class (where segregated portfolio is maintained), which are not broad based, then an undertaking is to be obtained by the DDP that all the newly added share classes will attain broad based status within 180 days from the date of approval issued by DDP.

(f) Permitting FPIs operating under the Multiple Investment Managers (MIM) structure to appoint multiple custodians: FAQs 6 and 103 have been changed as below:

FAQ 6. Can an entity obtain more than one FPI registration (similar to the one allowed for MIM structures in the FII regime)?

Existing provision	Revised provision
Yes. In the FII regime, wherever an entity engages Multiple Investment Managers (MIM structure) it can obtain multiple registrations with SEBI. These applicants are required to appoint the same local custodian. Further, investments made under such	Yes. In the FII regime, wherever an entity engages Multiple Investment Managers (MIM structure) it can obtain multiple registrations with SEBI. Further, investments made under such multiple registrations were clubbed for the purpose

multiple registrations are clubbed for the purpose of investment limits. The same position shall continue in the FPI regime.	of monitoring of investment limits. The same position shall continue in the FPI regime. Also, such applicants can appoint different local custodians/ DDPs.
FAQ 103. Can a DDP register proprietary accounts for the purposes of internal segregation (other than for MIM purposes)? Are there any limitations on how many such proprietary FPIs can be registered?	
Existing provision	**Revised provision**
It has already been clarified in reply to Q6 of the FAQs that in the FII regime, wherever an entity engages Multiple Investment Managers (MIM structure) it can obtain multiple registrations with SEBI. These applicants are required to appoint the same local custodian. Further, investments made under such multiple registrations are clubbed for the purpose of investment limits. The same position shall continue in the FPI regime.	It has already clarified in reply to Q 6 of the FAQs that in the FII regime, wherever an entity engages Multiple Investment Managers (MIM structure) it can obtain multiple registrations with SEBI. Further, investments made under such multiple registrations were clubbed for the purpose of monitoring of investment limits. The same position shall continue in the FPI regime. Also, such applicants can appoint different local custodians/DDPs.
(g) **Permitting appropriately regulated Private Bank/ Merchant Bank to invest on their behalf and also on behalf of their clients:** It has been decided that private bank/ merchant bank may invest on behalf of their clients provided that the banks do not have any secrecy arrangement with the investors and secrecy laws do not apply to the jurisdictions in which the bank is regulated. Further, details of beneficial owners of investors are available and would be provided as and when required by Regulators. Accordingly, the following changes has been made:	
FAQ 20. How would the Private Banks and Merchant Banks be classified? Should they be considered as appropriately regulated if they are regulated or supervised by the banking regulator of the concerned foreign jurisdiction and thus qualify to be Category II FPI?	
Existing provision	**Revised provision**
Private Banks and Merchant Banks that are regulated by an "appropriate regulator" may be classified as Category II. Further, such entities shall be allowed to undertake only proprietary investments. [Ref. Regulation 5(b)]	Private Banks and Merchant Banks that are regulated by an "appropriately regulator" may be classified as Category II. Further, they will be permitted to undertake investments on behalf of its investors provided the private banks/ merchant banks submit a declaration that i. The details of beneficial owners are available and will be provided as and when required by the regulators; ii. The banks do not have any secrecy arrangement with the investors and all required legal/ regulatory arrangements have been put in place in order to ensure that any secrecy laws or confidentiality clauses do not impede disclosure of beneficial owner details as and when required by Indian regulators. iii. In addition to (i) and (ii), such entities shall also be allowed to undertake proprietary investment by taking separate registration with SEBI.

FAQ 21. Can a Private Bank/Merchant Bank invest on behalf of its clients?	
Existing provision	**Revised provision**
No. Private Bank/Merchant Bank cannot invest on behalf of their clients. They are only permitted to make proprietary investments.	Please refer to reply to FAQ 20.

FAQ 162. A private bank namely "Y" is one of the investors in a fund namely "X", which seeks to get registered as an FPI. "Y" intends to invest on behalf of multiple clients. Can a DDP consider "X" eligible for grant of registration as an FPI?	
Existing provision	**Revised provision**
While assessing the eligibility of an FPI applicant, a DDP may refer to the reply to Q# 21 of the FAQs, which states that private bank/ merchant bank cannot invest on behalf of their clients. They are only permitted to make proprietary investments.	FAQ 162 is deleted.

(h) **Other Clarifications on Conditional registration:** Clause 2.5 of operational guidelines mandated in Circular No. CIR/IMD/FIIC/02/2014 dated January 08, 2014, states that conditional registration facility is available only to "newly established" India dedicated fund. The facility of granting conditional registration shall also be extended to existing funds, proposing to convert as India dedicated funds. However, existing India dedicated funds will be given time of 90 days to achieve Broad based status.

This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

A copy of this circular is available at the links "Legal Framework—Circulars" and "Info for —F.P.I" on our website www.sebi.gov.in. The DDPs/Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

(Achal Singh)

Circular No.: NSDL/ POLICY/DDP/2017/0012 Date: December 6, 2017	***Subject: Foreign Portfolio Investment in Corporate debt securities.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to SEBI Circular No. SEBI/HO/IMD/FPIC/CIR/P/2017/112 dated September 29, 2017 (copy enclosed) regarding Foreign Portfolio Investment in Corporate debt securities. In this regard, it is mentioned at **point no. 5** of aforesaid SEBI circular dated September 29, 2017 that "*A sub-limit exclusively for investments by Long Term FPIs (Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks) in the infrastructure sector shall be created within the overall CDIL.*" Further, it is mentioned at **point no. 6** of SEBI Circular dated September 29, 2017 that "*This sub-limit shall be available for investment on tap.*" In this context, DDPs/Custodians are hereby informed that the reporting of buy / sell / investment information / transaction pertaining to investments by FPIs/Long Term FPIs in Corporate debt securities shall be reported by DDPs to NSDL using existing reporting codes (enclosed at **Annexure I**) in the format and manner as prescribed by NSDL on daily T-day basis before 8 pm. The guidelines for reporting of investment information/transaction by Long Term FPIs related to Corporate debt securities issued by companies in the infrastructure sector is enclosed at **Annexure II.**

	Further, it is mentioned at **point no. 7** of aforesaid SEBI circular dated September 29, 2017 that '*The sub-limit for Long Term FPIs shall include their investment in both listed and unlisted corporate debt issued by companies in the infrastructure sector. As prescribed in the SEBI circular SEBI/HO/IMD/FPIC/CIR/P/2017/16 dated February 28, 2017, investments by FPIs in the unlisted corporate debt securities and securitised debt instruments shall not exceed INR 35,000 cr within the extant CDIL'*. In this context, DDPs are hereby informed that in order to ascertain the total investment in unlisted corporate debt and securitised debt Instruments (by Long term FPIs and all categories), the investments by Long Term FPIs in Corporate debt securities under unlisted corporate debt securities and securitised debt instruments is disseminated separately under **Corporate Bonds section** under 'Debt Utilisation Status' report on NSDL website **[www.fpi.nsdl.co.in].** The guidelines for reporting of investment information/ transaction by Long Term FPIs related to Corporate debt securities under unlisted corporate debt securities and securitised debt instruments is enclosed at **Annexure III.** DDPs/Custodians are advised to ensure that investments by FPIs (by Long term FPIs and all categories) in the unlisted corporate debt securities and securitised debt instruments shall not exceed INR 35,000 cr within the extant CDIL. DDPs are advised to take note of the same and ensure compliance.

CIRCULAR

SEBI/HO/IMD/FPIC/CIR/P/2017/112 September 29, 2017 To All Foreign Portfolio Investors through their designated Custodians of Securities **The Depositories (NSDL and CDSL) Sir / Madam, Subject: Foreign Portfolio Investment in Corporate debt securities**

1. SEBI, vide circular SEBI/HO/IMD/FPIC/CIR/P/2016/67 dated August 04, 2016 had redefined the INR 244,323 cr Corporate debt limit for FPIs as the Combined Corporate Debt Limit (CCDL) for all foreign investments in Rupee denominated bonds issued both onshore and overseas by Indian corporates.
2. RBI vide circular RBI/2017-18/64 A.P. (DIR Series) Circular No. 05 dated September 22, 2017 has decided to exclude foreign investment in rupee denominated bonds (RDB) issued overseas by Indian corporates, from the Combined Corporate Debt Limit (CCDL).
3. Accordingly, in partial modification to Para 2 & 3 of the SEBI circular dated August 04, 2016, with effect from October 03, 2017, foreign investments in RDB shall no longer be reckoned against the CCDL. Further, the CCDL shall be renamed as the Corporate Debt Investment Limits (CDIL) for FPIs. The upper limit for CDIL shall, henceforth, be stated only in Rupee terms.
4. As on September 22, 2017, foreign investments in RDB was INR 32,381 cr while the undrawn amount against RDB was INR 11,620 cr. Thus, a total of INR 44,001 cr has been reckoned against RDB within the CCDL of INR 244,323 cr. This amount shall be carved out of erstwhile CCDL and will be added to the new limit of CDIL as under:-

All figures are in INR cr

	October 02, 2017	October 03, 2017	January 01, 2018
CCDL*	244,323	0	0
CDIL	0	227,322	244,323
Sub-Limit for investment by Long Term FPIs in the infrastructure sector	NA	9,500	19,000

(*) includes RDB of INR 44,001 cr

5. A sub-limit exclusively for investments by Long Term FPIs (Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks) in the infrastructure sector shall be created within the overall CDIL. The term 'Infrastructure' shall be as defined under the Master Direction on External Commercial Borrowings issued by the Reserve Bank of India. However, Long term FPIs will continue to be eligible to invest in sectors other than infrastructure, as hitherto.
6. This sub-limit for Long Term FPIs shall be INR 9,500 cr with effect from October 03, 2017 and shall be enhanced to INR 19,000 cr on January 01, 2018. This sub-limit shall be available for investment on tap.
7. The sub-limit for Long Term FPIs shall include their investment in both listed and unlisted corporate debt issued by companies in the infrastructure sector. As prescribed in the SEBI circular SEBI/HO/IMD/FPIC/CIR/P/2017/16 dated February 28, 2017, investments by FPIs in the unlisted corporate debt securities and securitised debt instruments shall not exceed INR 35,000 cr within the extant CDIL.
8. All other extant conditions with respect to FPI investments in corporate debt securities shall continue to apply.

This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992. A copy of this circular is available at the links "Legal Framework →Circulars" and "Info for →F.P.I" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Annexure I - Revised Codes

	Code	Description	Type of Debt
Instrument Type	GB	Government Debt Security	Central Government Debt
	TB	Treasury Bills	Central Government Debt
	CB	Corporate Debt Security	Corporate Debt
	CP	Commercial Paper	Corporate Debt
	MD	Mutual Fund - Corporate Debt based	Corporate Debt
	SR	Security Receipt	Corporate Debt
	CR	Credit Enhanced Bonds	Corporate Debt
	GBCN	Coupon Investment in Government Debt Security	Central Government Debt
	SG	State Development Loans	State Government Debt
	SGCN	Coupon Investment in State Development Loans	State Government Debt
	UCSD	Unlisted corporate debt and securitised debt instruments	Corporate Debt

	Code	Description	Reporting Type	Effect on Investment
Nature of Transaction	01	Purchase in Primary Market	New Transaction	Inflow
	02	Purchase in Secondary Market	New Transaction	Inflow
	03	Sale in Secondary Market	New Transaction	Outflow
	04	Redemption	New Transaction	Outflow
	05	Conversion of Debt into Equity	New Transaction	Outflow
	06	Receipt of Debt in lieu of Equity	New Transaction	Inflow
	07	Reversal of Purchase	Deletion	Outflow
	08	Reversal of Sale	Deletion	Inflow
	09	Limit Acquired	New Transaction	No Effect
	10	Limit Acquired got Lapsed or Expired	Deletion	No Effect

	Code	Description
Type of Limit	AU	Auction
	FF	FIFO
	RI	Re-Investment ***(Applicable only for State Development Loans / Govt Debt under Auction / Coupon Receipts [Central Govt. Securities /State Development Loans] - Valid till T+5)***
	FR	Free
	NA	Not Applicable
	EL	Enhanced Limit
	RI-GB	**Re-Investment** *(Applicable only for Govt Debt 25 Billion Limit - Valid for Same Day [T+0])*
	RI-EL	**Re-Investment** *(Applicable only for Govt Debt 5 Billion Enhanced Limit - Valid for Same Day [T+0])*

	Code	Description
Stock Exchange Code	01	BSE
	23	NSE
	26	MSEIL (earlier MCX-SX)
	99	NONE

Annexure II

Guidelines for reporting 'Debt Utilisation Status' for investment in Corporate Debt- Long Term FPIs

Particulars	Instrument Type	Nature of Transaction	Type of Limit	Reporting Type	Impact on	
					Investment	Free Limit
Purchase in Primary Market	CB	01	EL	NEW TRANSACTION	ADD	LESS
Purchase in Secondary Market	CB	02	EL	NEW TRANSACTION	ADD	LESS
Sale in Secondary Market	CB	03	EL	NEW TRANSACTION	LESS	ADD
Redemption	CB	04	EL	NEW TRANSACTION	LESS	ADD

Conversion of Debt into Equity	CB	05	EL	NEW TRANSACTION	LESS	ADD
Receipt of Debt in lieu of Equity	CB	06	EL	NEW TRANSACTION	ADD	LESS
Reversal of Purchase	CB	07	EL	DELETION	LESS	ADD
Reversal of Sale	CB	08	EL	DELETION	ADD	LESS

Annexure III

Guidelines for reporting 'Debt Utilisation Status' for investment in Unlisted Corporate Debt and Securitised Debt - Long Term FPIs

Particulars	Instrument Type	Nature of Transaction	Type of Limit	Reporting Type	Impact on	
					Investment	Free Limit
Purchase in Primary Market	UCSD	01	EL	NEW TRANSACTION	ADD	LESS
Purchase in Secondary Market	UCSD	02	EL	NEW TRANSACTION	ADD	LESS
Sale in Secondary Market	UCSD	03	EL	NEW TRANSACTION	LESS	ADD
Redemption	UCSD	04	EL	NEW TRANSACTION	LESS	ADD
Conversion of Debt into Equity	UCSD	05	EL	NEW TRANSACTION	LESS	ADD
Receipt of Debt in lieu of Equity	UCSD	06	EL	NEW TRANSACTION	ADD	LESS
Reversal of Purchase	UCSD	07	EL	DELETION	LESS	ADD
Reversal of Sale	UCSD	08	EL	DELETION	ADD	LESS

Circular No.: NSDL/ POLICY/DDP/2017/0011
Date: October 16, 2017

Subject: Clarification on Exchange Traded Cross Currency Derivatives contracts on EUR-USD, GBP-USD and USD-JPY currency pairs.

Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to SEBI Circular No. IMD/FPIC/CIR/P/2017/102 dated September 13, 2017 (copy enclosed) regarding clarification on exchange traded cross currency derivatives contracts on EUR-USD, GBP-USD and USD-JPY currency pairs.

DDPs are requested to take note of the same and bring the contents of this circular to the notice of the FPIs (Foreign Portfolio Investors) registered with them.

CIRCULAR

SEBI/HO/MRD/DP/CIR/P/2017/102 September 13, 2017

To,

All Stock exchanges, (except for Commodity Derivatives Stock Exchanges) All Clearing corporations, (except for Commodity Derivatives Clearing Corporations) All Depositories.

Dear Sir / Madam,

Subject: Clarification on Exchange Traded Cross Currency Derivatives contracts on EUR-USD, GBP-USD and USD-JPY currency pairs

1. SEBI vide circular SEBI/HO/MRD/CP/CIR/P/2016/38 dated March 9, 2016 laid down the detailed framework for introduction of cross-currency futures and option contracts in the EUR-USD, GBP-USD and USD-JPY currency pairs and introduction of currency option contracts in EUR-INR, GBP-INR and JPY-INR currency pairs. The said framework inter-alia specified the requirement of monitoring of synthetic positions created using combination of currency derivatives contracts (FCY-INR) and cross currency derivatives contracts (FCY-FCY).

2. It has been decided to modify para 6 of SEBI circular dated March 09, 2016 as under:

   (a) The Stock Brokers (bank and non-bank) shall ensure that all proprietary positions created in FCY-INR pairs (USD-INR, EUR-INR, GBP-INR and JPY-INR) is within the following consolidated position limits:

Single INR limit for proprietary position for bank stock brokers	Single INR limit for proprietary position for non-bank stock brokers
Higher of 15 % of Total OI across all FCY-INR pairs or USD 200 million.	Higher of 15 % of Total OI across all FCY-INR pairs or USD 100 million.

   (b) Stock exchanges, in consultation with each other, shall implement a uniform methodology for computing and monitoring of the aforementioned proprietary positions limits in INR.

   (c) Further, the aforementioned positions limits are in addition to the requirement of monitoring of proprietary position limits prescribed vide SEBI circular CIR/MRD/DP/20/2014 dated June 20, 2014 and SEBI circular CIR/MRD/DP/30/2014 dated October 22, 2014.

3. Accordingly, para 6 of SEBI circular SEBI/HO/MRD/CP/CIR/P/2016/0000000038 dated March 9, 2016 shall stand modified. All other conditions specified in SEBI circular dated March 09, 2016 and SEBI circular SEBI/HO/MRD/DP/CIR/P/2017 /98 dated August 31, 2017 shall remain unchanged.

4. Stock exchange / clearing corporation shall submit a proposal to SEBI for approval for the launch of the cross-currency derivatives product(s). Such proposal shall, inter-alia, include the details of contract specifications, risk management framework, surveillance systems, and other requirements specified in this circular and SEBI circular dated March 09, 2016.

5. Stock exchanges and Clearing corporations are directed to:

   (i) take necessary steps to put in place necessary systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;

   (ii) bring the provisions of this circular to the notice of the stock brokers and also disseminate the same on their website; and

   (iii) communicate to SEBI the status of implementation of the provisions of this circular.

6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully

Susanta Kumar Das
Deputy General Manager
Email: susantad@sebi.gov.in

Circular No.: NSDL/ POLICY/DDP/2017/0010 Date: October 9, 2017	***Subject: Investments by FPIs in Government securities.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to SEBI Circular No. IMD/FPIC/CIR/P/2017/113 dated October 4, 2017 (copy enclosed) regarding investments by FPIs in Government securities. DDPs/Custodians are requested to take note of the same and ensure compliance.

CIRCULAR

IMD/FPIC/CIR/P/2017/113 **October 04, 2017**

To

All Foreign Portfolio Investors
through their designated Custodians of Securities
The Depositories (NSDL and CDSL)

Sir / Madam,

Sub: Investments by FPIs in Government Securities

1. RBI in its Fourth Bi-monthly Policy Statement for the year 2015-16, dated September 29, 2015 had announced a Medium Term Framework (MTF) for FPI limits in Government securities in consultation with the Government of India. Accordingly, SEBI had issued circulars CIR/IMD/FPIC/8/2015 dated October 06, 2015, IMD/FPIC/CIR/P/2016/45 dated March 29, 2016 and IMD/FPIC/CIR/P/2016/107 dated October 03, 2016, IMD/FPIC/CIR/P/2017/30 dated April 03, 2017 and IMD/FPIC/CIR/P/2017/74 dated July 04, 2017 regarding the allocation and monitoring of FPI debt investment limits in Government securities.
2. It has been decided to revise the limit for investment by FPIs in Government Securities, for the October - December 2017 quarter, as follows:
   a. Limit for FPIs in Central Government securities shall be enhanced to INR 189,700 cr.
   b. Limit for Long Term FPIs (Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks) in Central Government securities shall be revised to INR 60,300 cr.
   c. The debt limit category of State Development Loans (SDL) shall be enhanced as follows:
      i. SDL-General shall be enhanced to INR 30,000 cr
      ii. SDL-Long Term shall be enhanced to INR 9,300 cr

3. Accordingly, the revised FPI debt limits would be as follows:

Type of Instrument	Upper Cap as on July 04, 2017 (INR cr)	Revised Upper Cap with effect from October 03, 2017 (INR cr)
Government Debt – General	187,700	189,700
Government Debt – Long Term	54,300	60,300
SDL – General	28,500	30,000
SDL – Long Term	4,600	9,300
Total	**275,100**	**289,300**

4. All other existing conditions with regard to allocation and monitoring of debt limits shall continue to apply.

This circular shall come into effect immediately. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Circular No.: NSDL/POLICY/DDP/2017/0009 Date: August 28, 2017	***Subject: Addendum-Investments by FPIs in Government Securities.*** Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/DDP/2017/0008 dated August 16, 2017 regarding Investments by FPIs in Government Securities. Since all the enclosures were not attached, although mentioned, the said Circular dated August 16, 2017 alongwith all the enclosures are attached.
Circular No.: NSDL/POLICY/DDP/2017/0008 Date: August 16, 2017	***Subject: Investments by FPIs in Government Securities.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to SEBI Circular No. IMD/FPIC/CIR/P/2017/74 dated July 4, 2017 (copy enclosed) regarding Investments by FPIs in Government Securities. It is mentioned at point no. 2(c) of aforesaid SEBI circular wherein it is stated that "the debt limit category of State Development Loans (SDL) shall henceforth have two sub-categories, namely, SDL-General and SDL-Long Term. SDL-General shall be available for investment on tap for all categories of FPIs while SDL-Long Term shall be available for investment on tap for only Long Term FPIs. The limit for investment by all FPIs in SDL-General shall be INR 28,500 cr while that for SDL-Long Term shall be INR 4,600 cr." In this context, DDPs are hereby informed that the reporting of buy / sell / investment information / transaction pertaining to investments by Long Term FPIs in State Development Loans (SDL) shall be reported by DDPs to NSDL using existing reporting codes (Annexure I) in the format as prescribed by NSDL on T day on daily basis before 8 pm. Further, the revised guidelines for reporting of information/transaction by FPIs/Long Term FPIs related to State Development Loans (SDL) are enclosed at Annexure II. DDPs are advised to take note of the same and ensure compliance.

CIRCULAR

IMD/FPIC/CIR/P/2017/74

July 04, 2017

To
All Foreign Portfolio Investors
through their designated Custodians of Securities

The Depositories (NSDL and CDSL)

Sir / Madam,

Sub: Investments by FPIs in Government Securities

1. RBI in its Fourth Bi-monthly Policy Statement for the year 2015-16, dated September 29, 2015 had announced a Medium Term Framework (MTF) for FPI limits in Government securities in consultation with the Government of India. Accordingly, SEBI had issued circulars CIR/IMD/FPIC/8/2015 dated October 06, 2015, IMD/FPIC/CIR/P/2016/45 dated March 29, 2016 and IMD/FPIC/CIR/P/2016/107 dated October 03, 2016 and IMD/FPIC/CIR/P/2017/30 dated April 03, 2017 regarding the allocation and monitoring of FPI debt investment limits in Government securities.
2. It has been decided to revise the limit for investment by FPIs in Government Securities, for the July - September 2017 quarter, as follows:
   a. Limit for FPIs in Central Government securities shall be enhanced to INR 187,700 cr.
   b. Limit for Long Term FPIs (Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks) in Central Government securities shall be revised to INR 54,300 cr.
   c. The debt limit category of State Development Loans (SDL) shall henceforth have two sub-categories, namely, SDL-General and SDL-Long Term. SDL-General shall be available for investment on tap for all categories of FPIs while SDL-Long Term shall be available for investment on tap for only Long Term FPIs. The limit for investment by all FPIs in SDL-General shall be INR 28,500 cr while that for SDL-Long Term shall be INR 4,600 cr.
3. Accordingly, the revised FPI debt limits would be as follows:

Type of Instrument	Upper Cap as on July 03, 2017 (INR cr)	Revised Upper Cap with effect from July 04, 2017 (INR cr)
Government Debt - General	184,901	187,700
Government Debt - Long Term	46,099	54,300
SDL - General	27,000	28,500
SDL - Long Term	--	4,600
Total	**258,000**	**275,100**

4. Future increases in the limit for FPI investment in Central Government securities will be allocated in the following ratio - 75% for the Long-Term category of FPIs and 25% for the General category of FPIs.
5. The practice of transferring unutilized limits of the Long-Term category to the General category of FPIs shall be done away with.
6. To harmonize the approach to FPI investments in SDLs with that for Central Government securities, future increases in SDLs would be in the ratio of 75% for SDL-Long Term and 25% for SDL-General category of FPIs.
7. All other existing terms and conditions, including the security-wise limits, investment of coupons being permitted outside the limits and investments being restricted to securities with a minimum residual maturity of three years, shall continue to apply.

This circular shall come into effect immediately. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Annexure I - Revised Codes

	Code	Description	Type of Debt
Instrument Type	GB	Government Debt Security	Central Government Debt
	TB	Treasury Bills	Central Government Debt
	CB	Corporate Debt Security	Corporate Debt
	CP	Commercial Paper	Corporate Debt
	MD	Mutual Fund - Corporate Debt based	Corporate Debt
	SR	Security Receipt	Corporate Debt
	CR	Credit Enhanced Bonds	Corporate Debt
	GBCN	Coupon Investment in Government Debt Security	Central Government Debt
	SG	State Development Loans	State Government Debt
	SGCN	Coupon Investment in State Development Loans	State Government Debt
	UCSD	Unlisted corporate debt and securitised debt instruments	Corporate Debt

	Code	Description	Reporting Type	Effect on Investment
Nature of Transaction	01	Purchase in Primary Market	New Transaction	Inflow
	02	Purchase in Secondary Market	New Transaction	Inflow
	03	Sale in Secondary Market	New Transaction	Outflow
	04	Redemption	New Transaction	Outflow
	05	Conversion of Debt into Equity	New Transaction	Outflow
	06	Receipt of Debt in lieu of Equity	New Transaction	Inflow
	07	Reversal of Purchase	Deletion	Outflow
	08	Reversal of Sale	Deletion	Inflow
	09	Limit Acquired	New Transaction	No Effect
	10	Limit Acquired got Lapsed or Expired	Deletion	No Effect

	Code	Description
Type of Limit	AU	Auction
	FF	FIFO
	RI	Re-Investment (Applicable only for State Development Loans / Govt Debt under Auction / Coupon Receipts [Central Govt. Securities /State Development Loans] - Valid till T+5)
	FR	Free
	NA	Not Applicable
	EL	Enhanced Limit
	RI-GB	Re-Investment (Applicable only for Govt Debt 25 Billion Limit - Valid for Same Day [T+0])
	RI-EL	Re-Investment (Applicable only for Govt Debt 5 Billion Enhanced Limit - Valid for Same Day [T+0])

	Code	Description
Stock Exchange Code	01	BSE
	23	NSE
	26	MSEIL (earlier MCX-SX)
	99	NONE

Annexure II

Guidelines for reporting 'Debt Utilisation Status': State Devlopmenyt Loans- (Long Term FPIs) in Corporate Debt Category

Particulars	Instrument Type	Nature of Transaction	Type of Limit	Reporting Type	Impact on Investment	Unutilised Limit	Free Limit
Purchase in Primary Market	SG	01	EL	NEW TRANSACTION	ADD	NO EFFECT	LESS
Purchase in Secondary Market	SG	02	EL	NEW TRANSACTION	ADD	NO EFFECT	LESS
Sale in Secondary Market	SG	03	EL	NEW TRANSACTION	LESS	NO EFFECT	ADD
Redemption	SG	04	EL	NEW TRANSACTION	LESS	NO EFFECT	ADD
Conversion of Debt into Equity	SG	05	EL	NEW TRANSACTION	LESS	NO EFFECT	ADD

Receipt of Debt in lieu of Equity	SG	06	EL	NEW TRANSACTION	ADD	NO EFFECT	LESS
Reversal of Purchase	SG	07	EL	DELETION	LESS	NO EFFECT	ADD
Reversal of Sale	SG	08	EL	DELETION	ADD	NO EFFECT	LESS
Limit acquired	SG	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Limit acquired got Lapsed or Expired	SG	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Guidelines for reporting of 'Debt Utilisation Status' pertaining to investment related to Coupon on State Development Loan

Particulars	**Instrument Type**	**Nature of Transaction**	**Type of Limit**
Purchase in Primary Market	SGCN	01	FR*
			EL
			RI
Purchase in Secondary Market	SGCN	02	FR*
			EL
			RI
Sale in Secondary Market	SGCN	03	FR*
			EL
			RI
Reversal of Purchase	SGCN	07	FR**
			EL
			RI**
Reversal of Sale	SGCN	08	FR**
			EL
			RI
Limit Acquired got Lapsed or Expired	SGCN	10	RI

Notes to reporting:
* Investment against coupon receipt.
** As per the original reporting of transaction.
For Coupen reinvestment of State Development Loan, the 'type of limit' should be reported as 'RI' for both 'All Categories' and 'Long term FPI category'.

Circular No.: NSDL/POLICY/ DDP/2017/0007 Date: July 26, 2017	***Subject: Investments by FPIs in corporate debt*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to SEBI Circular No. IMD/FPIC/CIR/P/2017/81 dated July 20, 2017 (copy enclosed) regarding Investments by FPIs in corporate debt. It is mentioned at **point no. 2** of aforesaid SEBI circular dated July 20, 2017 that *"In partial modification to Para 4 of the said circular, the CCDL shall be available on tap for investment by foreign investors till the overall investment reaches 95%, after which, the auction mechanism shall be initiated for allocation of the remaining limits."* In this context, DDPs are hereby informed that the reporting of information/ transaction related to investments by FPIs / deemed FPIs in corporate debt shall be reported in the format as prescribed by NSDL on T day on daily basis before **8 pm**. The codes in respect of reporting of buy/sell/investment information related to 'Corporate Debt' securities carried out by FPIs / deemed FPIs shall remain same (Annexure I). Further, the **revised** guidelines for reporting of information/transaction related to Corporate debt are enclosed at **Annexure II**. DDPs are requested to note that it is mentioned at **point no. 7** of aforesaid SEBI circular dated July 20, 2017 that in partial modification to para 2 (a) of the SEBI Circular No. SEBI/HO/IMD/FPIC/CIR/P/2017/16 dated February 28, 2017, FPI investments in unlisted corporate debt securities shall compulsorily be in dematerialised form and subject to a minimum residual maturity of three years. DDPs are advised to take note of the same and ensure compliance.

Annexure I - Revised Codes

	Code	Description	Type of Debt
Instrument Type	GB	Government Debt Security	Central Government Debt
	TB	Treasury Bills	Central Government Debt
	CB	Corporate Debt Security	Corporate Debt
	CP	Commercial Paper	Corporate Debt
	MD	Mutual Fund - Corporate Debt based	Corporate Debt
	SR	Security Receipt	Corporate Debt
	CR	Credit Enhanced Bonds	Corporate Debt
	GBCN	Coupon Investment in Government Debt Security	Central Government Debt
	SG	State Development Loans	State Government Debt
	SGCN	Coupon Investment in State Development Loans	State Government Debt
	UCSD	Unlisted corporate debt and securitised debt instruments	Corporate Debt

	Code	Description	Reporting Type	Effect on Investment
Nature of Transaction	01	Purchase in Primary Market	New Transaction	Inflow
	02	Purchase in Secondary Market	New Transaction	Inflow
	03	Sale in Secondary Market	New Transaction	Outflow
	04	Redemption	New Transaction	Outflow
	05	Conversion of Debt into Equity	New Transaction	Outflow
	06	Receipt of Debt in lieu of Equity	New Transaction	Inflow
	07	Reversal of Purchase	Deletion	Outflow
	08	Reversal of Sale	Deletion	Inflow
	09	Limit Acquired	New Transaction	No Effect
	10	Limit Acquired got Lapsed or Expired	Deletion	No Effect

	Code	Description
Type of Limit	AU	Auction
	FF	FIFO
	RI	Re-Investment ***(Applicable only for State Development Loans / Govt Debt under Auction / Coupon Receipts [Central Govt. Securities / State Development Loans] - Valid till T+5***)
	FR	Free
	NA	Not Applicable
	EL	Enhanced Limit
	RI-GB	**Re-Investment** *(Applicable only for Govt Debt 25 Billion Limit - Valid for Same Day [T+0])*
	RI-EL	**Re-Investment** *(Applicable only for Govt Debt 5 Billion Enhanced Limit - Valid for Same Day [T+0]*)

	Code	Description
Stock Exchange Code	01	BSE
	23	NSE
	26	MSEIL (earlier MCX-SX)
	99	NONE

Annexure II

Guidelines for reporting 'Debt Utilisation Status': Corporate Debt

Particulars	Instrument Type	Nature of Transaction	Type of Limit	Reporting Type	Impact on		
					Investment	Unutilised Limit	Free Limit
Purchase in Primary Market	CB/MD/SR/CR/ UCSD	01	FR	NEW TRANSACTION	ADD	NO EFFECT	LESS
			AU	NEW TRANSACTION	ADD	LESS	NO EFFECT
			RI	NEW TRANSACTION	ADD	LESS	NO EFFECT

Guidelines for reporting 'Debt Utilisation Status': Corporate Debt							
Particulars	**Instrument Type**	**Nature of Transaction**	**Type of Limit**	**Reporting Type**	**Impact on**		
					Investment	**Unutilised Limit**	**Free Limit**
Purchase in Secondary Market	CB/MD/SR/CR/ UCSD	02	FR	NEW TRANSACTION	ADD	NO EFFECT	LESS
			AU	NEW TRANSACTION	ADD	LESS	NO EFFECT
			RI	NEW TRANSACTION	ADD	LESS	NO EFFECT
Sale in Secondary Market	CB/MD/SR/CR/ UCSD	03	NA	NEW TRANSACTION	LESS	NO EFFECT	ADD
			RI	NEW TRANSACTION	LESS	ADD	NO EFFECT
Redemption	CB/MD/SR/CR/ UCSD	04	NA	NEW TRANSACTION	LESS	NO EFFECT	ADD
			RI	NEW TRANSACTION	LESS	ADD	NO EFFECT
Conversion of Debt into Equity	CB/UCSD	05	NA	NEW TRANSACTION	LESS	NO EFFECT	ADD
Receipt of Debt in lieu of Equity	CB/UCSD	06	NA	NEW TRANSACTION	ADD	NO EFFECT	LESS
Reversal of Purchase	CB/MD/SR/CR/ UCSD	07	FR	DELETION	LESS	NO EFFECT	ADD
			AU	DELETION	LESS	ADD	NO EFFECT
			RI	DELETION	LESS	ADD	NO EFFECT
Reversal of Sale	CB/MD/SR/CR/ UCSD	08	FR	DELETION	ADD	NO EFFECT	LESS
			AU	DELETION	ADD	LESS	NO EFFECT
			RI	DELETION	ADD	LESS	NO EFFECT
Limit acquired in Auction	CB	09	AU	NEW TRANSACTION	NO EFFECT	ADD	LESS
Limit acquired in Auction got Lapsed	CB	10	AU	DELETION	NO EFFECT	LESS	ADD
Re-investment Limit got Expired	CB/MD/SR/CR/ UCSD	10	RI	DELETION	NO EFFECT	LESS	ADD

Circular No.: NSDL/ POLICY/DDP/2017/0006

Date: July 18, 2017

Subject: SEBI Circular on Guidelines for participation/functioning of Eligible Foreign Investors (EFIs) and FPIs in IFSC - Amendment

Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to NSDL Circular No. NSDL/POLICY/DDP/2017/0001 dated January 27, 2017 regarding SEBI Circular No. IM D/H O/FPIC/CIR/P/ 2017/ 003 dated January 04, 2017 on Guidelines for participation/functioning of Eligible Foreign Investors (EFIs) and FPIs in International Financial Services Centre (IFSC).

SEBI has vide Circular No. SEBI/HO/CIR/P/2017/79 dated July 11, 2017 (copy enclosed) made revisions in clause 2(c) of the abovementioned SEBI Circular.

DDPs/Custodians are requested to take note of the same and bring the contents of this circular to the notice of the FPIs (Foreign Portfolio Investors) registered with them.

CIRCULAR

SEBI/HO/CIR/P/2017/79

July 11, 2017

To

1. All Stock Exchanges and Clearing Corporations in International Financial Services Centre (IFSC)
2. All Foreign Portfolio Investors ('FPIs') through their Designated Depository Participants ('DDPs')/ Custodian of Securities ('Custodians')
3. All DDPs/ Custodians
4. All Depositories
5. All Trading Members

Sir / Madam

Guidelines for participation/functioning of Eligible Foreign Investors (EFIs) and FPIs in IFSC - Amendment

1. Kindly refer to the SEBI circular IMD/HO/FPIC/CIR/P/2017/003 dated January 04, 2017 on the captioned subject.
2. Based on the discussions with various market participants, it has been decided to replace Clause 2 c) of the aforesaid circular with the following:

   "In case of participation of an EFI, not registered with SEBI as an FPI, but desirous of operating in IFSC, a trading member of the recognized stock exchange in IFSC may carry out the due diligence on its own or it may rely upon the due diligence carried out by a bank, which is permitted by RBI to operate in IFSC, during the account opening process of an EFI".
3. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully

Bithin Mahanta
Deputy General Manager
Market Regulation Department
Emai l: bithinm@sebi.gov.in

Circular No.: NSDL/POLICY/ DDP/2017/0005 Date: July 7, 2017	***Subject: SEBI Circular on Acceptance of e-PAN card for KYC purpose.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to SEBI Circular No. SEBI/HO/IMD/FIIC/CIR/P/2017/068 dated June 30, 2017 (copy enclosed) regarding Acceptance of e-PAN card for KYC purpose wherein SEBI has clarified that e-PAN issued by CBDT can also be produced by FPI for KYC compliance.

	DDPs are requested to take note of the same and ensure compliance. **CIRCULAR** SEBI/HO/IMD/FIIC/CIR/P/2017/068 June 30, 2017 To, 1. All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities. 2. The Depositories (NSDL and CDSL) 3. All Recognised Stock Exchanges 4. KYC Registration Agencies (KRAs) Sir/ Madam, **Subject: Acceptance of e-PAN card for KYC purpose** 1. Please refer to SEBI circular no. CIR/MIRSD/01/2013 dated January 04, 2013, CIR/MIRSD/07/2013 dated September 12, 2013 and CIR/IMD/FPIC/123/2016 dated November 17, 2016. 2. Central Board of Direct Taxes (CBDT) has recently introduced a facility of E-PAN (electronic PAN card) vide press release dated April 11, 2017. Accordingly it is clarified that E-PAN issued by CBDT can also be produced by FPI for KYC compliance. The other instructions contained in Circular CIR/IMD/FPIC/123/2016 dated November 17, 2016 remains unchanged. 3. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market. 4. A copy of circular is available at the links "Legal Framework → Circulars" and "Info for → F.P.I" on our website www.sebi.gov.in. The DDPs/Custodians are requested to bring the contents of this circular to notice of their clients. Yours faithfully, ACHAL SINGH Deputy General Manager Tel No.: 022-26449619 Email: achals@sebi.gov.in
Circular No.: NSDL/POLICY/DDP/2017/0004 Date: April 5, 2017	***Subject: Investments by FPIs in Government securities.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to SEBI Circular No. IMD/FPIC/CIR/P/2017/30 dated April 3, 2017 (copy enclosed) regarding investments by FPIs in Government securities. DDPs/Custodians are requested to take note of the same and ensure compliance.

CIRCULAR

IMD/FPIC/CIR/P/2017/30

April 03, 2017

To

All Foreign Portfolio Investors

through their designated Custodians of Securities

The Depositories (NSDL and CDSL) Sir / Madam,

Sub: Investments by FPIs in Government Securities

1. RBI in its Fourth Bi-monthly Policy Statement for the year 2015-16, dated September 29, 2015 had announced a Medium Term Framework (MTF) for FPI limits in Government securities in consultation with the Government of India. Accordingly, SEBI had issued circulars CIR/IMD/FPIC/8/2015 dated October 06, 2015, IMD/FPIC/CIR/P/2016/45 dated March 29, 2016 and IMD/FPIC/CIR/P/2016/107 dated October 03, 2016 regarding the allocation and monitoring of FPI debt investment limits in Government securities.

2. As indicated in the A.P.(DIR Series) Circular No. 43 dated March 31, 2017 of RBI, it has been decided to revise the limit for investment by FPIs in Government Securities, for the April - June 2017 quarter, as follows:

   a. Limit for FPIs in Central Government securities shall be enhanced to INR 184,901 cr.

   b. Limit for Long Term FPIs (Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks) in Central Government securities shall be revised to INR 46,099 cr.

   c. The limit for investment by all FPIs in State Development Loans (SDL) shall be enhanced to INR 27,000 cr.

3. Accordingly, the revised FPI debt limits would be as follows:

Type of Instrument	Upper Cap as on March 31, 2017 (INR cr)	Revised Upper Cap with effect from April 03, 2017 (INR cr)
Government Debt	152,000	184,901
Government Debt - Long Term	68,000	46,099
State Development Loans	21,000	27,000
Total	**241,000**	**258,000**

4. All other existing terms and conditions, including the security-wise limits, investment of coupons being permitted outside the limits and investments being restricted to securities with a minimum residual maturity of three years, shall continue to apply.

This circular shall come into effect immediately. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

YOGITA JADHAV

Deputy General Manager

Tel No.: 022-26449583

Email: yogitag@sebi.gov.in

Circular No.: NSDL/ POLICY/DDP/2017/0003 Date: March 15, 2017	***Subject: Investments by FPIs in corporate debt securities.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to SEBI Circular No. SEBI/HO/IMD/FPIC/CIR/P/2017/16 dated February 28, 2017 (copy enclosed) regarding Investments by FPIs in corporate debt securities. In this regard, SEBI has vide its aforesaid circular dated February 28, 2017 permitted Foreign Portfolio Investors (FPIs) to invest in Unlisted Corporate Debt and Securitised Debt Instruments subject to guidelines defined by SEBI/ RBI. Further, it is mentioned at **point no. 3** of aforesaid SEBI circular dated February 28, 2017 that *"Investment by FPIs in the unlisted corporate debt securities and securitised debt instruments shall not exceed INR 35,000 cr within the extant Corporate debt limit which currently is INR 2,44,323 cr."* In this context, DDPs/Custodians are hereby informed that a new code viz., **'UCSD'** have been incorporated under instrument type for reporting of information/transaction related to investments by FPIs / deemed FPIs in unlisted corporate debt and securitised debt instruments (in the format prescribed by NSDL) on daily **T day** basis before 8 pm to NSDL. Accordingly, the codes in respect of reporting of buy/sell/investment information related to 'Central Government / State Government / Corporate Debt' securities carried out by FPIs / deemed FPIs have been **revised** and are enclosed at **Annexure I.** Further, the information pertaining to investments by FPIs / deemed FPIs in unlisted corporate debt and securitised debt instruments shall be disseminated on **NSDL website [www.fpi.nsdl.co.in] / [www.nsdl.co.in]** under **'Debt Utilisation Status'** report at the end of day. DDPs are advised to take note of the same and ensure compliance.

CIRCULAR

SEBI/HO/IMD/FPIC/CIR/P/2017/16

February 28, 2017

To
All Foreign Portfolio Investors
through their designated Custodians of Securities
The Depositories (NSDL and CDSL) Sir / Madam,

Sub: Investments by FPIs in corporate debt securities

1. RBI on October 24, 2016, had amended the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Twelfth Amendment) Regulations, 2016 through a Gazette notification to permit FPIs to invest in unlisted corporate debt and securitised debt instruments. Thereafter, RBI vide circular RBI/2016-17/138 dated November 17, 2016 had enhanced the list of eligible instruments for investment by FPIs under the Corporate debt route along with certain terms and conditions.
2. Accordingly, the SEBI (Foreign Portfolio Investors) (Second Amendment) Regulations, 2017 were notified on February 27, 2017. It has been decided to permit FPIs to invest in the following:
   a. Unlisted corporate debt securities in the form of non-convertible debentures/bonds issued by public or private Indian companies subject to the guidelines issued by the Ministry of Corporate Affairs, Government of India from time to time and also subject to minimum residual maturity of three years and end use-restriction on investment in real estate business, capital market

and purchase of land. The expression 'Real Estate Business' shall have the same meaning as assigned to it in Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000 Notification No.FEMA.362/2016-RB dated February 15, 2016. The custodians of the FPIs shall put in place an appropriate mechanism to ensure compliance with these conditions as prescribed by RBI from time to time.

b. Securitised debt instruments as under:

i. any certificate or instrument issued by a special purpose vehicle (SPV) set up for securitisation of asset/s where banks, FIs or NBFCs are originators;

and/or

ii. any certificate or instrument issued and listed in terms of the SEBI(Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008

3. Investment by FPIs in the unlisted corporate debt securities and securitised debt instruments shall not exceed INR 35,000 cr within the extant Corporate debt limit which currently is INR 2,44,323 cr.

4. Further, investment by FPIs in securitised debt instruments shall not be subject to the minimum 3-year residual maturity requirement.

5. All other existing terms and conditions for FPI investments in corporate debt securities shall continue to apply.

This circular shall come into effect immediately. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the links "Legal Framework -—Circulars" and "Info for -—F.P.I" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Annexure - I - Revised Codes

	Code	Description	Type of Debt
Instrument Type	GB	Government Debt Security	Central Government Debt
	TB	Treasury Bills	Central Government Debt
	CB	Corporate Debt Security	Corporate Debt
	CP	Commercial Paper	Corporate Debt
	MD	Mutual Fund - Corporate Debt based	Corporate Debt
	SR	Security Receipt	Corporate Debt
	CR	Credit Enhanced Bonds	Corporate Debt
	GBCN	Coupon Investment in Government Debt Security	Central Government Debt
	SG	State Development Loans	State Government Debt
	SGCN	Coupon Investment in State Development Loans	State Government Debt
	UCSD	Unlisted corporate debt and securitised debt instruments	Corporate Debt

	Code	Description	Reporting Type	Effect on Investment
Nature of Transaction	01	Purchase in Primary Market	New Transaction	Inflow
	02	Purchase in Secondary Market	New Transaction	Inflow
	03	Sale in Secondary Market	New Transaction	Outflow
	04	Redemption	New Transaction	Outflow
	05	Conversion of Debt into Equity	New Transaction	Outflow
	06	Receipt of Debt in lieu of Equity	New Transaction	Inflow
	07	Reversal of Purchase	Deletion	Outflow
	08	Reversal of Sale	Deletion	Inflow
	09	Limit Acquired	New Transaction	No Effect
	10	Limit Acquired got Lapsed or Expired	Deletion	No Effect

	Code	Description
Type of Limit	AU	Auction
	FF	FIFO
	RI	Re-Investment (***Applicable only for State Development Loans / Govt Debt under Auction / Coupon Receipts [Central Govt. Securities / State Development Loans] - Valid till T+5***)
	FR	Free
	NA	Not Applicable
	EL	Enhanced Limit
	RI-GB	**Re-Investment** *(Applicable only for Govt Debt 25 Billion Limit - Valid for Same Day [T+0]*)
	RI-EL	**Re-Investment** (*Applicable only for Govt Debt 5 Billion Enhanced Limit - Valid for Same Day [T+0]*)

	Code	Description
Stock Exchange Code	01	BSE
	23	NSE
	26	MSEIL (earlier MCX-SX)
	99	NONE

Circular No.: NSDL/ POLICY/DDP/2017/0002 Date: January 27, 2017	***Subject: Reference to Circular no. FITTC/FII/02/2002 dated May 15, 2002- In regard to credit of proceeds due to write off of securities held by Foreign Portfolio Investors / deemed Foreign Portfolio Investors.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to SEBI Circular No. IMD/HO/FPIC/CIR/P/ 2017/ 001 dated January 02, 2017 (copy enclosed) regarding reference to Circular no. FITTC/FII/02/2002 dated May 15, 2002- in regard to credit of proceeds due to write off of securities held by Foreign Portfolio Investors/deemed Foreign Portfolio Investors. DDPs/Custodians are requested to take note of the same and bring the contents of this circular to the notice of their FPIs (Foreign Portfolio Investors)/deemed FPIs registered with them.

CIRCULAR

IMD/HO/FPIC/CIR/P/ 2017/ 001

January 02, 2017

To,

All Designated Depository Participants ("DDPs")/ Custodian of Securities

All Foreign Portfolio Investors through their designated Custodians of Securities

Sir / Madam,

Subject : Reference to Circular no. FITTC/FII/02/2002 dated May 15, 2002- In regard to credit of proceeds due to write off of securities held by Foreign Portfolio Investors/deemed Foreign Portfolio Investors.

Please refer to SEBI's circular no. FITTC/FII/02/2002 dated May 15, 2002. fhttp://www.sebi.gov.in/cms/sebi data/pdffiles/16883 t.pdf)

1. In partial modification to the above circular, pursuant to the notification of SEBI (Investor Protection and Education Fund) Regulations, 2009, SEBI has established its own Investor Protection and Education Fund.
2. In view of the above, in terms of Regulation 4(g) of SEBI (Investor Protection and Education Fund) Regulations, 2009, any proceeds due to :
   a. **Disinvestment:** In case a custodian is unable to deliver the securities or ascertain the claimant for the securities that are received subsequent to write off due to any unforeseen circumstances viz. deemed Foreign Portfolio Investor/Foreign Portfolio Investor no longer existing/operating or expiry of SEBI registration/FEMA approval, etc., the sale of these securities through stock exchange and proceeds thereof net of expenses shall be credited to the ***Investors Protection and Education Fund of SEBI*** not later than 7 days from the date of receipt thereof.
   b. **Corporate benefits:** In case of receipt of corporate benefits in the form of securities arising out of shares written off, the same shall be reported to SEBI in the normal manner. Similarly, corporate benefits received in the form of cash viz. dividend shall be credited to the ***Investors Protection and Education Fund of SEBI*** not later than 7 days from the date of receipt of the same.
4. All other terms and conditions laid down in the circular no. FIITC/FII/02/2002 dated May 15, 2002 shall continue to apply.
5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

A copy of this circular is available at the web page "Circulars" and "Info for F.P.I" on our website www.sebi.gov.in. The Designated Depository Participants/Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH

Deputy General Manager

Tel No.: 022-26449619

Email: achals@sebi.gov.in

Circular No.: NSDL/ POLICY/DDP/2017/0001 Date: January 27, 2017	***Subject: Guidelines for participation/functioning of Eligible Foreign Investors (EFIs) and FPIs in International Financial Services Centre (IFSC).*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to SEBI Circular No. IMD/HO/FPIC/CIR/P/ 2017/ 003 dated January 04, 2017 (copy enclosed) regarding Guidelines for participation/functioning of Eligible Foreign Investors (EFIs) and FPIs in International Financial Services Centre (IFSC). DDPs/Custodians are requested to take note of the same and bring the contents of this circular to the notice of the FPIs (Foreign Portfolio Investors) registered with them.

CIRCULAR

IMD/HO/FPIC/CIR/P/ 2017/ 003

January 04, 2017

To,

1. **All Stock Exchanges and Clearing Corporations in International Financial Services Centre (IFSC)**
2. **All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities ("Custodians").**
3. **All DDPs/ Custodian of Securities.**
4. **The Depositories (NSDL and CDSL)**

Sir/ Madam,

SUBJECT: Guidelines for participation/functioning of Eligible Foreign Investors (EFIs) and FPIs in International Financial Services Centre (IFSC).

1) Pursuant to announcement made in the Union Budget 2015-16 on Gujarat International Finance Tec-City (GIFT), SEBI, in consultation with stakeholders, is in process of laying down requisite regulatory framework for facilitating and regulating financial services relating to securities market in an International Financial Services Centre (IFSC). Accordingly, SEBI issued IFSC Guidelines, 2015 on March 27, 2015 and also issued further guidelines for functioning of Stock Exchanges and Clearing Corporations in IFSC on November 28, 2016.

2) Based on consultations held with the stakeholders on the proposed regulatory framework on participation of Eligible Foreign Investors (EFIs), in partial modification to SEBI (IFSC) Guidelines, 2015, it has been decided as follows:

   a. SEBI registered FPIs ("FPIs"), proposing to operate in IFSC, shall be permitted, without undergoing any additional documentation and/or prior approval process.

   b. In case of participation of FPIs in IFSC, a trading member of the recognized stock exchange in IFSC, may rely upon the due diligence process already carried out by a SEBI registered intermediary during the course of registration and account opening process in India.

   c. In case of participation of an EFI, not registered with SEBI as an FPI, but desirous of operating in IFSC, a trading member of the recognized stock exchange in IFSC, may rely upon the due diligence carried out by a bank, which is permitted by RBI to operate in IFSC, during the account opening process of EFI.

d. FPIs, who presently operate in Indian securities market and propose to operate in IFSC also, shall be required to ensure clear segregation of funds and securities. Custodians shall, in turn, monitor compliance of this provision for their respective FPI clients. Such FPIs shall keep their respective custodians informed about their participation in IFSC.

e. Recognised stock exchange in IFSC shall maintain, at all times, the necessary details of EFIs, which may be called upon by SEBI/RBI or any other authority of law.

f. EFIs shall abide by all the applicable Indian laws viz. Rules/Regulations/Circulars/Guidelines etc. in IFSC issued by the Government of India/RBI/SEBI or any other authority of law, from time to time.

g. It has now been decided to delete the words "a foreign portfolio investor," in the definition of the term "intermediary" in clause (g) of Guideline 2 (1) of the SEBI (IFSC) Guidelines. Accordingly, the Guidelines stand amended.

3) This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

A copy of this circular is available at the links "Legal Framework—Circulars" and "Info for —F.P.I" on our website www.sebi.gov.in. The DDPs/Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH,

Deputy General Manager

Tel No.: 022-26449619

Email: achals@sebi.gov.in

Circular No.: NSDL/ POLICY/2016/0095 Date: December 1, 2016	**Subject: SEBI circular on Requirement for copy of PAN Card to open accounts of FPIs.** Attention of Participants is invited to SEBI circular No. CIR/IMD/FPIC/123/2016 dated November 17, 2016 (copy enclosed) regarding revised Requirement for copy of PAN Card to open accounts of FPIs. Extract of aforesaid SEBI Circular is given below: *"Based on representations received from stakeholders and to further ease the PAN verification process at the time of account opening of FPIs, it is decided that the intermediaries can verify the PAN of FPIs online from website authorised by Income Tax department at the time of account-opening for FPIs. However, FPIs need to provide the copy of PAN card within 60 days of account-opening or before remitting funds out of India, whichever is earlier to their intermediaries."* Participants are requested to take note of the same and ensure compliance.

CIRCULAR

CIR/IMD/FPIC/123/2016

November 17, 2016

To,

1. **All Foreign Portfolio Investors ("FPIs") through their Designated Depository Participants ("DDPs")/ Custodian of Securities.**
2. **The Depositories (NSDL and CDSL)**
3. **All Recognized Stock Exchanges**
4. **KYC Registration Agencies (KRAs)**

Sir/ Madam,

Subject: Review of requirement for copy of PAN Card to open accounts of FPIs

1. Please refer to SEBI circular no. CIR/MIRSD/01/2013 dated January 04, 2013 and CIR/MIRSD/07/2013 dated September 12, 2013.
2. Based on representations received from stakeholders and to further ease the PAN verification process at the time of account opening of FPIs, it is decided that the intermediaries can verify the PAN of FPIs online from website authorised by Income Tax department at the time of account-opening for FPIs. However, FPIs need to provide the copy of PAN card within 60 days of account-opening or before remitting funds out of India, whichever is earlier to their intermediaries.
3. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
4. A copy of th is circular is available at the links "Legal Framework-^Circulars" and "Info for ->F.P.I" on our website www.sebi.gov.in. The DDPs/Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Circular No.: NSDL/ POLICY/DDP/2016/0008 Date: October 6, 2016	***Subject: Investments by FPIs in Government securities.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to SEBI Circular No. IMD/FPIC/CIR/P/2016/107 dated October 3, 2016 (copy enclosed) regarding investments by FPIs in Government securities. DDPs/Custodians are requested to take note of the same and ensure compliance.

CIRCULAR

IMD/FPIC/CIR/P/2016/107

October 03, 2016

To

All Foreign Portfolio Investors
through their designated Custodians of Securities
The Depositories (NSDL and CDSL) Sir / Madam,

Sub: Investments by FPIs in Government securities

1. RBI in its Fourth Bi-monthly Policy Statement for the year 2015-16, dated September 29, 2015 had announced a Medium Term Framework (MTF) for FPI limits in Government securities in consultation with the Government of India. Accordingly, SEBI had issued circulars CIR/IMD/FPIC/8/2015 dated October 06, 2015 and IMD/FPIC/CIR/P/2016/45 dated March 29, 2016 regarding the allocation and monitoring of FPI debt investment limits in Government securities.
2. As announced in the MTF and in partial modification to Para 2 of the SEBI circular IMD/FPIC/CIR/P/2016/45 dated March 29, 2016, it has been decided to enhance the limit for investment by FPIs in Government Securities, for the next half year, as follows:
   a. Limit for FPIs in Central Government securities shall be revised to INR 148,000 cr on October 03, 2016 and INR 152,000 cr on January 02, 2017 respectively.
   b. Limit for Long Term FPIs (Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks) in Central Government securities shall be enhanced to INR 62,000 cr and INR 68,000 cr on October 03, 2016 and January 02, 2017 respectively.
   c. The limit for investment by all FPIs in State Development Loans (SDL) shall be enhanced to INR 17,500 cr on October 03, 2016 and INR 21,000 cr on January 02, 2017 respectively.
3. Accordingly, the revised FPI debt limits would be as follows:

Type of Instrument	Revised Upper Cap with effect from October 03, 2016 (INR cr)	Revised Upper Cap with effect from January 02, 2017 (INR cr)
Government Debt	148,000	152,000
Government Debt - Long Term	62,000	68,000
State Development Loans	17,500	21,000
Total	**227,500**	**241,000**

4. The incremental limits for Long Term FPIs shall be available for investment on tap with effect from October 03, 2016 and January 02, 2017 respectively.
5. The incremental limits of INR 3,500 cr each for investment by FPIs in SDLs shall be available for investment on tap with effect from October 03, 2016 and January 02, 2017 respectively.
6. In partial modification to Para 7 of the SEBI circular IMD/FPIC/CIR/P/2016/45 dated March 29, 2016, a separate communication will be issued with regard to transfer of unutilized limits from Government Debt - Long Term category to Government debt category.
7. All other existing terms and conditions, including the security-wise limits, investment of coupons being permitted outside the limits and investments being restricted to securities with a minimum residual maturity of three years, shall continue to apply.

This circular shall come into effect immediately. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Circular No.: NSDL/POLICY/DDP/2016/0007

Date: August 18, 2016

Subject: Foreign Investment in Rupee denominated bonds issued overseas by Indian Corporates.

Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) and Custodian of securities (Custodians) is invited to SEBI Circular No. SEBI/HO/IMD/FPIC/CIR/P/2016/67 dated August 4, 2016 (copy enclosed) regarding foreign investment in rupee denominated bonds issued overseas by Indian Corporates.

In the aforesaid SEBI circular, it is mentioned at **point nos. 2& 3** as follows:

Point no. 2:

"*Accordingly, the INR 244,323 cr Corporate debt limit for FPIs shall be redefined as the Combined Corporate debt limit for all foreign investments in Rupee denominated bonds issued both onshore and overseas by Indian corporates.*"

Point no. 3

"*Foreign investments in Overseas Rupee denominated bonds shall now be reckoned against the Combined Corporate debt limit of INR 244,323 cr. However, these investments shall not be treated as FPI investments and hence shall not be under the purview of the SEBI (Foreign Portfolio Investor), Regulations, 2014.*"

In this regard, the details of foreign investments in Rupee denominated bonds issued overseas by Indian corporates as being reported by Reserve Bank of India (RBI) shall be displayed on NSDL websites viz.,www.nsdl.co.in/www.fpi.nsdl.co.in under '**Debt Utilisation Status**' report.

DDPs / Custodians are requested to take note of the same and ensure compliance.

CIRCULAR

SEBI/HO/IMD/FPIC/CIR/P/2016/67

August 04, 2016

To

All Foreign Portfolio Investors
through their designated Custodians of Securities

The Depositories (NSDL and CDSL) Sir / Madam,

Sub:Foreign Investment in Rupee denominated bonds issued overseas by Indian Corporates

1. RBI in its Fourth Bi-monthly Policy Statement for the year 2015-16, dated September 29, 2015 had permitted Indian corporates to issue Rupee denominated bonds overseas within the ceiling of FPI investments in Corporate debt.RBI, vide A.P. (DIR Series) Circular No.17 dated September 29, 2015 had put in place the framework for issuance of Rupee denominated bonds overseas.
2. Accordingly, the INR 244,323 cr Corporate debt limit for FPIs shall be redefined as the Combined Corporate debt limit for all foreign investments in Rupee denominated bonds issued both onshore and overseas by Indian corporates.
3. Foreign investments in Overseas Rupee denominated bonds shall now be reckoned against the Combined Corporate debt limit of INR 244,323 cr.However, these investments shall not be treated as FPI investments and hence shall not be under the purview of the SEBI (Foreign Portfolio Investor), Regulations, 2014.
4. In partial modification to Para 5 of the SEBI circular CIR/IMD/FIIC/6/2013 dated April 01, 2013, it has been decided that the entire Combined Corporate debt limit of INR 244,323 cr shall be available on tap for investment by foreign investors. All other extant terms and conditions with respect to FPI investments in Corporate debt shall continue to apply.
5. The criteria for foreign investments in Overseas Rupee denominated bonds shall be as defined by RBI from time to time.
6. The depositories (NSDL and CDSL) shall put in place the necessary systems for receiving data on foreign investments in Overseas Rupee denominated bonds from RBI on a periodic basis.

This circular shall come into effect immediately.This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the links “Legal Framework—Circulars” and “Info for -—F.P.I” on our website www.sebi.gov.in.Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

Circular No.: NSDL/ POLICY/DDP/2016/0005 Date: June 27, 2016	***Subject: Review of the framework of position limits for currency derivatives contracts.*** Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs) is invited to SEBI Circular No. SEBI/HO/MRD/DP/CIR/P/2016/60 dated June 22, 2016 (copy enclosed) regarding review of the framework of position limits for currency derivatives contracts. DDPs are requested to take note of the same and bring the contents of this circular to the notice of the FPIs (Foreign Portfolio Investors) registered with them.

CIRCULAR

SEBI/HO/MRD/DP/CIR/P/2016/60

June 22, 2016

To,

All Stock exchanges and Clearing corporations, All Foreign Portfolio Investors (FPIs).

Dear Sir / Madam,

Subject: Review of the framework of position limits for currency derivatives contracts

With the view to ease trading requirements in the currency derivatives segment, it is clarified that the position limit linked to open interest shall be applicable at the time of opening a position. Such positions shall not be required to be unwound in the event of a drop of total open interest in a currency pair at the stock exchange.

2. However, in the aforementioned scenario, the eligible market participants shall not be allowed to increase their existing positions or create new positions in the currency pair till they comply with the applicable position limits.

3. Notwithstanding the above, in view of risk management or surveillance concerns with regard to such positions of the market participants, stock exchanges may direct the market participants to bring down their positions to comply with the applicable position limits within the time period prescribed by the stock exchange.

4. Accordingly, para 14 of the SEBI circular CIR/MRD/DP/20/2014 dated June 20, 2014 shall stand modified.

5. Stock exchanges and Clearing corporations are directed to:

   (a) take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations.

   (b) bring the provisions of this circular to the notice of the stock brokers / clearing members and also disseminate the same on their website; communicate to SEBI the status of implementation of the provisions of this circular.

6. Depositories are directed to forward this circular to DDPs, who shall in turn bring the contents of this circular to the notice of the FPIs registered with them.

7. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Susanta Kumar Das
Deputy General Manager
email: susantad@sebi.gov.in

17. Miscellaneous SEBI Circular

Circular No.: NSDL/ POLICY/2021/0025 March 08, 2021	***Subject: SEBI Circular on Code of Conduct & Institutional mechanism for prevention of Fraud or Market Abuse*** Attention of Participants is invited to SEBI Circular No. SEBI/HO/MRD/DCAP/ CIR/P/2021/23 dated March 03, 2021 (copy enclosed) regarding Code of Conduct & Institutional mechanism for prevention of Fraud or Market Abuse. Participants are requested to take note of the above.

CIRCULAR

SEBI/HO/MRD/DCAP/CIR/P/2021/23 **March 03, 2021**

To,

All recognized Stock Exchanges, Clearing Corporations and Depositories

Sir / Madam,

Subject: Code of Conduct & Institutional mechanism for prevention of Fraud or Market Abuse

1. Pursuant to the report of the Committee on Fair Market Conduct ('Committee'), set up *inter-alia* to recommend appropriate Institutional Mechanism to ensure accountability of the management / designated persons in case of negligence / failure, necessary changes have been carried out in SEBI (Prohibition of Insider Trading) Regulations, 2015 (herein after referred as 'PIT Regulations').

2. Based on the above, it has been decided that the Code of Conduct and Institutional Mechanism for prevention of fraud or market abuse shall be applicable to Stock Exchanges, Clearing Corporations and Depositories (herein after collectively referred as 'MIIs') also, on the lines of Regulation 9(1) to 9(4) of PIT Regulations.

3. Accordingly, MIIs shall do the following:

   3.1. Formulate a Code of Conduct to regulate, monitor and report trading by their designated persons and immediate relative of designated persons towards achieving compliance with the PIT Regulations, by adopting the minimum standards set out in Schedule C to the PIT Regulations.

   3.2. Managing Director (MD) / Chief Executive Officer (CEO) of the MII shall be obligated to frame the referred code of conduct. The Board of Directors may ensure the compliance by MD / CEO in this regard.

   Explanation - For the avoidance of doubt it is clarified that a MII, which is listed, is already required to adopt minimum standards set out in Schedule B of PIT regulations. Further, such MII shall adopt minimum standards as set out in Schedule B of PIT regulations with respect to trading in its own securities and in Schedule C with respect to trading in other securities.

   3.3. MII shall identify and designate a compliance officer to administer the aforesaid code of conduct.

   3.4. The Board of Directors of MII, in consultation with the aforesaid compliance officer, shall specify the designated persons to be covered by the code of conduct on the basis of their role and function in the organisation and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include the position / designation as specified in the Regulation 9(4) of the PIT Regulations.

4. MIIs shall put in place an Institutional Mechanism for prevention of fraud or market abuse covering the following:

   4.1. MD / CEO of the MII shall put in place adequate and effective system of internal controls to ensure compliance with the regulations and circulars issued by the Board from time to time, to prevent fraud or market abuse by MII or its designated persons and immediate relatives of designated persons.

   4.2. The Board of Directors of the MII shall ensure that the MD / CEO ensures compliance with Para 3 and Para 4.1 above. The compliance officer of the respective MII shall administer the internal controls to prevent fraud or market abuse by designated persons and immediate relatives of designated persons of the MII.

   4.3. The Regulatory Oversight Committee of the MII shall review compliance with the provisions of this Circular at least once in a financial year and shall also verify that the systems for internal control are adequate and are operating effectively.

   4.4. MII shall formulate written policies and procedures for inquiry in case of suspected fraud or market abuse by its designated persons and immediate relatives of designated persons, which shall be approved by its Board of Directors. Any enquiry / investigation against the designated persons and immediate relatives of designated persons of the MII may be undertaken under the supervision of Regulatory Oversight Committee comprising of PIDs and independent external expert with consideration of avoidance of conflict of interest, if any, so as to ensure maximum fairness and transparency.

   4.5. MII shall initiate appropriate inquiry upon becoming aware of any illegal or unethical practices or transactions of suspected fraud or market abuse by its designated persons and immediate relatives of designated persons and promptly inform its Board of Directors of such suspected fraud or market abuse and results of the inquiry.

   4.6. MII shall have an effective whistler-blower policy to enable stakeholders, including employees to freely communicate their concerns about illegal or unethical practices and report instances of fraud or market abuse or any suspicion of fraud or market abuse.

   4.7. MII shall ensure that the policy framed under Para 4.6 provides for suitable protection against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against any employee who reports instances of fraud or market abuse or any suspicion of fraud or market abuse.

5. Words and expressions used but not defined in this Circular shall have the same meanings as may be defined in Securities Contracts (Regulation) Act, 1956 or the Securities and Exchange Board of India Act, 1992 or the Depositories Act, 1996 or Regulations made thereunder i.e. Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, SEBI (Depositories and Participants) Regulations, 2018, PIT Regulations, SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, unless the context requires otherwise.

6. MIIs are directed to:

   6.1. take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above and disseminate the same on their website;

   6.2. communicate to SEBI the status of implementation of the provisions of this circular through their Monthly Development Report.

7. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 and Section 19 of the Depositories Act, 1996, to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market.

8. The circular is available on SEBI website at www.sebi.gov.in at "Legal → Circulars" and shall come into force with immediate effect.

Yours faithfully,

Sudeep Mishra
General Manager
Market Regulation Department
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sudeepm@sebi.gov.in

Circular No.: NSDL/ POLICY/2021/0022 March 02, 2021	***Subject: SEBI Master Circular on Surveillance of Securities Market.*** As Participants are aware, Securities and Exchange Board of India (SEBI) has been issuing various circulars/directions from time to time for effective surveillance of the securities market. In order to enable the users to have an access to all the applicable circulars/directions at one place, Master Circular on Surveillance of Securities Markets has been prepared by SEBI and communicated vide Circular No. SEBI/HO/ISD/ISD/CIR/P/2021/22 dated March 01, 2021. This Master Circular is a compilation of the circulars issued by Integrated Surveillance Department, which are operational as on date of this circular. Copy of the abovementioned Master Circular is enclosed for information and compliance.
Circular No.: NSDL/ POLICY/2021/0014 February 18, 2021	***Subject: TRAI 'Telecom Commercial Communications Customer Preference Regulations, 2018*** All Participants are hereby informed that SEBI vide its email dated February 09, 2021 has informed that the TRAI 'Telecom Commercial Communications Customer Preference Regulations,2018' stipulates the Telecom Service Providers(TSPs) to stop any promotional, transactional and service messages and calls of the Principal Entities (businesses/organizations sending commercial communications i.e. transactional, service, promotional messages/calls to their subscribers/users) who have not performed/completed the below activities: i. Registration of themselves as Principal Entities(PEs) with their respective Telecom Service provider(s)(TSPs). ii. Registration of their existing headers with their respective Telecom Service Providers(s). iii. Registration of their content templates against specific registered header with the telecom service provider(s). iv. Registration of the consents of their existing subscribers with their respective telecom service provider(s). Accordingly, Participants sending such commercial communications to Clients, are requested to take note of the above.

Circular No.: NSDL/ POLICY/2020/0161 December 17, 2020	***Subject: SEBI Circular on e-Voting Facility Provided by Listed Entities.*** Attention of Participants is invited to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 2020 (copy enclosed) regarding e-Voting Facility Provided by Listed Entities. In order to increase the efficiency of the voting process, pursuant to public consultation, SEBI has decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the e-Voting Service Providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process. The facility shall be available to all individual shareholders holding the securities in demat mode. Further, Participants are advised to refer point no. 7 of the abovementioned SEBI Circular and accordingly request clients to update their mobile number and email ID in order to enable them to access the e-voting facility. Participants are requested to ensure compliance.

CIRCULAR

SEBI/HO/CFD/CMD/CIR/P/2020/242 **December 09, 2020**

To,

All Recognized Depositories
All Registered Depository Participants through Depositories
All Listed Companies through recognized Stock Exchanges
All E-voting Service Providers through listed companies.

Dear Sir/Madam,

Sub: e-Voting Facility Provided by Listed Entities

1. Under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
2. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

3. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process. The same shall be implemented in a phased manner as under:

Phase – 1

Following process for e-voting shall be implemented within 6 months of the date of the circular.

3.1. Direct registration with Depositories – Shareholders can register directly with the depository. Shareholders would be able to access the e-voting page of various ESPs through the websites of the Depositories without further authentication by ESPs for participating in the e-voting process.

OR

3.2. Through Demat Accounts with Depository Participants – Demat account holders will have the option of accessing various ESP portals directly from their demat accounts.

They would be routed to the webpage of the respective Depositories from their demat accounts, which in turn would enable access to the e-voting portals of various ESPs without further authentication by ESPs for participating in the e-voting process.

4. The authentication of shareholders would happen at the depository level and ESPs shall allow the demat account holders to cast their vote based on the validation carried out by the Depository.

5. Depository shall send a confirmatory SMS to the shareholders that the vote has been cast based on the confirmation received from the ESP.

6. The listed entity shall provide the details of the upcoming AGMs requiring voting to the Depository. The depository shall send SMS/email alerts in this regard, to the demat account holders, atleast 2 days prior to the date of the commencement of e-voting.

Phase – 2

7. In order to further enhance the convenience and security of the e-voting system, the depository shall validate the demat account holder through a One Time Password (OTP) verification process as under.

6.1 Direct registration with Depositories – Depositories shall allow login through registered Mobile number / E-mail based OTP verification as an alternate to login through username and password.

6.2 Through Demat Accounts with Depository Participants – A second factor authentication using Mobile / E-mail based OTP shall be introduced before the demat account holders can access the websites of the Depositories through their demat accounts.

The above shall be implemented within 12 months from the completion of the process in phase 1.

7. Depository may advise the demat account holders to update their mobile number and email ID in order to access the e-voting facility.

8. Depositories shall establish a dedicated helpline to resolve technical difficulties faced by shareholders relating to the e-voting facility. Further, the listed company shall ensure that the ESPs engaged by them also provide a dedicated helpline in this regard.

9. In order to enable better deliberation and decision making by the shareholders while casting their votes, ESP Portals shall provide specific weblinks to the following:
   - disclosures by the company on the websites of the stock exchanges
   - report on the websites of the proxy advisors.

Applicability

10. The aforementioned facility shall be available to all individual shareholders holding the securities in demat mode.
11. ESPs may continue to provide the facility of e-voting as per the existing process to all physical shareholders and shareholders other than individuals viz. institutions/ corporate shareholders.
12. Depositories and Exchanges are advised to bring the circular to the notice of its Depository Participants and listed companies respectively.
13. All listed companies are advised to notify the above process available to demat account holders for e-voting in the notice sent to the shareholders.
14. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and shall be in addition to the provisions of the Companies Act, 2013.

Yours faithfully,

Surabhi Gupta
General Manager
Corporation Finance Department
Tel No. 022-26449315
Email id: surabhig@sebi.gov.in

Circular No.: NSDL/ POLICY/2020/0155 November 25, 2020	***Subject: SEBI circular on Introduction of Unified Payments Interface (UPI) mechanism and Application through Online interface and Streamlining the process of Public issues of securities.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/DDHS/ CIR/P/2020/233 dated November 23, 2020 (copy enclosed) regarding introduction of Unified Payments Interface (UPI) mechanism and Application through Online interface and Streamlining the process of Public issues of securities under - SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (ILDS Regulations), SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 (NCRPS Regulations), SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 (SDI Regulations) and SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 (ILDM Regulations). Participants are requested to take note of the above and guide clients suitably.

CIRCULAR

SEBI/HO/DDHS/CIR/P/2020/233 **November 23, 2020**

To

Recognised Stock Exchanges

Registered Depositories

National Payments Corporation of India

Registered Depository Participants, Stock brokers, Merchant Bankers, Registrars to an Issue and Share Transfer Agents, Bankers to issues, Sponsor Banks

Self-Certified Syndicate Banks

Issuers who propose to list Debt securities, Non-convertible redeemable preference shares, Securitised Debt Instruments and Municipal Debt Securities issued under the respective Regulations

Madam / Sir,

Sub: Introduction of Unified Payments Interface (UPI) mechanism and Application through Online interface and Streamlining the process of Public issues of securities under:

- **SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (ILDS Regulations),**
- **SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 (NCRPS Regulations),**
- **SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 (SDI Regulations) and**
- **SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 (ILDM Regulations)**

1. SEBI Circular No. CIR/DDHS/P/121/2018 dated August 16, 2018 (hereinafter to be referred as 'ASBA Circular') lays down the process for payment for applications in public issue of debt securities through the facility of ASBA.

2. **Introduction of Unified Payments Interface (UPI) mechanism and an additional mode for application through online (app / web) interface in public issues of securities captioned above:**

   2.1. After consultation with stakeholders, it has been decided to introduce the following in addition to the already specified modes under the ASBA Circular:

   2.1.1. Providing an option to investors to apply in public issues of debt securities through the app / web interface of Stock Exchange(s) with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto Rs. 2 Lac;

   2.1.2. Permitting the UPI mechanism to block funds for application value upto Rs. 2 Lac submitted through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).

3. The process flow for applying through online interface of stock exchanges or intermediaries and availing the option of blocking funds though UPI mechanism is placed at **Annex I** to this Circular.

4. **New entities / mechanisms part of the public issue process using UPI**

4.1. **National Payments Corporation of India (NPCI):** NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA);

4.2. **Unified Payments Interface (UPI):** UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank account.

4.3. **Sponsor Bank**: Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail investors into the UPI.

5. **Validation by Stock Exchanges and Depositories**

5.1. The details of investor viz. PAN, DP ID / Client ID, entered on the Stock Exchange platform at the time of bidding, shall be validated by the Stock Exchange/s with the Depositories on real time basis.

5.2. Stock Exchanges and Depositories shall put in place necessary infrastructure for this purpose.

6. **Other requirements**

6.1. Stock Exchanges shall update demand data on working days on their websites which shall include all the UPI (accepted/pending) and ASBA bids; '*Working day*' for this purpose shall be the working day of the Stock Exchange on which debt securities are listed.

6.2. The additional text of data fields required to be included in the Application-and-bidding-form relating to UPI is placed at **Annex II** to this Circular. The roles of the Issuer, Registrar and Collecting Banks is given at **Annex III** of this Circular.

6.3. The details of commission and processing fees payable to each intermediary and the timelines for payment shall be disclosed in the offer document.

6.4. The intermediaries shall provide necessary guidance to their investors in use of UPI while making applications in public issues.

6.5. All entities involved in the process shall co-ordinate with one another to ensure completion of listing of securities and commencement of trading by T+6 day.

6.6. Stock Exchanges shall formulate and disclose the operational procedure for applying through the app / web based interface developed by them in order to apply in public issue on their websites.

6.7. The Merchant Banker shall ensure that the process of applying through the app / web interface developed by the Stock Exchanges as well as the additional payment mechanism through UPI is disclosed in the offer document.

6.8. All entities involved in the process are advised to take necessary steps to ensure compliance with this circular.

Applicability of this circular

7. The provisions of this circular shall be applicable to a public issue of securities under the captioned Regulations which opens on or after January 01, 2021. Stock Exchanges, NPCI, Sponsor Banks and Self Certified Syndicate Banks shall make required changes to implement the same from January 1, 2021. SEBI Circular no. CIR/IMD/DF-1/20/2012 dated July 27, 2012 shall stand repealed from that date.

8. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

9. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework -> Circulars".

Yours faithfully,

Pradeep Ramakrishnan
General Manager
Department of Debt and Hybrid Securities
Tel No.022-2644 9246
Email id - pradeepr@sebi.gov.in

Annex I

Process flow for applying though UPI mechanism

1. **Modes of application in public issue of securities as mentioned in this circular:**

An investor may apply through any of the following modes:

Through Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)

a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.

b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is Rs.2 lac or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

Through Stock Exchanges (App/ Web interface)

d. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchanges wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism.

2. Process for investor application submitted with UPI as mode of payment

2.1. Bidding and validation process

i. Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).

ii. An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchanges App/ Web interface.

iii. The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchange bidding platform using appropriate protocols.

iv. Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.

v. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.

vi. Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.

2.2. The Block process

i. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.

ii. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.

iii. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

iv. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.

v. An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue periodin which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.

vi. An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply

vii. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1pm

viii. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.

ix. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

x. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.

xi. The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.

3. Post issue closure

3.1. Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

3.2. The allotment of debt securities shall be done as per SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013.

3.3. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

3.4. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

3.5. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.

3.6. Thereafter, Stock Exchanges will issue the listing and trading approval.

Annex II

Data fields required in Application-and-Bidding-Form relating to UPI

1. Main Application form

1.1. Payment details –UPI ID with maximum length of 45 characters

1.2. Acknowledgement Slip for SCSB / Broker / RTA / DP

1.2.1. Payment details to include UPI

1.3. Acknowledgement Slip for bidder

1.3.1. Payment details to include UPI ID

2. Overleaf of Main Application Form

2.1. UPI Mechanism for Blocking Fund would be available for Application value up to Rs.2 Lac

2.2. Bidder's Undertaking and confirmation to include blocking of funds through UPI mode

2.3. Instructions with respect to payment / payment instrument to include instructions for blocking of funds through UPI mode.

Annex III

Role of Issuer, Registrar, Stock Exchange, Intermediaries and Collecting Bank

1. Issuer

(a) Issuer shall use an on-line app based/ web based platform provided by stock exchange(s) for receiving applications in public issue of debt securities.

(b) For this purpose, the issuer and the stock exchange shall enter into an arrangement which shall contain the inter se rights, duties, responsibilities and obligations of the issuer and stock exchange(s) and provide for a dispute resolution mechanism between the issuer and the stock exchange(s).

(c) Issuer shall maintain a single escrow account for collecting application money through all the methods. The Sponsor Bank appointed by the issuer may be the same bank with whom the public issue account has been opened.

(d) Issuer shall appoint one of the SCSBs as Sponsor Bank to act as conduit between the Stock exchanges and NPCI in order to push mandate, collect requests and / or payment instructions of the investors in the UPI.

2. Registrar

(a) The registrar shall have an online or system driven interface with the Stock Exchange to get information/ data/ files pertaining to issue.

(b) The Registrar shall collect aggregate applications details from the stock exchanges platform to decide the eligible applications and process the allotment as per applicable SEBI Regulations.

(c) An application without valid application amount shall be treated as invalid application by the Registrar.

(d) The Registrar shall credit securities to all valid allottees.

(e) The Registrar shall ensure refund of application amount or excess application amount in the bank account of the applicant as stated in its demat account.

3. Stock Exchange

3.1. Stock Exchanges shall provide a platform for making applications through

i. Intermediaries.

ii. App based/ web interface applications from investors with UPI mode for blocking the mode for application value up to Rs.2 Lacs

3.2. The Stock Exchanges shall be responsible for

i. accurate, timely and secured transmission of the electronic application file uploaded by all participants on the online platform, to the registrar.

ii. disseminating the issue information on Exchange web site on a periodic basis across all categories.

3.3. Notwithstanding the responsibility of the Intermediaries as laid down in SEBI regulations, the Stock Exchange shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members.

4. Intermediaries

4.1. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

4.2. If the Intermediary has not entered any details correctly on the stock exchanges platform and it results on the mismatch with the data obtained by the Registrar from the Intermediary shall be responsible for rejection of such applications.

5. Collecting Bank

The Collecting Bank shall be responsible for addressing any investor grievances arising from non-confirmation of funds to the Registrar despite successful realization of the payment instrument in favour of the issuer's Escrow Account, or any delay or operational lapse by the Collecting Bank in sending the forms to the Registrar.

Circular No.: NSDL/ POLICY/2020/0154 November 24, 2020	***Subject: Celebration of 'World Investor Week' (WIW) from November 23 - 29, 2020.*** Attention of Participants is invited to the celebration of 'World Investor Week' (WIW) by NSDL from November 23 - 29, 2020 under the aegis of IOSCO and SEBI. In this context, as advised by SEBI, Participants shall create awareness amongst the investors about WIW celebration through various platforms like banner display, website display, media campaigns etc. during the above-mentioned week. Such banners / tickers / media campaigns shall include the hyperlink https://nsdl.co.in/nsdlnews/wiw.php. Participants are requested to take note of the above and ensure compliance.

Circular No.: NSDL/ POLICY/2020/0143 October 30, 2020	***Subject: SEBI Advisory regarding Remote Access and Telecommuting*** Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD/ CIR/PB/2018/147 dated December 03, 2018 (NSDL circular no. NSDL/ POLICY/2018/0069 dated December 6, 2018) regarding Cyber Security & Cyber Resilience framework of Depository Participants. Participants were communicated vide Circular Nos. NSDL/POLICY/2020/0047 & NSDL/ POLICY/2020/0126 dated April 9, 2020 & September 20, 2020 respectively regarding Cyber Security Advisory from National Critical Information Infrastructure Protection Centre (NCIIPC) to take requisite precautions & SEBI advisory on Cyber Security - Prevention of DDoS Cyber-attacks and Cyber Security preparedness. In accordance with SEBI email dated October 22, 2020 regarding advisory on Remote Access and Telecommuting, Participants are advised as under: 1. Ensure proper remote access policy framework incorporating the specific requirements of accessing the enterprise resources securely located in the data centre from home, using internet connection. 2. For implementation of the concept of trusted machine as end users, categorize the machines as official desktops / laptops and accordingly the same may be configured to ensure implementation of solution stack considering the requirements of authorized access. Official devices shall have appropriate security measures to ensure that the configuration is not tampered with. Participants shall ensure that internet connectivity provided on all official devices shall not be used for any purpose other than the use of remote access to data centre resources. 3. If personal devices (BYOD) are allowed for general functions, then appropriate guidelines should be issued to indicate positive and negative list of applications that are permitted on such devices. Further, these devices should be subject to periodic audit. 4. Implement the various measures related to Multi-Factor Authentication (MFA) for verification of user access so as to ensure better data confidentiality and accessibility. VPN remote access through MFA shall also be implemented. It is clarified that MFA refers to the use of two or more factors to verify an account holder's claimed identity. 5. Ensure that the trusted machine is the only client permitted to access the data centre resources. The Participants shall ensure that the Virtual Private Network (VPN) remote login is device specific through the binding of the Media Access Control (MAC) address of the device with the IP address to implement appropriate security control measures. 6. Explore a mechanism for ensuring that the employee using remote access solution is indeed the same person to whom access has been granted and not another employee or unauthorized user. A suitable video-recognition method has to be put in place to ensure that only the intended employee

uses the device after logging in through remote access. Participants shall implement short session timeouts for better security. Towards this end, it is suggested that the Participants may consider running a mandatory monitor on the device that executes:

a. At random intervals takes a picture with the webcam and uploads the same to the Participant's server,

b. At random intervals pops up and prompts biometric authentication with a timeout period of a few seconds. If there is a timeout, this is flagged on the Participants server as a security event.

7. Ensure that appropriate risk mitigation mechanisms are put in place whenever remote access of data centre resources is permitted for service providers. Participant Services Circular

8. Remote access has to be monitored continuously for any abnormal access and appropriate alerts and alarms should be generated to address this breach before the damage is done. For on-site monitoring, the Participants shall implement adequate safeguard mechanism such as cameras, security guards, nearby co-workers to reinforce technological activities.

9. Ensure that the backup, restore and archival functions work seamlessly, particularly if the users have been provided remote access to internal systems.

10. Exercise sound judgement and discretion while applying patches to existing hardware and software and apply only those patches which were necessary and applicable.

11. The Security Operations Centre (SOC) engine has to be periodically monitored and logs analyzed from a remote location. Alerts and alarms generated should also be analyzed and appropriate decisions should be taken to address the security concerns. The security controls implemented for the Remote Access requirements need to be integrated with the SOC Engine and should become a part of the overall monitoring of the security posture.

12. Update its incidence response plan in view of the current pandemic.

13. Implement cyber security advisories received from SEBI, MII, CERT-IN and NCIIPC on a regular basis.

14. Further, all the guidelines developed and implemented during pandemic situation shall become SOPs post Covid-19 situation for future preparedness.

Participants are requested to take note of the above and ensure compliance. Participants are requested to provide their feedback for the above advisory, if any, by November 20, 2020 at dpinfosec@nsdl.co.in.

Circular No.: NSDL/ POLICY/2020/0128 September 24, 2020	***Subject: SEBI circular on Recording of all types of Encumbrances in Depository system.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MRD2/DDAP/CIR/P/2020/137 dated July 24, 2020 (copy enclosed) regarding recording of all types of encumbrances in the Depository system. Participants are requested to take note of the above. The operational procedure and systems enhancements, if any, related to the above will be notified separately.

SEBI/HO/MRD2/DDAP/CIR/P/2020/137 July 24, 2020

CIRCULAR

To,

All Depositories

Subject: Recording of all types of Encumbrances in Depository system

Sir/ Madam,

1. SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 requires promoters of a company to disclose details of their encumbered shares. In this regard, it was observed that apart from pledge, hypothecation and non-disposal undertakings(NDUs), currently there is no framework to capture the details of other types of encumbrances in the depository system.
2. It has now been decided that Depositories shall put in place a system for capturing and recording all types of encumbrances, which are specified under Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time. Towards this end, Depositories shall follow processes and other norms similar to that stipulated for the purpose of capturing and recording NDUs in Depository system. This is apart from pledge and hypothecation, whose processes and specific norms are separately provided in SEBI (Depositories & Participants) Regulations, 2018 and circulars issued thereon.
3. The freeze and unfreeze instructions executed by the Participant for recording all encumbrances will be subject to 100% concurrent audit.
4. The Depository Participant shall not facilitate or be party to any type of encumbrance outside the Depository system as outlined herein.
5. The Depositories shall implement the provisions of this circular within one month from the date of this circular.
6. The Depositories are advised to:
   i. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision, as may be applicable/necessary;
   ii. to carry out system changes if any to implement the above;
   iii. disseminate the provisions of this circular on their website;
   iv. communicate to SEBI, the status of implementation of the provisions of this circular in their Monthly Development Report.
7. This circular is being issued in exercise of the powers conferred by Section 11(1) of Securities and Exchange Board of India Act, 1992 and section 19 of the Depositories Act, 1996 to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Versha Agarwal
Deputy General Manager
Market Regulation Department
Email: vershaa@sebi.gov.in

Circular No.: NSDL/ POLICY/2020/0126 September 20, 2020	***Subject: SEBI advisory on Cyber Security - Prevention of DDoS Cyber-attacks and Cyber Security preparedness.*** Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD/ CIR/PB/2018/147 dated December 03, 2018 (NSDL circular no. NSDL/ POLICY/2018/0069 dated December 6, 2018) regarding Cyber Security & Cyber Resilience framework of Depository Participants. Participants were communicated vide Circular No. NSDL/POLICY/2020/0047 dated April 9, 2020 regarding Cyber Security Advisory from National Critical Information Infrastructure Protection Centre (NCIIPC) to take requisite precautions. In accordance with SEBI email dated September 18, 2020 regarding Cyber Security Advisory - Prevention of DDoS Cyber-attacks and Cyber Security preparedness, Participants are advised as under: a) Review cyber security safeguards put in place for protecting the business operations and fix the identified gaps on priority. b) Review security of communication links like MPLS lines, point to point leased lines, Internet leased lines etc. provisioned for trading, communications and other services exposed to the customers and partners on the internet/private networks. c) Ensure all the internet links and services are adequately protected from cyber-attacks including DoS/DDoS attacks. d) Ensure enough safeguards are put in place to protect private networks from man in the middle type of attacks and shall use end to end encryption for communication channels/protocols. e) Ensure adequate redundancy and high availability for private networks provisioned for business operations availing services from multiple service providers. f) Review vulnerabilities of business applications and ensure enough safeguards for targeted application attacks. g) If employees/outsourced staff managing business operations are working from home, ensure adequate safety and security measures (such as hardening of employees home PCs/laptops, ensuring licensed version of anti-virus, secure VPN access with 2 FA etc.) before providing access to corporate network/office systems. h) Continuously monitor applications and services for their availability and good response time. Further, Participants shall ensure adherence to cyber security guidelines / advisories issued by SEBI, follow best industry practices and comply with other guidelines issued by CERT-In and NCIIPC from time to time and shall give utmost importance to the cyber security preparedness and in case of any cyber security breach/incident/deficiency, reporting shall be done as per the Standard Operating Procedure for reporting of cyber security breaches, incidents and deficiencies. Participants are requested to take note of the above and ensure compliance.

Circular No.: NSDL/ POLICY/2020/0125 September 11, 2020	***Subject: Entities permitted to undertake e-KYC Aadhaar Authentication service of UIDAI in Securities Market – Addition of NSE to the list.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/167 dated September 08, 2020 (copy enclosed) regarding entities permitted to undertake e-KYC Aadhaar Authentication service of UIDAI in Securities Market. Participants are requested to take note of the above and ensure compliance.

CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2020/167 **September 08, 2020**

To,

All Recognized Stock Exchanges
All Recognized Depositories
Stock Brokers through Recognized Stock Exchanges
Depository Participants through Depositories
Association of Mutual Funds in India
All Mutual funds and AMCs through AMFI
Portfolio Managers
KYC Registration Agencies (KRAs)
Qualified Registrar to an Issue and Share Transfer Agents (QRTAs)
Alternative Investment Funds (AIFs)
Collective Investment Schemes (CIS)
Custodians
Investment Advisors

Dear Sir/Madam,

Subject: Entities permitted to undertake e-KYC Aadhaar Authentication service of UIDAI in Securities Market – Addition of NSE to the list

1. SEBI vide circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/80 dated May 12, 2020 permitted eight entities to undertake Aadhaar Authentication service of UIDAI subject to compliance of the conditions as laid down in this regard.
2. Government of India, Department of Revenue (DoR), vide Gazette Notification No. G.S.R. 516(E) dated August 20, 2020, notified "National Stock Exchange of India Limited" (NSE) as per the recommendation by Unique Identification Authority of India (UIDAI) and SEBI to undertake Aadhaar authentication service of the UIDAI under section 11A of the Prevention of Money-laundering Act, 2002. In view of the same, National Stock Exchange of India Limited shall undertake Aadhaar Authentication service of the UIDAI subject to compliance of the conditions as laid down in this regard.

3. The Stock Exchanges and Depositories are directed to:
   a. bring the provisions of this circular to the notice of the Stock Brokers, Depository Participants and also disseminate the same on their websites.
   b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another to achieve uniformity in approach.
   c. communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report of the following month; and
   d. monitor the compliance of this circular.
4. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully,

Narendra Rawat

General Manager

Market Intermediaries Regulation and Supervision Department

Circular No.: NSDL/ POLICY/2020/0116 August 22, 2020	***Subject: SEBI circular on Corrigendum to Master Circular for Depositories dated October 25, 2019 on preservation of records.*** Attention of Participants is invited to SEBI Circular No. SEBI/HO/MRD2/DDAP/CIR/P/2020/153 dated August 18, 2020 regarding Corrigendum to Master Circular for Depositories dated October 25, 2019 on preservation of records (Copy enclosed). Participants are requested to take note of the above and ensure compliance.

CIRCULAR

SEBI/HO/MRD2/DDAP/CIR/P/2020/153 **August 18, 2020**

To

The Depositories

Subject: Corrigendum to Master Circular for Depositories dated October 25, 2019 on preservation of records

Sir/ Madam,

1. Please refer to SEBI circular MRD/DoP/DEP/Cir- 20/2009 dated December 9, 2009 on preservation of records wherein it is *inter-alia* mentioned that Depositories and Depository Participants are required to preserve the records and documents for a minimum period of five years in terms of regulations 38 and 49 of the SEBI (Depositories and Participants) Regulations, 1996.

2. Further, in terms of Regulations 54 and 66 of the SEBI (Depositories and Participants) Regulations, 2018 (herein referred to as D&P Regulations, 2018) notified on October 03, 2018, Depositories and Depository Participants are required to preserve the records and documents for a minimum period of eight years.

3. In order to align the provisions of the D&P Regulations, 2018 with that of Master Circular for Depositories dated October 25, 2019, Section 4.6 (i) - Preservation of Records shall be replaced with the following:

   "Depositories and Depository Participants are required to preserve the records and documents for a minimum period of 8 years"

4. Further, footnote of "Preservation of records" shall be replaced with "Reference Circular MRD/DoP/DEP/Cir-20/2009 dated December 9, 2009 and Regulations 54 and 66 of the SEBI (Depositories and Participants) Regulations, 2018".

5. It may be noted that the other provisions of the Master Circular for Depositories SEBI/HO/MRD/DP/CIR/P/118 dated October 25, 2019 shall remain unchanged.

6. Paragraph 2 of SEBI circular MRD/DoP/DEP/Cir- 20/2009 dated December 9, 2009 stands partially modified as under:

   "In terms of Regulations 54 and 66 of the SEBI (Depositories and Participants) Regulations, 2018 (herein referred to as D&P Regulations, 2018) notified on October 03, 2018, Depositories and Depository Participants are required to preserve the records and documents for a minimum period of eight years"

7. It may be noted that the other provisions of SEBI circular MRD/DoP/DEP/Cir- 20/2009 dated December 9, 2009 shall remain unchanged.

8. The Depositories are advised to:

   i. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision, as may be applicable/ necessary;

   ii. to carry out system changes, if any, to implement the above;

   iii. disseminate the provisions of this circular on their website;

   iv. communicate to SEBI, the status of implementation of the provisions of this circular in their Monthly Development Report.

9. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and Section 19 of the Depositories Act, 1996, to protect the interests of investors in securities market and to promote the development of and to regulate the securities market.

Yours faithfully

Versha Agarwal
Deputy General Manager
Market Regulation Department
Email: vershaa@sebi.gov.in

Circular No.: NSDL/ POLICY/2020/0088 July 3, 2020	***Subject: SEBI circular on Standard Operating Procedure in the cases of Trading Member / Clearing Member leading to default*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MIRSD/DPIEA/CIR/P/2020/115 dated July 01, 2020 regarding Standard Operating Procedure in the cases of Trading Member / Clearing Member leading to default (Copy enclosed). Participants are requested to take note of the above.

CIRCULAR

SEBI/HO/MIRSD/DPIEA/CIR/P/2020/115 **July 01, 2020**

To

All Recognised Stock Exchanges
All Recognised Clearing Corporations
All Depositories

Madam / Sir,

Subject: Standard Operating Procedure in the cases of Trading Member / Clearing Member leading to default

1) SEBI vide circular dated December 17, 2018 had specified Early Warning Mechanism to prevent diversion of client's securities and consequential action(s) to be initiated by the Stock Exchanges ("SEs"), Clearing Corporations ("CCs") and Depositories were also specified in the said Circular.

2) With the introduction of uniform membership structure of Trading Member ("TM") and Clearing Member ("CM") across all segments, the TM shall make good the default of its clients to the CM and the CM shall make good the default of its clients / TM to the CC. The default of TM may not necessarily lead to default of CM, if the CM continues to fulfill the settlement obligation with the CC. To protect the interest of non-defaulting clients of a TM and /or non-defaulting clients / TM(s) of the CM, in the likely event of default by TM / CM, there is a need for Standard Operating Procedure ("SoP") enumerating the steps to be taken by the SEs / CCs / Depositories in such cases where SE / CC is of the view that TM / CM is likely to default in repayment of funds or securities to its clients.

3) In order to harmonize the action amongst all SEs / CCs / Depositories in a time bound manner this SoP has been prepared in consultation with SEs, CCs and Depositories so as to achieve uniformity in implementation of actions. The SoP lays down the actions to be initiated by the SEs / CCs / Depositories within a time frame after detection of the early warning signals as laid out in the Circular dated December 17, 2018 and other triggers as laid down in this circular untill declaration of defaulter of TM / CM by the SE / CC. Once the TM is declared defaulter, the proceedings shall be in compliance with the bye-laws, rules and regulations of SE / CC respectively.

4) On analysis of early warning signals or any of the following triggers, if the SE / CC is of the view that the TM / CM is likely to default in the repayment of funds / securities to its clients and / or fail to meet the settlement obligations to CM / CC, where:

a) There is shortage of funds / securities payable to the clients by Rs. 10 crore (SE may have their own criteria) and / or

b) TM / CM has failed to meet the settlement obligations to CM / CC and / or

c) There is sudden increase in the number of investor's complaints against the TM / CM for non-payment of funds and / or transfer of securities, the following actions shall be taken by Initiating Stock Exchange (ISE) / SEs / CCs and Depositories as per the timeline given below:

Sr. No.	Action	Timeline
4.1	Seek documents / explanation or Meeting with designated directors of TM.	Within 3 trading days of trigger
4.2	A limited purpose joint inspection of TM shall be initiated. ISE along with other SEs shall send a team of officials for taking possession of the copy of the books of accounts and other relevant records including but not restricted to securities register, trial balance, client master, bank books, debtors and creditors ledger (preferably in electronic mode) for the last 3 years (if available).	Within 3 trading days of the meeting / explanation with the designated directors
4.3	a) The explanations offered by the designated director(s) of the TM shall be analysed by the ISE and based on the information available, to protect the interest of non-defaulting clients, as an interim measure, the trading terminal of the TM may be directed to be disabled by the Managing Director of the ISE for reasons to be recorded in writing. b) A preliminary assessment of assets and liabilities of the TM shall be completed by the ISE.	Within 7 trading days of 4.2
4.4	ISE shall issue a notice / circular informing the disablement of the TM in all segments.	Within 1 day of disablement
4.5	ISE shall communicate the decision of disablement of the trading terminal(s) of the TM along with detailed reasons for disablement to the TM and CM(s) with an advice to CM(s) to square-off open positions of TM and its clients.	Within 1 trading day of disablement
4.6	ISE shall inform the Depositories about the disablement immediately and advice Depositories to freeze the demat accounts of the TM (including TM Pool Accounts). (ISE shall give specific instructions along with PAN to the Depositories). Any debit in the demat account of TM shall be made under supervision of ISE.	Within 1 trading day of disablement
4.7	ISE shall inform other SEs about the disablement immediately and the other SEs shall disable the said TM on receipt of information and the other SEs shall Issue a notice / circular in this regard.	Within 1 trading day of receipt of intimation of disablement from ISE

Sr. No.	Action	Timeline
4.8	TM may also stand suspended to act as a client with any other TM / CM in any other segment / SEs.	Within 1 trading day of the date of receipt of information of disablement from ISE
4.9	In case of open positions of clients / TM, CM shall liquidate / square off the open positions.	Within 15 trading days from the date of receipt of information by the CM.
4.10	a) All SEs shall immediately direct other TM / CM so as not to alienate the unencumbered surplus funds / securities held by them for such TM registered as a client. b) CM shall invoke the BGs of TM and all unencumbered funds of TM to be transferred to SE on demand. CM shall also ensure that the BG do not expire in the intervening period else they shall invoke even before the receipt of instructions from SE.	Within 1 trading day of the date of receipt of information of disablement from ISE Upon instructions from SE
4.11	All SEs shall inform the CM / CC regarding pay-out proceeds due to the TM which shall be credited to the settlement account of the TM.	As and when payout is made
4.12	If the open position of clients of TM could not be liquidated / squared off, the re-pledged securities of the client of the TM lying with the CM in the Client Securities Margin Pledge Account and other identifiable collateral of the client of TM such as cash / Bank Guarantee (BG) / Fixed Deposit Receipts (FDR) / Mutual Fund Units shall be taken / encashed over by CM wherever possible in accordance with guidelines issued in this regard from time to time.	Within 15 trading days from the date of receipt of information by the CM

Sr. No.	Action	Timeline
4.13	All the securities lying in client unpaid securities account of the TM (CUSA) shall be liquidated by CM / CC / ISE and the sale proceeds shall be credited to respective client's financial ledger. In this situation depository shall not levy any penalty on such transactions.	Within 15 trading days from receipt of information of disablement from ISE
4.14	a) ISE, in consultation with SEs / CCs, shall appoint a forensic auditor to conduct forensic audit of books of accounts of the concerned TM. All SEs shall obtain details of the free securities / collateral available with their respective CM and CC and provide to the forensic auditor. b) An assessment of assets and liabilities of the TM shall be undertaken by the forensic auditor. The liabilities to the clients for funds and securities shall be established with demarcation of securities belonging to the fully paid clients or partly paid / unpaid clients.	Within 15 trading days of disablement Within 3 weeks of appointment of forensic auditor
4.15	ISE shall also provide a report to SEBI on the reasons for trigger, the meetings held with directors of the TM /CM and the outcomes of limited purpose inspection, the details of actions taken and proposed to be taken under the SoP and any other information that the ISE may deem relevant.	Within 30 trading days from the date of trigger
	Action by Depositories	
4.16	Depositories to freeze the demat accounts of the TM (including TM Pool Accounts).	Within 1 trading day from the receipt of information of disablement
4.17	Depositories shall not allow new account opening by the DP (Defaulting TM / CM) and shall suspend all Power of Attorney in favour of the defaulting TM given by its clients.	Within 1 trading days from the date of receipt of information of disablement
4.18	If the TM is also a Depository Participant (DP), the Depositories shall depute its officials / auditor to monitor the transactions in demat securities of the clients of TM and / or transfer the demat accounts of the clients to another DP.	Within 3 trading days from the date of receipt of information of disablement
4.19	Depositories shall initiate concurrent audit for 100% verification of debit transfers executed from the client accounts and account closures processed by the DP.	Within 7 trading days from the date of receipt of information of disablement

Sr. No.	Action	Timeline
4.20	Depositories shall provide the details of pledges that were invoked by Banks/ NBFCs with whom TM's own securities were pledged in the previous 30 days to the SE / CC.	Within 15 trading days from the date of receipt of information of disablement
Action by ISE /SEs / CCs and Banks		
4.21	Issuance of instruction to the banks that the balance in all the bank accounts of TM / CM shall be frozen for debits by Banks.	Within 1 trading day of receipt of information of disablement
4.22	SEs to direct CCs / CM to invoke the unencumbered collateral deposits including BGs / FDRs	Within 1 trading day from disablement
4.23	CCs / CM shall secure the unencumbered collateral deposits, electronic balances in the depository accounts of the TM / CM, including BGs as per the directions received from SEs.	Within 1 trading day on receipt of information of disablement
Other actions by ISE/ SEs / CCs		
4.24	With regard to the restoration of securities of clients lying with the CM, post crystallization of balances in the financial ledger of clients by forensic auditor or as per the Auditor's certificate as may be provided by Member: • ISE/ SE / CC shall endeavour to initiate the process to settle debit balance of such client accounts by selling their securities if such clients fail to clear their debit balance after giving notice period for 5 days. • After reconciling the Register of Securities (ROS), the securities of the credit balance clients (fully paid clients) shall be restored to their respective demat accounts. In this regard, the related parties of the trading member shall not be considered for settlement, for which the TM shall provide an undertaking to the SEs / CC.	Within 30 trading days from crystallization of balances

Sr. No.	Action	Timeline
4.25	ISE / SEs / CCs shall endeavour to settle the claims of maximum number of clients by way of interim measures, under their supervision prior to issuing show cause notice (SCN) for declaring the TM a defaulter. The TM shall be instructed to pay small investors out of available funds and own resources (movable and immovable) under the supervision of the ISE / SEs. Further, the unencumbered deposits available with the SEs / CCs, after adjusting for any dues of the SE / CC and maintaining the minimum BMC, shall also be utilised for settling the credit balance of investors starting from the smallest amount. Also any surplus available with any SEs / CCs, shall be utilised for settling the credit balances of clients with respect to other SEs. BGs of the TM shall be invoked and also the FDRs shall be encashed for utilisation. SEs / CC may settle such clients in tranches. For this purpose, the balances of client will be netted across exchanges to arrive at the final credit balance due to such client. The TM shall furnish the proof of payment to the clients, to the SEs. In this regard, the related parties of the TM shall not be considered for settlement, for which the TM shall provide an undertaking to the SEs / CC. TM to provide indemnity to the SEs to make available the funds to meet any shortfall in meeting investor's claim (other than those who have withdrawn their claim). Clients withdrawing their claim will have to submit unconditional withdrawal letter to the SEs.	Within 30 trading days from crystallization of balances
4.26	Issuance of SCN for declaration of TM as a defaulter and the list of members to whom the notice is issued shall be placed on the website of the SE and on such other place, as the relevant authority may deem fit.	After finalization of assets and liabilities as per forensic audit or audit by SEs
4.27	SEs shall intimate the clients about the issuance of the notice / SCN to declare the TM as defaulter including through email / SMS.	Within 3 trading days of the issuance of SCN

5. The above action shall equally apply to a likely event of default by a CM who is also a TM. However, in case of likely default of a Professional CM, the action to be initiated by the CM shall fall upon the CC.

6. As soon as TM is disabled that information shall be shared by ISE with all SEs / CCs. On receipt of such information respective SE shall also conduct their due diligence and may initiate action of disablement by issuing reasoned order by MD of SE concern. However, when SCN has been issued for

declaring a TM / CM as a defaulter by any SE, its subsidiary / associate companies which are also member(s) on other segment / SE / CC shall also be put in suspension mode. All their open positions shall be squared off and their assets shall be frozen.

7. Once the Member is disabled or SCN is issued for declaration of defaulter to TM / CM (whichever is earlier), no further Investor Grievance Redressal Committee (IGRC) / Arbitration meetings shall be conducted.

8. Default proceedings shall take place as per bye laws / rules / regulations of the SE / CC. If the member is also a DP, Depositories shall take action as per its bye laws for termination / transfer of its participant-ship based on record. SEs shall not expel the TM immediately until the default proceedings are completed.

9. The TM shall provide a list of all its bank accounts to the SEs /CCs and the SEs / CCs shall obtain an undertaking from the TM within 90 days from the date of issuance of this Circular, undertaking that the SEs / CCs shall be empowered to instruct the bank(s) of the TM to freeze the bank account(s) for debits. The draft of undertaking is enclosed at **Annexure A**.

10. The above SoP enumerates the minimum action which shall be initiated by the respective SEs / CCs / Depositories in accordance with law with effect from August 01, 2020. However, the respective SEs / CCs / Depositories are free to initiate any other actions as may be necessary in compliance with their bye laws / rules / regulations and / or to protect the interest of investors. The ISE / SEs/ CCs and

    Depositories are expected to follow the timelines with respect to each actions as enumerated, reasons shall be recorded in case of for any deviation in timelines prescribed.

11. Stock Exchanges, Clearing Corporations and Depositories are directed to:

    a) bring the provisions of this circular to the notice of their members and participants, as the case may be, and also disseminate the same on their websites;

    b) make necessary amendments to their bye-laws, rules, regulations as may be necessary;

    c) communicate to SEBI, the status of the implementation of the provisions of this circular in their monthly development report.

12. This circular is being issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 read with Section 10 of the Securities Contracts (Regulation) Act, 1956 and Section 19 of the Depositories Act to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Rachna Anand

General Manager

Market Intermediaries Regulation and Supervision Department

Encl: Annexure A

Annexure A

To be on Stamp / Franked Paper of appropriate value and notarized

AFFIDAVIT OF UNDERTAKING CUM INDEMNITY BOND TO BE SUBMITTED BY MEMBER TO …… [NAME OF THE STOCK EXCHANGE / CLEARING CORPORATION]

This Undertaking cum Indemnity Bond is signed at Mumbai on this _____day of _____, 20.

By

I/We, **Member of …….. [Name of The Stock Exchange / Clearing Corporation]** (bearing Trading / Clearing No. _____), having office at ……, (hereinafter referred to as "**Member**", which expression, unless repugnant to the context or meaning thereof, shall be deemed to include its successors and assigns).

In favour of:

……..Ltd., [Name of the Stock Exchange / Clearing Corporation] a company incorporated under the Companies Act, 1956 having its registered office at …… (hereinafter referred to as "…..", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and assigns).

I/We hereby solemnly declare and undertake that:

Whereas the Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") has issued circular dated February ___, 2020 *(date of circular to be inserted)* on Standard Operating Procedure to be followed in the case of trading member/clearing member leading to default (hereinafter referred to as the "said circular").

Whereas in terms of the said circular the …….. [Name of the Stock Exchange / Clearing Corporation] has amended its bye-laws and is empowered …….. [Name of the Stock Exchange / Clearing Corporation] to issue instructions to the concerned bank/s to freeze the bank account/s maintained by the Member, for all debits / withdrawal by the Member in the event of a potential default by the Member in meeting its obligations to Stock Exchange / Clearing Member / Clearing Corporation and / or repayment of funds / securities to his / its clients.

Now, in consideration of the above, I / We do hereby agree and confirm unconditionally to undertake that:

1) …… [Name of the Stock Exchange / Clearing Corporation] is empowered to instruct the concerned banks to freeze my / our bank accounts for all debits / withdrawals from such accounts. The details of bank accounts held by me/ us are as follows:

2) Any debits to such bank account, post freezing by the banks, shall be done only on the express instructions to the said banks by …… [Name of the Stock Exchange/ Clearing Corporation].

3) …… [Name of the Stock Exchange / Clearing Corporation] shall not be liable in any way to me/ us for any losses, claims, penalties, proceedings / actions, damages, consequential or otherwise, arising there from or occasioned thereby.

4) No proceeding/suit/action/claims would be adopted by me/us against …… [Name of the Stock Exchange/ Clearing Corporation] for any act done with respect to issuance of instruction to the bank/s mentioned above for freezing of my/our account/s held with the bank/s.

5) I / We agree to indemnify and keep …… [Name of the Stock Exchange/ Clearing Corporation] and/or its successors/assigns indemnified from time to time, and at all times hereafter, against all claims, demands, damages, liabilities, proceedings, losses, actions, charges and expenses made or suffered or incurred or caused or likely to suffer / incur directly or indirectly, to …… [Name of the Stock Exchange/ Clearing Corporation] and/or its successors/assigns on account of freezing of my/our account/s held with bank/s.

6) I/ We shall keep the Bank appropriately notified of the obligations undertaken by me / us herein and authorizing them to honour the instructions from …… [Name of the Stock Exchange / Clearing Corporation].

7) I / We undertake that a revised Undertaking cum Indemnity Bond shall be submitted by me / us to …… [Name of the Stock Exchange / Clearing Corporation] within seven working days of opening of any new bank account or change in details of any existing bank account,

8) This Undertaking cum Indemnity Bond shall be binding on my / our successors, legal representatives and assigns.

9) I / We warrant that representations made by the undersigned / on behalf of the Member are true and correct.

IN WITNESS WHEREOF, I/We hereby execute this Undertaking cum Indemnity Bond on the day, month and year above written.

Solemnly declared at)

this ___ day of _____, 20) BEFORE ME

(Name of Designated Director)
(Name of Trading Member)
(with rubber stamp & SEBI Registration No.)

In the presence of:

1.

2.

Note: Board Resolution for execution of the said undertaking cum indemnity and authorization for signing the same should be enclosed alongwith the document.

Circular No.: NSDL/ POLICY/2020/0080 June 08, 2020	***Subject: SEBI circular on framework for Regulatory Sandbox.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MRD-1/ CIR/P/2020/95 dated June 05, 2020 (copy enclosed) regarding Framework for Regulatory Sandbox. Participants are requested to take note of the above.

CIRCULAR

SEBI/HO/MRD-I/CIR/P/2020/95 **June 05, 2020**

To,

All Stock Exchanges, Clearing Corporations and Depositories All Intermediaries

Dear Sir/Madam,

Subject: Framework for Regulatory Sandbox

1. Participants in the capital market in India have been early adopters of technology. SEBI believes that encouraging adoption and usage of financial technologies ('FinTech') can act as an instrument to further develop and maintain an efficient, fair and transparent securities market ecosystem.
2. Towards this end, SEBI vide circular SEBI/HO/MRD/2019/P/64 dated May 20, 2019, stipulated a framework for an industry-wide Innovation Sandbox, whereby FinTech startups and entities not regulated by SEBI were permitted to use the Innovation Sandbox for offline testing of their proposed solution.
3. Further, SEBI now has decided to introduce a framework for "Regulatory Sandbox". Under this sandbox framework, entities regulated by SEBI shall be granted certain facilities and flexibilities to experiment with FinTech solutions in a live environment and on limited set of real customers for a limited time frame. These features shall be fortified with necessary safeguards for investor protection and risk mitigation.
4. The guidelines pertaining to the functioning of the Regulatory Sandbox are provided at Annexure A.

This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and Section 19 of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Bithin Mahanta
Deputy General Manager
Division of Technology & Cyber Security
Market Regulation Department-I
Phone: +91-022-26449634
Email: bithinm@sebi.gov.in

Annexure A

Applicability

1. All entities registered with SEBI under section 12 of the SEBI Act 1992, shall be eligible for testing in the regulatory sandbox. The entity may either on its own or engage the services of a FinTech firm. In either scenarios, the registered market participant shall be treated as the principal applicant, and shall be solely responsible for testing of the solution.

Eligibility Criteria for the project

2. The eligibility criteria shall be as follows:

   a) **Genuineness of innovation**

   The solution should be innovative enough to add significant value to the existing offering in the Indian securities market.

   b) **Genuine need to test**

   The applicant should have a genuine need for live testing the solution on real customers. Further, the applicant should demonstrate that the solution cannot be developed without relaxing certain regulations, if any, being sought.

   c) **Limited prior testing**

   Before applying for testing in sandbox, limited offline testing of the solution should have been carried out by the applicant.

   d) **Direct benefits to users**

   The solution should offer identifiable benefits (direct or indirect) to the investors or entities or to the capital market at large.

   e) **No risks to the financial system**

   The solution should have proper risk management strategy to incorporate appropriate safeguards to mitigate and control potential risks to any market participants/users that may arise from the testing of the solution and shall propose appropriate safeguards to manage the risks and contain the consequences of failure.

   f) **Testing readiness of the solution**

   The applicant should have the necessary resources to support testing in the sandbox and must demonstrate well developed testing plans with clear objectives, parameters and success criteria.

   g) **Deployment post-testing**

   The applicant should demonstrate the intention and ability to deploy the solution on a broader scale. To this effect the applicant should share a proposed sandbox exit and transition strategy.

Application and Approval Process

3. The applicant shall ensure that the specified eligibility criteria are satisfied while submitting the application as per **Annexure-I** to SEBI. The application form shall be signed by the Chief Executive Officer (CEO) of the applicant or officer duly authorized by the CEO or compliance officer. The complete application must be submitted to:

Chief General Manager,

Market Regulation Department-1,

SEBI Bhavan, Plot No. C4-A, G-Block,

Bandra Kurla Complex, Bandra (E), Mumbai - 400051

or

by email at regulatorysandbox@sebi.gov.in

4. Thereafter, the application shall be forwarded to the relevant department of SEBI for processing. The flowchart for the application and approval process is depicted at **Annexure-2.** SEBI shall communicate with the applicant during the course of evaluating the sandbox application, and during the testing phase.

5. At the "Application Stage", SEBI shall review the application and inform of its potential suitability for a sandbox within 30 working days from the submission of the complete application. SEBI may issue guidance to the applicant according to the specific characteristics and risks associated with the proposed solution. SEBI may also consult its

   Committee on Financial and Regulatory Technologies (CFRT), if necessary, to evaluate the application.

6. At the "Evaluation Stage", SEBI shall work with the applicant to determine the specific regulatory requirements and conditions (including test parameters and control boundaries) to be applied to the proposed solution in question. The applicant shall then assess if it is able to meet these requirements. If the applicant is able and willing to meet the proposed regulatory requirements and conditions, the applicant shall be granted permission to develop and test the proposed FinTech innovation(s) in the sandbox.

7. Upon approval, the application shall proceed towards the "Testing Stage". The participant shall disclose to its users that the solution shall operate in a sandbox and the potential key risks associated with the solution. The applicant is also required to obtain the user's acknowledgement that they have read and understood the risks.

8. During the testing stage, the applicant shall take prior approval from SEBI to effect any material changes to the solution.

9. Each applicant shall assign a contact person to coordinate with a designated officer of SEBI.

10. The duration of the sandbox testing stage shall be a maximum of twelve months and extendable upon request of the applicant.

11. In case an application is rejected at any stage, the applicant shall be informed accordingly. The reasons for rejection could include failure to meet the objective of the sandbox or any of the eligibility criteria. The applicant may re-apply for the sandbox when it is ready to meet the objective and eligibility criteria of the sandbox, subject to an appropriate cooling off period as decided by the concerned department of SEBI.

Evaluation Criteria

12. The applicant may be evaluated using a scoring process by the concerned department, inter alia, based on the parameters given below:

    i. Profile of the applicant

    ii. Usage of innovative solution including technology and/or processes

iii. Identified benefits to the investors and/or the securities/commodities markets

iv. Compilation of meaningful test scenarios and expected/desired outcomes

v. Risk measured/graded testing conditions and parameters so as to ensure safety and protection of the markets/investors

vi. Risk mitigation for high risk testing conditions and parameters

vii. Appropriate disclosure requirements and protection to their users

viii. Clearly defined grievance redressal mechanism and user rights

ix. Adequate disclosure of the potential risks to participating users

x. Prior confirmation from users that they fully understand and accept the attendant risks

xi. Intent and feasibility to deploy the proposed FinTech solution post testing

xii. The deployment and monitoring strategy post testing (in the event the tests are deemed successful) or the exit strategy (in the event the tests are not successful)

xiii. Any other factors considered relevant by SEBI

Regulatory exemptions

13. To encourage innovation with minimal regulatory burden, SEBI shall consider exemptions/ relaxations, if any, which could be either in the form of a comprehensive exemption from certain regulatory requirements or selective exemptions on a case-by-case basis, depending on the FinTech solution to be tested.

14. Within the overarching principles of market integrity and investor protection, no exemptions would be granted from the extant investor protection framework, Know-Your-Customer (KYC) and Anti-Money Laundering (AML) rules.

15. Entities desirous of participating in sandbox shall make an application, including exemption / relaxation being sought from relevant provisions of the applicable regulatory framework.

16. The registration granted by SEBI to all entities registered with SEBI under Section 12 of the SEBI Act, 1992 is activity based. An entity which is registered with SEBI for a particular activity is authorized to carry out activity in that domain. In order to enable the cross domain testing of FinTech solutions, an existing registered entity would be required to first obtain a limited certificate of registration for the category of intermediary for which it seeks to test the FinTech solution(s).This concept of limited registration shall facilitate the entities to operate in a Regulatory Sandbox without being subjected to the entire set of regulatory requirements to carry out that activity.

17. Accordingly, regulatory relaxations from various SEBI regulations may be provided after analyzing specific sandbox testing applications. A reference list is given at **Annexure-3** with examples of the regulatory requirements that will be mandatory and those for which SEBI may consider granting relaxation during the sandbox testing.

18. SEBI has notified SEBI Regulatory Sandbox (Amendment) Regulations, 2020 so as to enable the respective department(s) to grant relaxation(s)/exemption(s), as may be deemed fit, while granting such limited certificate of registration.

Submission of test related information and reports

19. During the testing period, SEBI may require the participant to submit information/ interim reports including:

    i) Key performance indicators, milestones and statistical information

    ii) Key issues arising as observed from fraud or operational incident reports

    iii) Actions or steps taken to address the key issues identified above

20. The Sandbox Participants must submit a final report containing the following information to SEBI within 30 calendar days from the expiry of the testing period:

    i) Key outcomes, key performance indicators against agreed measures for the success or failure of the test and findings of the test

    ii) A full account of all incident reports and resolution of user complaints, if any

    iii) Key learnings from the test

21. The interim and final reports must be confirmed by the Chief Executive Officer (CEO) of the applicant or officer duly authorized by the CEO or the compliance officer.

22. The participant must ensure that proper records of the conducted tests are maintained for review by SEBI. Further, the participant shall also maintain such records for a period of five (5) years from the date of completion of testing/ exit from the sandbox.

Obligations of the applicant towards the user

23. The applicant shall ensure that before signing up, the user has read the full documentation provided by the applicant and confirm that he/she is aware of the risks of using the solution.

24. The applicant shall ensure that users participating in the sandbox have the same protection rights as the ones participating in the live market.

Extending or Exiting the Sandbox

25. At the end of the testing period, the permission granted to the applicant as well as the legal and regulatory requirements relaxed by SEBI, shall expire.

26. Upon completion of testing,

    i) SEBI shall decide whether to permit the FinTech innovation to be introduced in the market on a wider scale. Where allowed, participants intending to carry out regulated businesses shall be assessed based on applicable licensing, approval and registration criteria under various SEBI regulations, as the case may be.

    OR

    ii) The applicant may employ an exit strategy.

    OR

    iii) The applicant may request for an extension period to continue testing.

27. The applicant may exit the sandbox on its own by giving a prior notice to SEBI, in writing, of its intention to exit the sandbox.

28. The applicant shall ensure that any existing obligation to the users of the FinTech innovation(s) in the sandbox are completely fulfilled or addressed before exiting the sandbox or before discontinuing the sandbox testing.

29. The applicant is required to maintain records of acknowledgement of all its users stating that all the obligations towards the users have been met. These records shall be maintained by the applicant for a period of five years from the date of exit from the sandbox.

Revocation of the Approval

30. SEBI may revoke an approval, to participate in the sandbox, at any time before the end of the testing period, if the applicant:

    i) Fails to carry out risk mitigants.

    ii) Submits false, misleading or inaccurate information, or has concealed or failed to disclose material facts in the application

    iii) Contravenes any applicable law administered by SEBI or any applicable law in India or abroad

    iv) Suffers a loss of reputation

    v) Undergoes or has gone into liquidation

    vi) Comprises the digital security and integrity of the service or product or elevates the risk of a cyber-security attack

    vii) Carries on business in a manner detrimental to users or the public at large

    viii) Fails to effectively address any technical defects, flaws or vulnerabilities in the product, service or solution which gives rise to recurring service disruptions or fraudulent activities

    ix) Fails to implement any directions given by SEBI

31. In addition to revocation of approval for participating in the sandbox, appropriate actions under relevant regulatory framework may be initiated against the applicant in case Fintech solution facilitates the following:

    i) Undermining of Know Your Customer (KYC) principles

    ii) Violation of user's/investor's privacy

    iii) Promotion of sale of fraudulent/illegal products or services

    iv) Promotion of mis-selling of products or services

    v) Violation of Anti-Money Laundering (AML) norms

    vi) Creation of risk to financial stability

    vii) Theft of intellectual property

32. Before revoking the approval to participate in the sandbox, SEBI shall:

    i. Immediately suspend trials on new users i.e. no new users shall be permitted to sign up for using/testing the solution

    ii. Give the applicant a prior notice of its intention to revoke the approval; and

iii. Provide an opportunity to the applicant to respond to SEBI on the grounds for revocation

33. Notwithstanding anything contained in the above para, where SEBI is satisfied that in the interest of the applicant, its users, the financial system or the public in general, it may revoke the approval immediately without prior notice and provide the opportunity to the participant to respond after the effective date of revocation. If the response is satisfactory, SEBI may reinstate the approval to participate in the sandbox.

34. Upon revocation of an approval, the participant must:

i) Immediately implement its exit plan to cease the provision of the product, process, service or solution to new and existing users;

ii) Notify its users about the cessation and their rights to grievance redressal, as applicable;

iii) Comply with obligations imposed by SEBI to dispose of all confidential information including user's personal information collected over the duration of the testing;

iv) Compensate any users who had suffered financial losses arising from the test in accordance with the safeguards submitted by the participant;

v) Submit a report to SEBI on the actions taken, within 30 days from the revocation;

vi) Comply with any other directions given by SEBI.

ANNEXURE-1

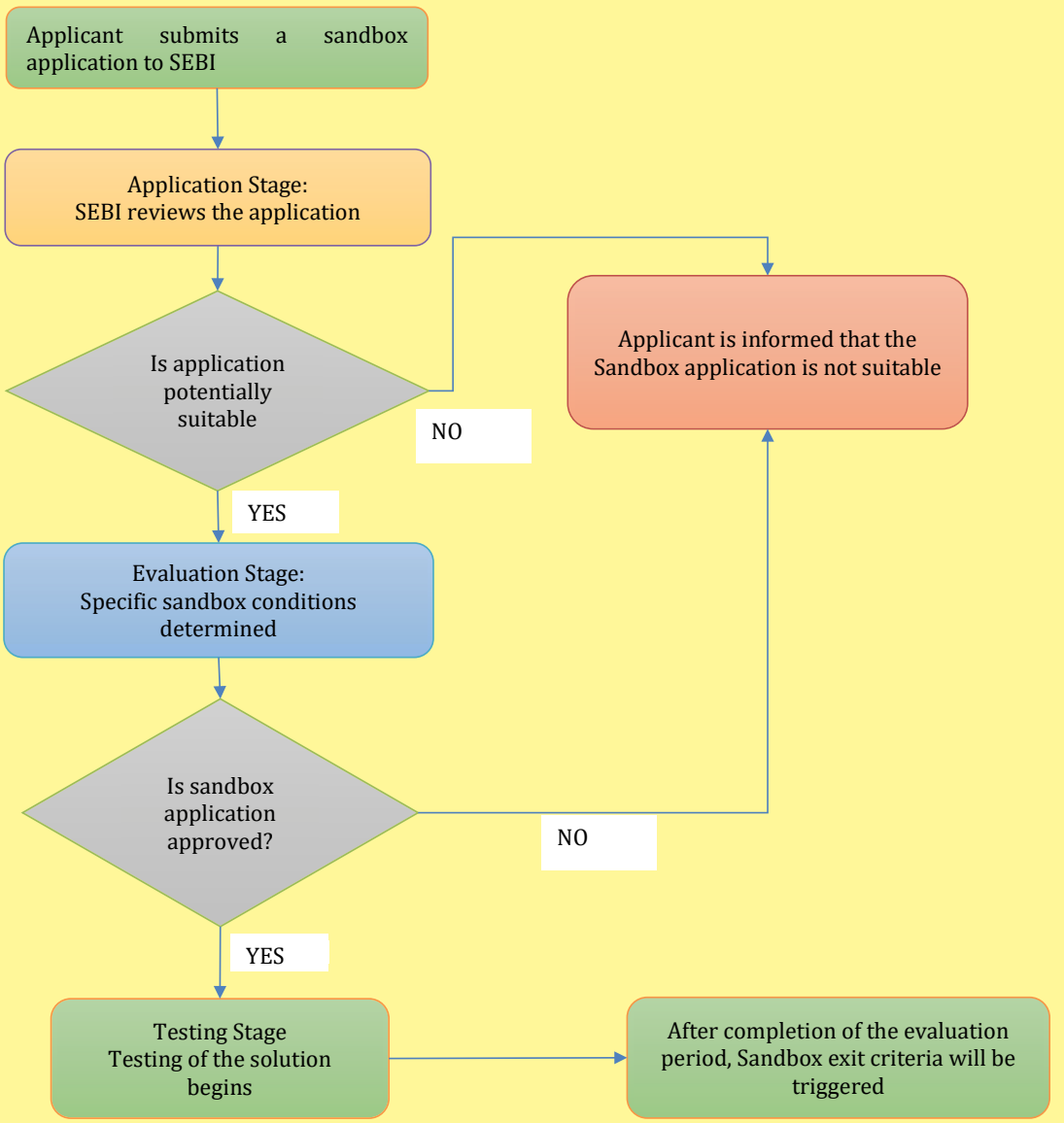
REGULATORY SANDBOX APPLICATION FORM

1. Applicant's Information		
Sr. No.	**Description**	**Response**
1.1	Name of the Organization	
1.2	SEBI Registration no.	
1.3	Name of the Authorized Representative	
1.4	Designation	
1.5	Contact No	
1.6	Email id	
2. Details of the FinTech firms involved, if any		
Sr. No.	**Description**	**Response**
2.1	Provide a brief description of the FinTech firm and its core businesses including but not limited to: a. registration with other regulators, b. affiliation to prominent societies, c. Accreditations, d. significant achievements e. financial standing including avenues for funding f. Profile of key personnel	

2.2	Does the FinTech firm have a presence in India? If yes then please provide details.	
2.3	Is the FinTech firm's business is already active abroad? If yes then please provide details.	
2.4	Current orders or proceedings against the FinTech firm in India and abroad (if any)	
3. About the proposed solution		
Sr. No.	**Description**	**Response**
3.1	Provide a short summary of the proposed solution to be tested in the sandbox including but not limited to: a. Objective of the proposed FinTech solution or the statement of purpose b. Key benefits to the users and markets c. Business Model, including asset deployment and sources of revenue d. Target users e. Compliance obligations f. Time period for testing	
3.2	Summary of the technical solution including but not limited to: a. Technical architecture b. Usage of Artificial Intelligence and Machine Learning, if any c. Cyber resilience: VAPT results, if any d. Certification from Common Criteria Recognition Arrangement (CCRA), if any e. Business Continuity Plan, if any f. Any other certifications, if any	
3.3	With respect to the genuineness of innovation, please provide an explanation as to how the solution constitutes a significantly different offering in the market place	
3.4	Awareness of similar offering in other countries or for other than securities/commodities markets	
3.5	Timelines for pan-India deployment post sandbox testing	
4. Sandbox readiness		
Sr. No.	**Description**	**Response**
4.1	Illustrate the aspect of the FinTech solution that will be tested	
4.2	The test criteria and expected outcomes	
4.3	Describe the use case that will be tested in the sandbox	
4.4	Define success for a test and the Key Performance Indicators that will indicate a successful test	
4.5	Probable start and end date of sandbox testing	

4.6	Details of users including but not limited to: a. Number of participating customers b. Profile of customers (retail, institutional, etc.) c. Process for enrollment and acquisition of customers d. Requirement of KYC e. User awareness required/conducted f. Whether consent required /has consent been obtained g. Arrangements to limit loss if applicable e.g. Margin, stop loss thresholds etc. h. User compensation if any i. Value at risk per user j. Transaction thresholds per user	
4.7	Risk assessment and mitigation options including but not limited to: a. Failure of sandbox testing b. Financial loss to the customers c. Cyber attack d. AML and terrorism financing	
4.8	Any instance of a legal and regulatory non-compliance for any other regulator during the sandbox testing	
5. Legal and Regulatory Assessment: other regulators		
5.1	Legal and regulatory status (registration, licensing, authorization, approval, recognition etc.)	
5.2	Legal opinion sought on the proposed FinTech solution, if any	
5.3	Relevant license to deploy the proposed solution in the production environment? Please provide the details	
6. Deployment post-testing		
6.1	Describe how the regulatory requirements will be met post successful sandbox testing	
6.2	Please provide a pan-India deployment strategy, post successful sandbox testing	
6.3	Please provide a clear strategy to monitor the outcomes in the live scenario	
6.4	Please provide exit and transition strategy if the deployed solution turns unviable and the tests are unsuccessful	
7. Relaxation of SEBI regulations and guidelines		
7.1	Outline the list of rules, regulation, guidelines, circulars etc. of SEBI that, as per the applicant, may act as an impediment to the proposed FinTech solution, along with detailed rationale	
7.2	Is SEBI to relax any specific regulatory requirements, for the duration of the sandbox? Please provide the details along with detailed rationale	
7.3	In the event of a successful test and before exit from the sandbox, provide details on how SEBI's regulatory requirements shall be complied with	

Flowchart: Application and Approval Process



REQUIREMENTS WHICH WILL NOT BE RELAXED AND WHICH MAY MERIT RELAXATION (FOR ILLUSTRATIVE PURPOSE)

a. Requirements for which relaxation will not be considered
   i. Confidentiality of customer information
   ii. Fit and proper criteria particularly on honesty and integrity
   iii. Handling of customer's moneys and assets by intermediaries
   iv. Prevention of money laundering and countering the financing of terrorism
   v. Risk checks (like price check, order value check, etc.)
   vi. Principles of KYC

b. Requirements that may merit relaxation
   i. Net worth
   ii. Track record
   iii. Registration fees
   iv. SEBI Guidelines, such as technology risk management guidelines and outsourcing guidelines

Circular No.: NSDL/ POLICY/2020/0067 May 15, 2020	***Subject: SEBI circular on entities permitted to undertake e-KYC Aadhaar Authentication service of UIDAI in Securities Market.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/80 dated May 12, 2020 (copy enclosed) regarding entities permitted to undertake e-KYC Aadhaar Authentication service of UIDAI in Securities Market. Participants are requested to take note of the above and ensure compliance.

CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2020/80 May 12, 2020

To,
All Recognized Stock Exchanges
All Recognized Depositories
Stock Brokers through Recognized Stock Exchanges
Depository Participants through Depositories
Association of Mutual Funds in India
All Mutual funds and AMCs through AMFI
Portfolio Managers
KYC Registration Agencies (KRAs)
Qualified Registrar to an Issue and Share Transfer Agents (QRTAs)
Alternative Investment Funds (AIFs)
Collective Investment Schemes (CIS)
Custodians
Investment Advisors

Dear Sir/Madam,

Subject: Entities permitted to undertake e-KYC Aadhaar Authentication service of UIDAI in Securities Market

1. SEBI vide circular No. CIR/MIRSD/29/2016 dated January 22, 2016, had clarified that the usage of Aadhaar as issued by the UIDAI is optional and on a voluntary basis.

2. The Department of Revenue (DoR), Ministry of Finance issued a circular dated May 09, 2019 on procedure for processing of applications under section 11A of the Prevention of Money Laundering Act, 2002 ("PMLA"), for use of Aadhaar authentication services by entities other than the Banking companies. In terms of the said circular, if the Central Government is satisfied with the recommendations of the Regulator and Unique Identification Authority of India ("UIDAI") and reporting entity complies with such standards of privacy and security under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 ("Aadhaar Act"), and it is necessary and expedient to do so, it may by notification, permit such entity to carry out authentication of the Aadhaar number of clients using e-KYC authentication facility. Subsequent to the DoR notification, entities as may be recommended by UIDAI and as permitted by SEBI, may perform Aadhaar Authentication in the Securities Market.

3. Based on the requirements prescribed by UIDAI, SEBI issued circular No. SEBI/HO/MIRSD/DOP/CIR/P/2019/123 dated November 05, 2019 detailing the e-KYC Authentication facility under section 11A of the Prevention of Money Laundering Act, 2002, by entities in the securities market for Resident Investors. The said circular also mentions that at any point, after issue of such notification, based on a report of the appropriate Regulator or UIDAI or otherwise, if it is found that the reporting entity no longer fulfils the requirements for performing authentication under clause (a) of sub-section (1) of section 11A, the Central Government may withdraw the notification after giving an opportunity to the reporting entity.

4. Government of India, DoR, vide Gazette Notification No. G.S.R. 261(E) dated April 22, 2020 has notified nine reporting entities as per the recommendation by UIDAI and SEBI to undertake Aadhaar authentication service of the UIDAI under section 11A of the Prevention of Money-laundering Act, 2002. In view of the same, the following entities shall undertake Aadhaar Authentication service of UIDAI subject to compliance of the conditions as laid down in this regard:

   I. Bombay Stock Exchange Limited

   II. National Securities Depository Limited

   III. Central Depository Services (India) Limited

   IV. CDSL Ventures Limited

   V. NSDL Database Management Limited

   VI. NSE Data and Analytics Limited

   VII. CAMS Investor Services Private Limited

   VIII. Computer Age Management Services Private Limited

5. The above listed entities shall get registered with UIDAI as KYC user agency ("KUA") and shall allow SEBI registered intermediaries / mutual fund distributors to undertake Aadhaar Authentication in respect of their clients for the purpose of KYC. The SEBI registered intermediaries / mutual fund distributors, who want to undertake Aadhaar authentication services through KUAs, shall enter into an agreement with KUA and get themselves registered with UIDAI as sub-KUAs. The agreement in this regard shall be as prescribed by UIDAI. Further, the KUAs and their Sub-KuAs shall follow the process as detailed in SEBI circular dated Nov 05, 2019 and as may be prescribed by UIDAI from time to time.

6. The Stock Exchanges and Depositories are directed to:

   a. bring the provisions of this circular to the notice of the Stock Brokers, Depository Participants and also disseminate the same on their websites.

   b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another to achieve uniformity in approach.

   c. communicate to SEBI, the status of the implementation of the provisions of this circular Monthly Development Report of the following month; and

   d. monitor the compliance of this circular.

7. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

8. This circular is available on SEBI website at www.sebi.gov.in.

Yours faithfully,

D. Rajesh Kumar

General Manager

Tel. No: 022 -26449242

Email: rajeshkd@sebi.gov.in

Circular No.: NSDL/ POLICY/2020/0051 April 21, 2020	***Subject: SEBI circular on continuation of Phase II of UPI with ASBA due to Covid-19 virus pandemic.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (copy enclosed) regarding continuation of Phase II of Unified Payments Interface with Application Supported by Block Amount due to Covid-19 virus pandemic. Participants are requested to take note of the above.

SEBI/HO/CFD/DIL2/CIR/P/2020/50 March 30, 2020

To

Recognized Stock Exchanges

Depositories

Registered Stock Brokers

Registered Merchant Bankers

Registered Registrars to an Issue and Share Transfer Agents

Registered Depository Participants

Registered Bankers to an Issue

National Payments Corporation of India

Dear Sir / Madam,

Sub: Continuation of Phase II of Unified Payments Interface with Application Supported by Block Amount due to Covid-19 virus pandemic

1. Vide SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, the timeline for implementation of Phase II of Unified Payments Interface with Application Supported by Blocked Amount was extended till March 31, 2020.
2. It has been represented to SEBI by various stakeholders that given the prevailing uncertainty due to the Covid- 19 pandemic, the timelines of Phase II of Unified Payments Interface with Application Supported by Blocked Amount may be continued at present. It has been stated that the systems and processes for achieving Phase III timelines of T+3 need to be further deliberated and finalized in light of the experience gained during one of the major IPOs that opened and closed in the first week of March 2020.
3. In view of the aforesaid representations and also taking into account that introducing any new changes under the prevailing circumstances where staff at the stakeholders are sparsely populated may not be workable, it has been decided to continue with the current Phase II of the UPI ASBA till further notice.
4. The modalities for the implementation of the Phase III of the UPI ASBA shall be notified later after deliberations with stakeholders.
5. This circular is being issued in exercise of the powers under section 11 read with section 11A of the Securities and Exchange Board of India Act, 1992.
6. This circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Issues and Listing”.

Yours faithfully,

Amy Durga Menon
Deputy General Manager
+91-22-26449584
amydurga@sebi.gov.in

Circular No.: NSDL/ POLICY/2020/0047 April 9, 2020	Attention of Participants is invited to the Cyber Security Advisory issued by NCIIPC dated March 25, 2020. As per the advisory, due to outbreak of COVID-19, Government of India has issued order for lock-down/curfew in whole nation and requested organisations (Government/Private) for use of "work from home" in order to maintain business continuity. A pandemic of this scale has resulted in dependency on digital communications many folds and many operations may be under remote monitoring mode. A cyber attack on critical sector organisations to access to their devices, data or the Internet could be devastating in present case. Participants are requested to take precautions as mentioned in the advisory (Copy enclosed).

Circular No.: NSDL/POICY/2020/0015
January 30, 2020

operations.

National Securities Depository Limited

4th Floor, 'A' Wing, TradeWorld, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, India

Tel.: 91-22-2499 4200 | Fax: 91-22-2497 6351 | Email: info@nsdl.co.in | Web: www.nsdl.co.in

Corporate Identity Number: U74120MH2012PLC230380

All Participants are hereby informed that for seamless, secure transmission

in the DPM system, NSDL has developed certain value added services for Participants. The details of these products are given below:

1. **NSDL STP Navigator**: NSDL STP navigator will facilitate Participants

   will be auto transferred to eDPM/Local DPM system without manual intervention. The detailed product feature is explained and enclosed in Annexure I and II.

2. **NSDL e-Signer**: NSDL e-Signer will facilitate Participants to digitally

   system to NSDL eDPM System. The details regarding NSDL e-Signer was informed to Participants vide NSDL Circular NSDL/POLICY/2012/0098 dated September 18, 2012.

3. **Auto Download**: Currently, Auto Download functionality facilitates Participants to automatically download files from NSDL Local DPM System viz., Change Order of Day (COD), Statement of Transaction (SOT), Statement of Holding (SOH), etc. into a specific folder at certain intervals (NSDL/POLICY/2011/0029 dated April 6, 2011, NSDL/POLICY/2012/0026 dated February 29, 2012 and NSDL/POLICY/2013/0020 dated January 30, 2013). NSDL Local DPM System has been further enhanced to facilitate auto-download of masters and various other exports at EOD or after certain intervals. This will reduce the manual intervention of Participants from manually downloading the files from NSDL Local DPM System. This feature has been released in DPM System Version 7. The various masters/exports that are enabled for Auto Download facility are enclosed in Annexure III.

Participants subscribing to the aforesaid product(s) will be charged on a financial year basis, commencing with a charge on a pro rata basis for the period between January 2020 and March 2020. For Participants having multiple DPM set-ups, AMC will be charged only to the Parent DP ID. Further, for Participants who are already availing the aforesaid services, AMC will be levied after informing the Participants. The AMC will be included in the monthly DP bill and need not be paid separately. For information on charges and for subscription to the product, Participants are requested to send their confirmations at dpservices@nsdl.co.in mentioning the product opted or contact the following officials:

Mr. Harsh Kotak	(022) 2499 4487	harshk@nsdl.co.in
Mr. Vipin Warke	(022) 2499 4239	vipinw@nsdl.co.in

Annexure A

(To be printed on the letter head of the Participant and submitted to dpservices@nsdl.co.in)

Date:

To,

Participant Interface Department

National Securities Depository Limited

4th Floor, "A" Wing, Trade World,

Kamala Mills Compound,

Senapati Bapat Marg,

Lower Parel,

Mumbai – 400 013

Dear Sir,

With reference to NSDL Circular No. NSDL/POICY/2020/0015 dated January 30, 2020, We wish to avail the NSDL STP Navigator facility of NSDL to seamlessly upload Instruction/Transaction related files on e-DPM. In this regard, **<Name of Participant>** undertakes and confirms as follows:

(1) The mechanism of Maker/Checker is incorporated in our DP back office system and we adhere and comply to it.

(2) All the pre-requisites & security measures for interfacing with NSDL STP Navigator are put in place.

(3) **<Name of Participant>** takes responsibility that all the instructions executed in eDPM system by using aforesaid functionality will be in accordance with Client instructions.

(4) **<Name of Participant>** will ensure compliance of the provisions of Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 2018, Prevention of Money Laundering Act, 2002, Bye Laws and Business Rules of NSDL as well as any other guidelines issued by NSDL / SEBI from time to time.

Name and Designation of Compliance Officer

Signature of Compliance Officer

Annexure I

Straight Through Processing (STP) functionality in the eDPM system.

Currently, Participants manually upload transaction files generated from their back-office system into the eDPM system. Further, Participants manually download the response files i.e. out file, error file, VR-out file, VR-error file etc., (*in respect of aforesaid uploaded files through eDPM system*) and upload the same into their back-office system. In this regard, Participants are hereby informed that NSDL has developed **Straight Through Processing (STP)** functionality to facilitate Participants to seamlessly carry out the aforesaid functionalities between back-office system of Participant and NSDL eDPM system. To avail this facility, Participants would be required to transfer/store the instruction/ transaction files generated from their back-office system to the pre-defined folder on the configured machine of the Participant. NSDL STP utility installed on the Participant's machine will pool and upload the transaction files seamlessly into the NSDL eDPM system. The transaction files, currently uploaded through eDPM Upload link / Master DP Upload link, will get auto uploaded and auto verify-released in eDPM system through NSDL STP Utility. Further, all the response files will be auto downloaded to the pre-designated folder assigned by Participants. Participants will then be required to transfer the file(s) from the pre-designated folder to their back office system. The detailed features of NSDL STP Utility are explained below:

1. **Configuring Machine and Pre-defined Folder:**

   Participants will assign/designate a folder on the configured client machine/Server where transaction/instruction files generated from their back-office system will be transferred/stored automatically. In this regard, a mechanism will be required to be developed in Participant's back-office system to generate the transaction files and automatically transfer/store the same in the pre-designated folder for onward upload into the eDPM system.

   Alternatively, these files can also be transferred manually to the pre-designated folder till such time the Participant develops the auto transfer mechanism.

2. **Auto Upload of transaction file into eDPM system:**

   Once the transaction files are transferred/stored in the pre-defined folder of the configured client machine, NSDL STP Utility will facilitate in transfering/pooling of these files from the pre-designated folder and auto-upload into the NSDL eDPM system. This will facilitate in eliminating the manual intervention of the User to select the transaction file (*generated from the back-office system*) and then manually upload the same to the eDPM system.

3. **Auto Verify-Release of transaction file at eDPM system:**

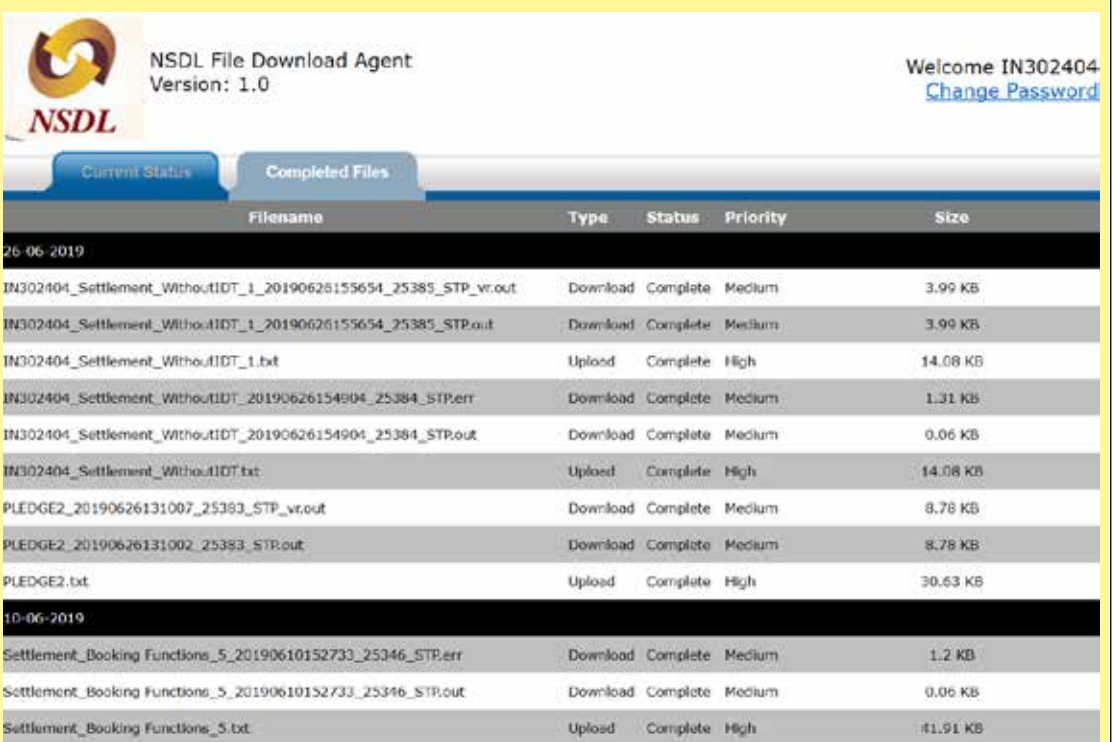
   All the transaction files that are auto-uploaded into the eDPM system will be Auto Verify-Released at the same time. In the current system, User has to upload and verify release transaction files separately. However, while using NSDL STP Utility, the transaction files will be Auto-Uploaded as well as Auto Verify-Released seamlessly without manual intervention.

4. **Auto download of Response files from eDPM system:**

   After the files have been successfully uploaded and verify released in the eDPM system, the respective response files viz.; 'Out' file, 'Error' file, 'VR-out' file, 'VR-error' file, Rejection Report etc. will be downloaded automatically from eDPM system and pushed into the pre-designated folder on the configured client machine of the Participant by the NSDL STP utility.

5. NSDL STP Utility:

NSDL STP Utility will be required to be installed on Participant's configured Client machine, which will help Participant to monitor the status of the files/responses that are uploaded and downloaded respectively, as exhibited below:



Filename	Type	Status	Priority	Size
26-06-2019				
IN302404_Settlement_WithoutIDT_1_20190626155654_25385_STP_vr.out	Download	Complete	Medium	3.99 KB
IN302404_Settlement_WithoutIDT_1_20190626155654_25385_STP.out	Download	Complete	Medium	3.99 KB
IN302404_Settlement_WithoutIDT_1.txt	Upload	Complete	High	14.08 KB
IN302404_Settlement_WithoutIDT_20190626154904_25384_STP.err	Download	Complete	Medium	1.31 KB
IN302404_Settlement_WithoutIDT_20190626154904_25384_STP.out	Download	Complete	Medium	0.06 KB
IN302404_Settlement_WithoutIDT.txt	Upload	Complete	High	14.08 KB
PLEDGE2_20190626131007_25383_STP_vr.out	Download	Complete	Medium	8.78 KB
PLEDGE2_20190626131002_25383_STP.out	Download	Complete	Medium	8.78 KB
PLEDGE2.txt	Upload	Complete	High	30.63 KB
10-06-2019				
Settlement_Booking Functions_5_20190610152733_25346_STP.err	Download	Complete	Medium	1.2 KB
Settlement_Booking Functions_5_20190610152733_25346_STP.out	Download	Complete	Medium	0.06 KB
Settlement_Booking Functions_5.txt	Upload	Complete	High	41.91 KB

6. STP Folder & File Structure on Participant STP Configured machine:

The files Uploaded / Failed / Downloaded / Archived through NSDL STP Utility will be maintained in activity wise, date wise and file REF ID wise folders on Participant's configured machine, as exhibited below:

Folder Structure:

(I) Upload Folder: Files that are required to be uploaded to eDPM system will be stored in this folder. This folder has the following sub-folders:

a) eDPM Upload

b) DIS Issuance Upload

c) Transfer of Holding

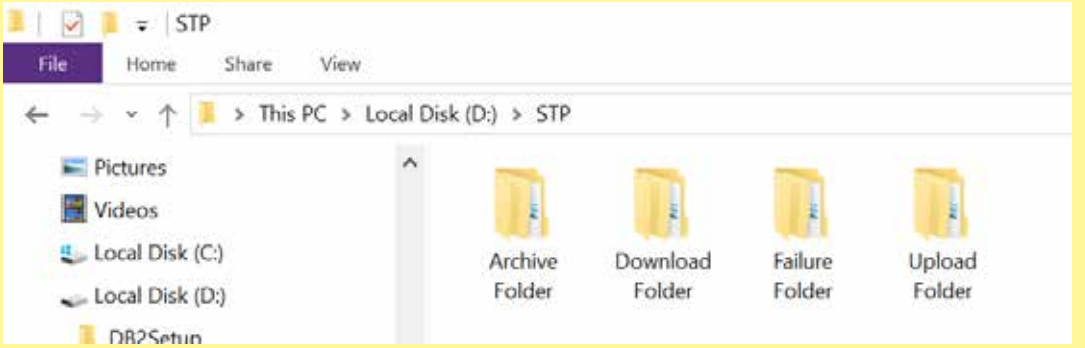
All files to be uploaded to eDPM system need to be transferred to eDPM upload folder. However, Participants, if they wish so, may use separate folder for DIS issuance upload and Transfer of Holding upload.

(II) Failure Folder: Will contain uploaded files that have failed for the current date.

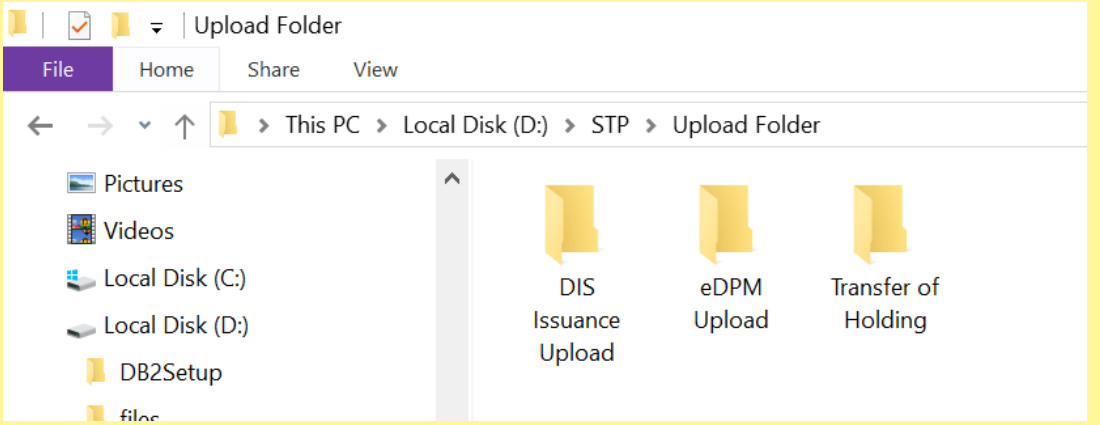
(III) Download Folder: Will contain response files for the current date.

(IV) Archive Folder: Will contain successfully uploaded files.

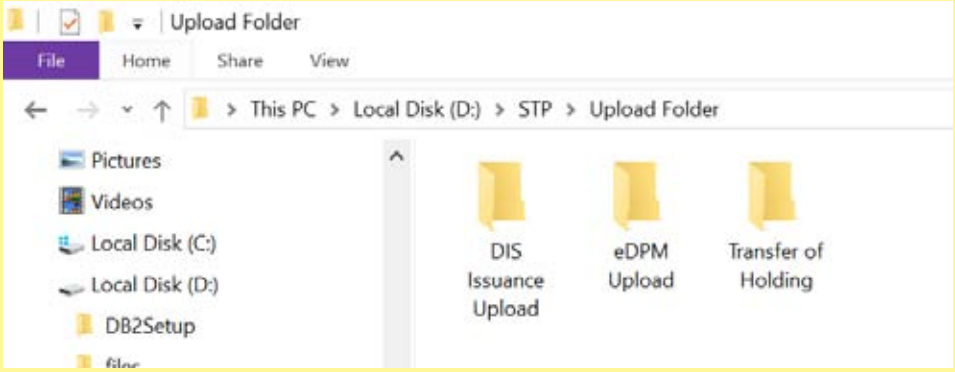
Folder wise Structure:



Upload folder structure:



Date wise and REF ID wise Structure:



7. Message Processing from eDPM system to the Local DPM system:

There will be no change to the transaction status, reports, exports, audit trail etc. with respect to the transactions executed through NSDL STP Utility. All the instructions uploaded through STP mode will be tagged against a separate User ID in eDPM system, to differentiate STP related transactions executed in eDPM system.

8. Security Measures:

a) Defined STP User explicitly for STP function

b) Two way SSL Handshake

c) Encrypted channel of Communication

d) Participants Server IP address level checked during upload/download.

e) Files can be signed and encrypted using eSigner during upload.

9. Pre-Requisites for STP-DP Functionality:

a) Machine must have connectivity to eDPM.

b) Installation of software (NSDL STP Utility) on Pre-defined Machine

c) NSDL STP Utility will facilitate only transfer of files from/to pre-designated folder from/to NSDL eDPM system. STP utility will not facilitate any transfer from/to Back-office system. Participants will be required to develop this functionality / mechanism.

d) Mechanism to be developed in Participant's back-office system to generate the transaction files and automatically transfer/store the same in the pre-designated folder for onward to upload into the eDPM system as well as to update the back office system. Alternatively, Participants can also transfer the files manually to the pre-designated folders.

For availing the NSDL STP Utility, Participants will be required to submit an undertaking enclosed at Annexure A.

NSDL STP Utility Set-up for Client Maintenance Module

PREREQUISITES:

Applicable for Local DPM System Version 6.80 and above.

STEP 1:

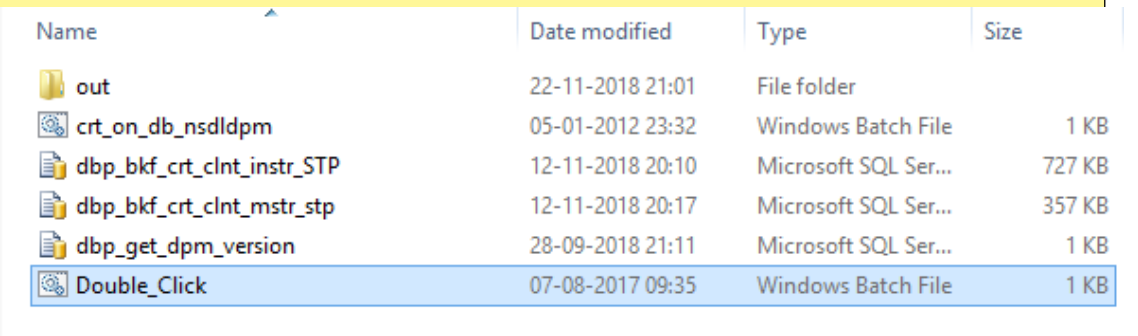
Download STP Utility Set Up

Download the Setup from i-assist to Local DPM Server. It can be saved on any drive.

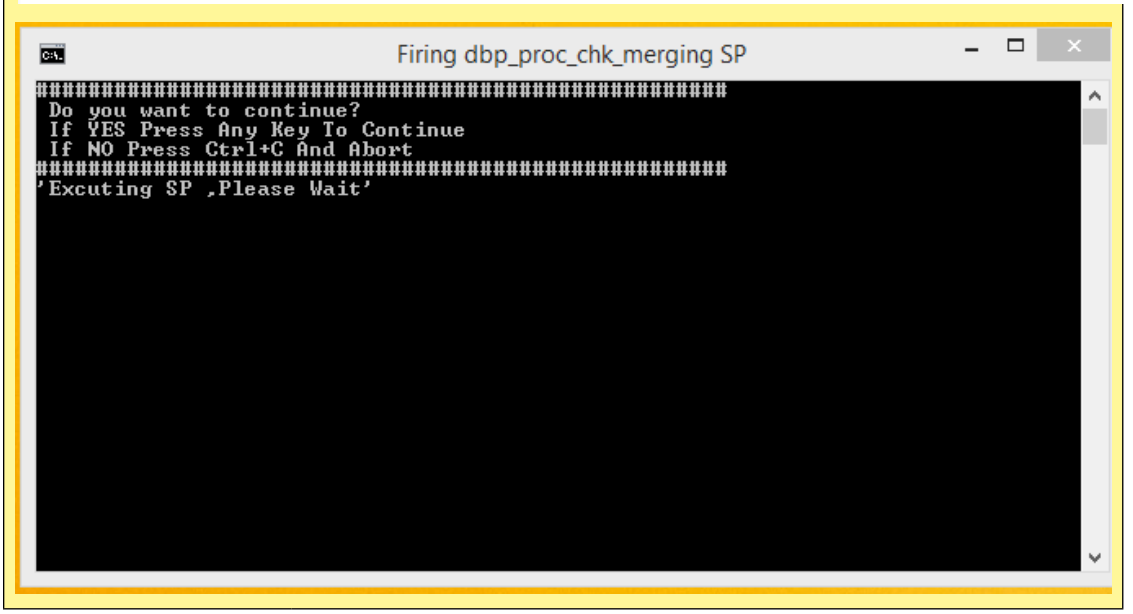
STEP 2:

Installation of STP Utility Store Procedures:

1. Unzip the **STP_UTILITY.zip** file.
2. Open the folder, it will contain following two folders
   i) ServerSetup
   ii) STP_SPs
3. In a **"STP_SPs"** folder, **run "Double_Click.bat"** file. On execution, a command window will appear.



Name	Date modified	Type	Size
out	22-11-2018 21:01	File folder	
crt_on_db_nsdldpm	05-01-2012 23:32	Windows Batch File	1 KB
dbp_bkf_crt_clnt_instr_STP	12-11-2018 20:10	Microsoft SQL Ser...	727 KB
dbp_bkf_crt_clnt_mstr_stp	12-11-2018 20:17	Microsoft SQL Ser...	357 KB
dbp_get_dpm_version	28-09-2018 21:11	Microsoft SQL Ser...	1 KB
Double_Click	07-08-2017 09:35	Windows Batch File	1 KB

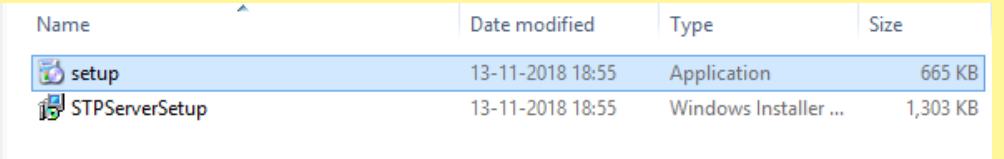


4. This will execute all stored procedures on Local DPM Server. On completion, **"out"** folder will get generated on the same path from where "double_click" batch file is executed.

STEP 3:

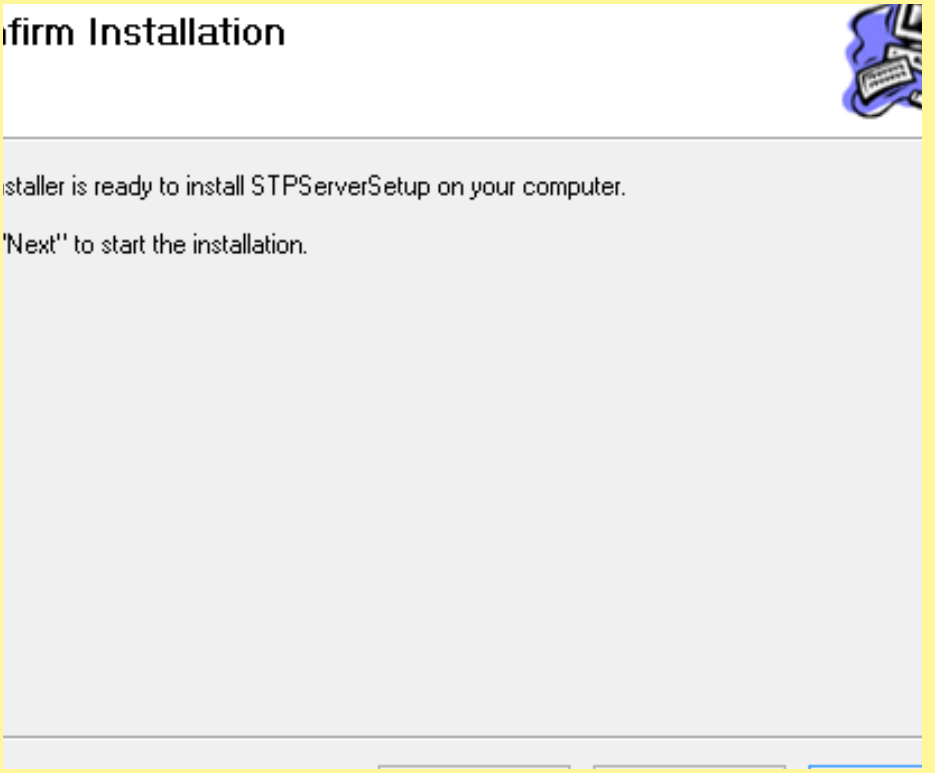
Installation of STP Utility

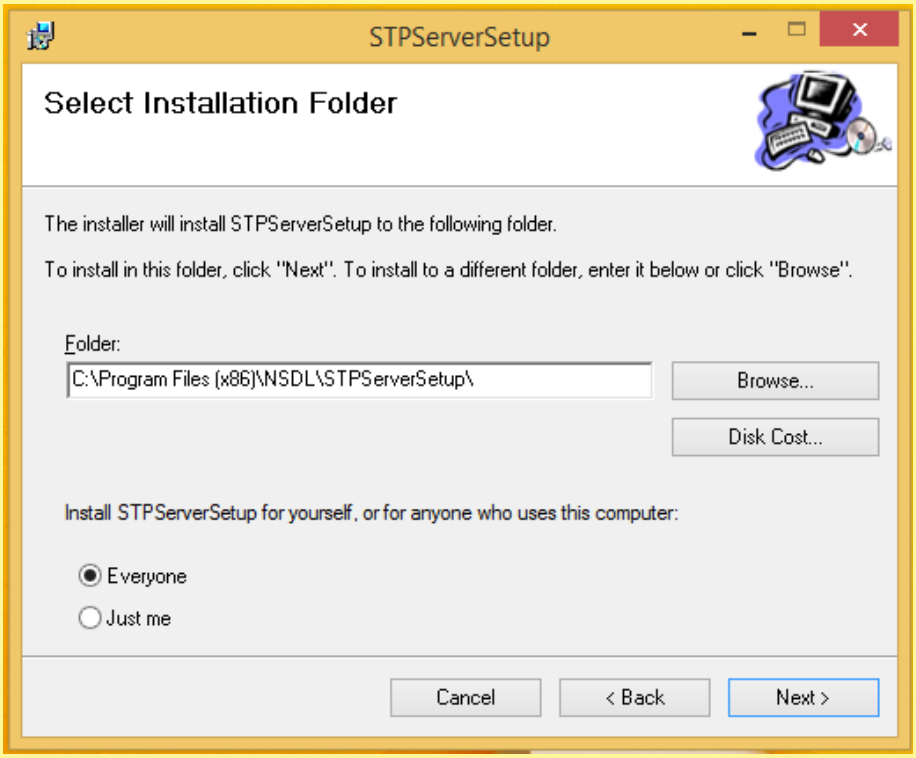
1. From the folder **"ServerSetup",** double click on the application or setup.exe.

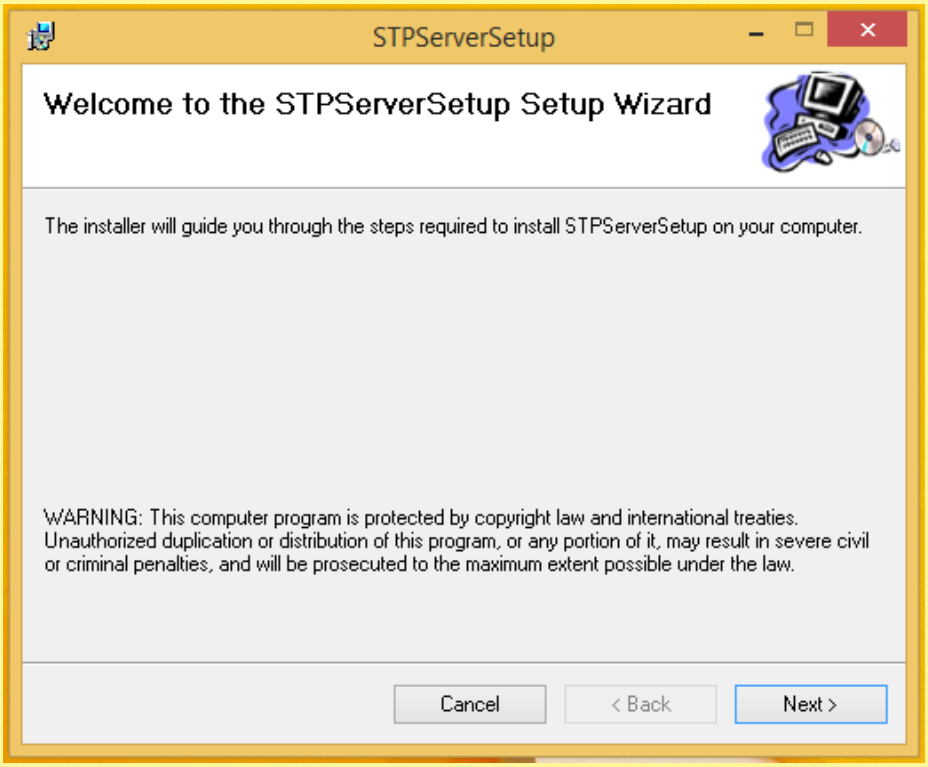


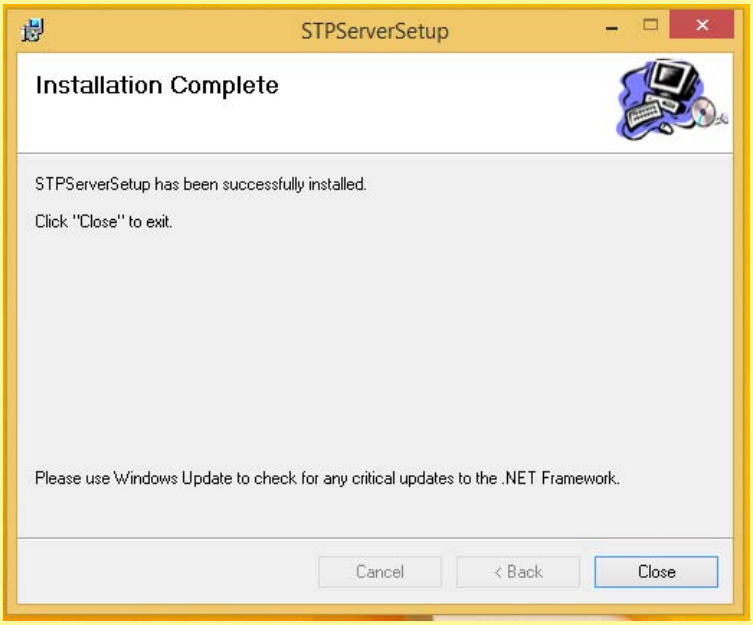
Name	Date modified	Type	Size
setup	13-11-2018 18:55	Application	665 KB
STPServerSetup	13-11-2018 18:55	Windows Installer ...	1,303 KB

3. On execution, it would display following screens.




STPServerSetup
Select Installation Folder
The installer will install STPServerSetup to the following folder.
To install in this folder, click "Next". To install to a different folder, enter it below or click "Browse".
Folder:
C:\Program Files (x86)\NSDL\STPServerSetup\
Browse...
Disk Cost...
Install STPServerSetup for yourself, or for anyone who uses this computer:
Everyone
Just me
Cancel
< Back
Next >


STPServerSetup
Welcome to the STPServerSetup Setup Wizard
The installer will guide you through the steps required to install STPServerSetup on your computer.
WARNING: This computer program is protected by copyright law and international treaties. Unauthorized duplication or distribution of this program, or any portion of it, may result in severe civil or criminal penalties, and will be prosecuted to the maximum extent possible under the law.
Cancel
< Back
Next >



STEP 4:

Folder Structure in STP

1. After successful installation of STP Utility, at **"C:\ClientImages\"** a **"STPServer"**folder will get generated and in **"STPServer"** folder, following folders will be created.

Name	Date modified	Type
COMPLETED	13-11-2018 18:27	File folder
FAILED	13-11-2018 15:11	File folder
RESPONSE	13-11-2018 18:27	File folder
UPLOADFILES	13-11-2018 18:27	File folder

i) **UPLOADFILES:** Files to be uploaded in system, **i.e. ClientUpload-1 (Regular), ClientUpload-2 (Pre-Generated Client ID) and Client Modification** should be kept here. All upload files should be in **zip format.**

ii) **RESPONSE:** After processing the files from **UPLOADFILES,** response files will get generated in **".err"** and **".out"** files. The file will be in naming conventions as below, DPID_BatchNo_ExportReqID.out (IN487875_10000005_4892.out), DPID_BatchNo_ExportReqID.err (IN487875_10000005_4892.err)

iii) **FAILED:** STP will move the files here, if not in .zip format or primary file not found in input .zip file. The file will be in renamed form like DateTime_InputfileName.zip (20171025111501AM_All Types.zip)

iv) **COMPLETED:** After successful processing of the files from **UPLOADFILES** folder, STP will move the files here. The file will be in renamed form like DateTime_InputfileName.zip(20171025111501AM_All Types.zip)

STEP 5:

Checking Logs

1. After completion of STP Server installation, go to “C:\ClientImages” check for “STPLog” file. It will show you log entries like **“STPServer.NSDL_STP_Server.timer1_Elapsed - Timer restart”** at every 1 min. It means Utility is running and continuously polling the UPLOADFILES location for the input files.

ClientImages

Name	Date modified	Type	Size
STPLog	28-11-2018 15:07	Text Document	6 KB
STPLog.log.2018-10-23	22-11-2018 19:18	2018-10-23 File	11 KB
STPLog.log.2018-11-13	13-11-2018 23:38	2018-11-13 File	2 KB
STPLog.log.2018-11-14	14-11-2018 23:40	2018-11-14 File	9 KB
STPLog.log.2018-11-15	15-11-2018 17:24	2018-11-15 File	6 KB
STPLog.log.2018-11-22	22-11-2018 23:31	2018-11-22 File	2 KB

```
2018-10-23 17:37:46,068 INFO [5] STPServer.NSDL_STP_Server.timer1_Elapsed - Timer restart
2018-10-23 17:38:46,077 INFO [6] STPServer.NSDL_STP_Server.timer1_Elapsed - Timer restart
2018-10-23 17:39:46,086 INFO [6] STPServer.NSDL_STP_Server.timer1_Elapsed - Timer restart
2018-10-23 17:40:46,090 INFO [6] STPServer.NSDL_STP_Server.timer1_Elapsed - Timer restart
2018-10-23 17:41:46,095 INFO [5] STPServer.NSDL_STP_Server.timer1_Elapsed - Timer restart
2018-10-23 17:42:46,103 INFO [5] STPServer.NSDL_STP_Server.timer1_Elapsed - Timer restart
2018-10-23 17:43:46,108 INFO [5] STPServer.NSDL_STP_Server.timer1_Elapsed - Timer restart
2018-10-23 17:44:46,118 INFO [5] STPServer.NSDL_STP_Server.timer1_Elapsed - Timer restart
2018-10-23 17:45:46,122 INFO [6] STPServer.NSDL_STP_Server.processFiles - File Start : test.zip
2018-10-23 17:45:46,207 INFO [6] STPServer.NSDL_STP_Server.processFiles - File End : test.zip
2018-10-23 17:45:46,216 INFO [6] STPServer.NSDL_STP_Server.timer1_Elapsed - Timer restart
2018-10-23 17:46:46,221 INFO [6] STPServer.NSDL_STP_Server.timer1_Elapsed - Timer restart
2018-10-23 17:47:46,226 INFO [5] STPServer.NSDL_STP_Server.processFiles - File Start : test2.zip
2018-10-23 17:47:46,446 INFO [5] STPServer.NSDL_STP_Server.processFiles - File End : test2.zip
2018-10-23 17:47:46,455 INFO [5] STPServer.NSDL_STP_Server.timer1_Elapsed - Timer restart
2018-10-23 17:48:46,465 INFO [6] STPServer.NSDL_STP_Server.timer1_Elapsed - Timer restart
```

Annexure III

The Masters/Exports enabled for Auto Download facility

Sr. No	Module	**Exports** **Auto Download at EOD, either full or incremental basis *(flag based)***
1	Masters	Business Partner
2		Security Master (ISIN)
3		CC Calendar
4		Bank Master
5		Address Master
6		Pin Code Master
7		DIS Master
8	POA Export	POA Holder/Signatory
9		POA Corporate Group
10		POA Signature
11		Client POA Mapping
12		POA Account Mapping
13	Authorised Signatory	Signatory Member
14		Corporate Signatory
15		Client Corporate Signatory Mapping
16	Client Signature Download	
17	ACA export	
18	CA Export	
19	BackOffice Client Download Export	
20	BSDA Evaluation Download Export	
21	Duplicate Email/Mobile Export*	

*Two separate files will be downloaded for email and mobile separately

Sr. No	Module	**Exports** **Auto Download of Exports on incremental basis at specific interval (e.g. 15 mins, 30 mins or 1 hr etc.) to be decided/set by Participant**
1	Masters	Client Master
2	DPM	SOT
3		SOH
4		COD

Circular No.: NSDL/ POLICY/2020/0013 January 27, 2020	***Subject: SEBI Circular on Streamlining the Process of Rights Issue.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/CFD/DIL2/ CIR/P/2020/13 dated January 22, 2020 regarding Streamlining the Process of Rights Issue. Copy of the same is enclosed. Participants are requested to take note of the above.

CIRCULAR

SEBI/HO/CFD/DIL2/CIR/P/2020/13 January 22, 2020

To

Recognized Stock Exchanges

Depositories

Registered Stock Brokers

Registered Merchant Bankers

Registered Registrars to an Issue and Share Transfer Agents

Registered Depository Participants

Registered Bankers to an Issue

Dear Sir / Madam,

Sub: Streamlining the Process of Rights Issue

1. The Securities and Exchange Board of India (SEBI), has simplified the rights issue process to make it more efficient and effective, by amending the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). Accordingly, following changes are made with respect to the Rights Issue process :

   1.1. The period for advance notice to stock exchange(s) under Regulation 42(2) of LODR Regulations has been reduced from at least 7 working days to at least 3 working days (excluding the date of intimation and the record date), for the purpose of rights issue.

   1.2. Issuance of newspaper advertisement disclosing date of completion of dispatch and intimation of same to the stock exchanges for dissemination on their websites, as per Regulation 84 (1) of ICDR Regulations, shall be completed by the issuer at least 2 days before the date of opening of the issue.

   1.3. Introduction of dematerialized Rights Entitlements (REs) –

      1.3.1. In the letter of offer and the abridged letter of offer, the issuer shall disclose the process of credit of REs in the demat account and renunciation thereof.

      1.3.2. REs shall be credited to the demat account of eligible shareholders in dematerialized form.

      1.3.3. In REs process, the REs with a separate ISIN shall be credited to the demat account of the shareholders before the date of opening of the issue, against the shares held by them as on the record date.

1.3.4. Physical shareholders shall be required to provide their demat account details to Issuer / Registrar to the Issue for credit of REs not later than two working days prior to the issue closing date, such that credit of REs in their demat account takes place at least one day before the issue closing date.

1.4. Trading of dematerialized REs on stock exchange platform -

1.4.1. REs shall be traded on secondary market platform of Stock exchanges, with T+2 rolling settlement, similar to the equity shares. Trading in REs on the secondary market platform of stock exchanges shall commence along with the opening of the issue and shall be closed at least four days prior to the closure of the rights issue.

1.4.2. Investors holding REs in dematerialized mode shall be able to renounce their entitlements by trading on stock exchange platform or off-market transfer. Such trades will be settled by transferring dematerialized REs through depository mechanism, in the same manner as done for all other types of securities.

1.5. Payment mode - Application for a rights issue shall be made only through ASBA facility.

1.6. No withdrawal of application shall be permitted by any shareholder after the issue closing date.

2. The detailed procedures on the Rights Issue process are given at Annexure I for due compliance.

3. This circular shall be applicable for all rights issues and fast track rights issue where Letter of Offer (LoF) is filed with the stock exchanges on or after February 14, 2020.

4. All entities involved in the Rights Issue process are advised to take necessary steps to ensure compliance with this circular including the procedures stated at Annexure I of this circular.

5. This circular is being issued in exercise of the powers under section 11 read with section 11A of the Securities and Exchange Board of India Act, 1992.

6. This circular is available on SEBI website (www.sebi.gov.in) under the categories "Legal Framework / Circulars".

Yours faithfully,

Amy Durga Menon
Deputy General Manager
Corporate Finance Department
+91 22 2644 9584
Email - amydurga@sebi.gov.in

Annexure I

Procedures on the Rights Issue process

A. Application Form

a. The issuer shall dispatch a common application form to its shareholders as on the record date. Along with application form, the issuer shall also send the details of the rights entitlements of the shareholder separately.

b. This application form can be used both by shareholder or renouncee.

c. Registrar to the issue shall also upload the application forms on its website.

d. Applicants can use application form available on the website of registrar to the issue or printed forms sourced from the issuer, merchant bankers or registrars to the issue.

e. In terms of Regulation 78 of the ICDR Regulations, investor also has option to make an application in writing on a plain paper.

B. Credit of Rights Entitlements ("REs") in dematerialized form

a. The depositories shall put necessary procedures in place for issue and credit of REs in demat mode.

b. The issuer making a rights issue of specified securities shall ensure that it has made necessary arrangements with depositories to issue and credit the REs in demat mode in the demat accounts of shareholders holding shares as on the record date.

c. A separate ISIN shall be obtained by the issuer for credit of REs.

d. Issuer shall specify the ISIN for REs while announcing the record date. However, for issues where the record date is announced before February 14, 2020, and the letter of offer is filed with the stock exchanges on or after February 14, 2020, the Issuer shall file the letter of offer with the stock exchanges only after it has obtained ISIN for REs. e. Based on the rights entitlement ratio, the issuer shall credit REs in dematerialized mode through corporate action to shareholders holding shares as on record date. The ISIN of REs shall be kept frozen (for debit) in the depository system till the date of opening of the issue.

f. Physical shareholders shall be required to provide their demat account details to Issuer / Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date.

g. In case of fractional entitlements of REs, the fractional part shall be ignored by rounding down the entitlement.

h. The issuer shall submit details of total REs credited to the stock exchanges immediately after completing the corporate action for the same and shall obtain requisite trading approval from the stock exchanges.

i. The details with respect to shareholder entitlement shall be made available on the website of the Registrar to the issue and the investors shall be able to check their respective entitlements on the website of the Registrar by keying their details, after adequate security controls to ensure that investors' information is made available only to the particular investor. Issuer shall also carry these links on their website.

j. If the demat account of a shareholder is frozen or demat account details are not available, including shares held in unclaimed suspense account or in the account of IEPF Authority, then REs shall be credited in a suspense escrow demat account of the Company and an intimation should be sent to such shareholder by the issuer /Registrar to the issue.

k. The issuer shall intimate issue closing date to the depositories at least one day before the issue closing date, and the depositories shall suspend the ISIN of REs for transfers, from issue closing date.

l. REs which are neither renounced nor subscribed by the shareholders, shall be lapsed after closure of the Rights Issue.

m. Issuer Company shall ensure that REs which are lapsed are extinguished from the depository system once securities are allotted pursuant to Rights Issue. Once allotment is done, the ISIN for REs shall be permanently deactivated in the depository system by the depositories.

C. Renunciation process and trading of REs on stock exchange platform:

a. The stock exchanges shall put necessary procedures in place for trading of REs on stock exchange platform.

b. REs credited to demat account can be renounced either by sale of REs using stock exchanges platform or off-market transfer and such trades will be settled by transferring dematerialized REs through depository mechanism in the same manner as done for all other types of securities.

c. For sale of REs through stock exchange, investors can place order for sale of REs only to the extent of REs available in the demat account of the investor. Trading in REs on the secondary market platform of Stock exchanges will happen electronically on T+2 rolling settlement basis where T being the date of trading. The transactions will be settled on trade-for-trade basis.

d. Issuer shall inform the dates of issue opening and closing to the stock exchanges and the depositories at the time of filing the letter of offer with the stock exchanges.

e. Trading in REs shall commence on the date of opening of the issue and shall be closed at least four days prior to the closure of rights issue.

D. Submission of Application form in Rights Issue

a. All investors (including renouncee) shall submit application forms using ASBA facility through the Self Certified Syndicate Banks (SCSB) network during the issue period.

b. Investor shall submit only one application form for REs available in a particular demat account.

E. Allotment process in the rights issue

a. Facility for correction of bid data as collated by the SCSBs after issue closing shall be provided for period of one day i.e. on next working day after issue closing.

b. Registrar shall obtain demographic details of all applicants from depositories.

c. Registrar shall obtain details of holders of REs as on issue closing date, from the depositories.

d. After reconciliation of valid ASBA applications, funds blocked and REs demat holding list, the registrar shall finalise allocation of securities offered through rights offering.

e. Registrar shall credit the shares to the respective demat accounts of the applicants based on basis of allotment approved by the designated stock exchange and shall issue instructions to unblock bank accounts wherever necessary.

Circular No.: NSDL/ POLICY/2019/0081 November 19, 2019	***Subject: SEBI Circular on Streamlining the Process of Public Issue of Equity Shares and convertibles- Extension of time line for implementation of Phase II of UPI with ASBA.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 regarding Streamlining the Process of Public Issue of Equity Shares and convertibles - Implementation of Phase II of Unified Payments Interface with Application Supported by Blocked Amount. In this regard, SEBI has issued a circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 on the subject matter. Copy of the same is enclosed. Participants are requested to take note of the above.

SEBI/HO/CFD/DCR2/CIR/P/2019/133 **Nov 08, 2019**

To

Recognized Stock Exchanges
Depositories
Registered Stock Brokers
Registered Merchant Bankers
Registered Registrars to an Issue and Share Transfer Agents
Registered Depository Participants
Registered Bankers to an Issue
National Payments Corporation of India

Dear Sir / Madam,

Sub: Streamlining the Process of Public Issue of Equity Shares and convertibles- Extension of time lime for implementation of Phase II of Unified Payments Interface with Application Supported by Blocked Amount

1. This refers to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, vide which SEBI had introduced the use of Unified Payments Interface (UPI) as a payment mechanism with Application Supported by Blocked Amount (ASBA) for applications in public issues by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants), with effect from January 01, 2019. Implementation of the same was to be carried out in a phased manner to ensure gradual transition to UPI with ASBA.
2. Vide SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Phase II was implemented from July 01, 2019. In Phase II, for applications by retail individual investors through intermediaries, the process of physical movement of forms from intermediaries to Self-Certified Syndicate Banks (SCSBs) for blocking of funds was discontinued and only the UPI mechanism with existing timeline of T+6 days was mandated, for a period of 3 months or floating of 5 main board public issues, whichever is later.

3. Since then, two big public issues have used the facility of UPI 2.0, wherein it was seen that the platform has become increasingly acceptable given the number of applications received in ASBA with UPI as a payment mechanism. Presently, 47 and 5 self-certified syndicate banks are eligible to act as issuer banks and sponsor banks in UPI respectively.
4. National Payments Corporation of India (NPCI) has assessed the situation with respect to infrastructure at banks and their logistics and suggested further tweaking of systems, procedures and timelines for various activities for smoother operations of ASBA with UPI as a payment mechanism. Similar contraction of timelines is required to be carried out by the intermediaries in the securities market.
5. In order to ensure that the transition to UPI in ASBA is smooth for all the stakeholders, it has been decided, after consultation with various intermediaries and NPCI, to extend the timeline for implementation of Phase II of the aforesaid Circular till March 31, 2020.
6. The revised timelines for the existing T+6 environment are placed at Annexure 1.
7. In terms of regulation 23(5) and regulation 271 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, these timelines and processes shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.
8. All entities involved in the process are advised to take necessary steps to ensure compliance with this circular.
9. The modalities and the date for T+3 listing shall be intimated later.
10. The aforesaid Circulars dated November 1, 2018 and June 28, 2019, shall stand modified to the extent stated under this Circular.
11. This circular is being issued in exercise of the powers under section 11 read with section 11A of the Securities and Exchange Board of India Act, 1992.
12. This circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Issues and Listing”.

Yours faithfully,

Narendra Rawat

General Manager

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narendrar@sebi.gov.in

Detailed Timelines of Activities to be adhered in T+6 listing – Phase II(Annexure 1)

1.	An investor, intending to subscribe to a public issue, shall submit a completed bid-cum-application form to any of the following entities: i. an SCSB, with whom the bank account to be blocked, is maintained ii. a syndicate member (or sub-syndicate member) iii. a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker') iv. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) v. a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity) Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as **'Intermediaries'),** have to use UPI and shall also their UPI ID in the bid-cum-application form.	
2.	The aforesaid entities shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. (i) <u>For applications submitted to SCSB</u>: After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and blocked funds available in the bank account specified in the form, to the extent of the application money specified. (ii) <u>For applications submitted to intermediaries, with use of UPI for payment</u>: After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s). Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN Combination, on a real time basis through API Integration and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange. Stock exchange(s) shall allow modification of selected fields viz. DP ID/ Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.	Issue opening date to issue closing date (where T is issue closing date)

3.	<u>For retail applications submitted to intermediaries, with use of UPI for payment</u>: Stock Exchange to share bid details including the UPI ID with Sponsor Bank on a continuous basis through API integration, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank to initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.	Issue opening date to issue closing date (where T is issue closing date)
4.	**Reconciliation Steps to be done on daily basis (for UPI Mandates):** **Step 1:** Sponsor bank shall do a reconciliation of bid requests received from exchange(s) and sent to NPCI. Sponsor bank shall ensure that all the bids received from exchange(s) are pushed to NPCI. **Step 2:** NPCI shall ensure that all the bid requests received from sponsor bank are pushed to the corresponding payment system participants of issuer banks. The issuer banks/sponsor bank shall download the mandate related UPI settlement files and raw data files from NPCI portal on daily basis after every settlement cycle and shall do a three way reconciliation with Banks UPI switch data, CBS data and the UPI raw data. NPCI shall coordinate with issuer banks /sponsor bank on continuous basis. **Step 3:** The issuer banks shall process all the incoming bid requests from NPCI and shall send the response to NPCI in real time. NPCI shall further facilitate the flow of these responses to sponsor bank. **Step 4:** Sponsor bank shall do a reconciliation of bid responses received from NPCI and sent to exchange(s). Sponsor bank shall ensure that all the responses received from NPCI are sent to the exchange(s) platform with detailed error code and description, if any. **Step 5:** Sponsor bank shall do a final reconciliation of all bid requests and responses (obtained in Step 1 and Step 4) throughout their lifecycle on daily basis and share the consolidated report not later than 07:00 PM to Merchant Banker **Step 6:** Merchant Banker shall share the consolidated file received from sponsor bank with SEBI on daily basis not later than 09:00 PM as per the format mentioned in Annexure 'A' **Step 7:** On 'T' day, after the closure of issue, Sponsor Bank shall share the consolidated data to Merchant Banker not later than 07:00 PM. Merchant Banker shall share the consolidated data as on 'T' day (data obtained on daily basis in step 6) to SEBI not later than 09:00 PM as per the format mentioned in Annexure 'A' The objective of the reconciliation exercise is to ensure that every bid entered in the exchange(s) bidding platform has successfully completed its entire lifecycle and got its response updated back in the same exchange(s) bidding platform.	Issue opening date to issue closing date (where T is issue closing date) - on daily basis

	Merchant Banker shall be responsible for the reconciliation exercise and shall coordinate with NPCI, Sponsor Bank and Exchange(s) on continuous basis. Merchant Banker shall be the nodal entity for any issues arising out of public issuance process.	
5.	**Issue Closes**	**T (Issue closing date)**
6.	<u>For retail applications submitted to intermediaries with use of UPI for payment</u>: Sponsor Bank may not accept bid details from Stock Exchanges post 11:00 a.m. Sponsor Bank to initiate request for blocking of funds of investor, with confirmation cut off-time of 12:00 p.m. All pending requests at the cut-off time would lapse. Applicant to accept mandate request for blocking of funds prior to cut off-time of 12:00 p.m. Sponsor Bank to send confirmation of funds blocked (Final Certificate) to the registrar through stock exchange not later than 06:00 PM For QIB & NII application submitted to intermediaries: Intermediaries to forward a schedule as per format given below along with the application forms to designated branches of the respective SCSBs for blocking of funds.	T+1

Field No.	Details
1.	Symbol
2.	Intermediary Code
3.	Intermediary Name
4.	Bank Code
5.	Bank Name
6.	Location Code
7.	Application No
8.	Category
9.	PAN
10.	DP ID
11.	Client ID
12.	Quantity
13.	Amount
14.	Order No
15.	Exchange

	(*The character length for each of fie ds of the schedule to be forwarded by the intermediaries along with each application form to the designated branches of the respective SCSBs for blocking of funds shall be uniformly prescribed by the stock exchange(s)) Designated branches of SCSBs applications after T+1 day 11:00 AM may not accept schedule and SCSBs to begin blocking of funds. Registrar to give bid file received from stock exchanges containing the application number and amount to all the SCSBs who may use this file for validation / reconciliation at their end. For all applications submitted to SCSB The respective SCSB to send confirmation of funds blocked (Final Certificate) to the registrar not later than 06:00 PM **On 'T+1' day, after the closure of modification and mandate acceptance by applicant, NPCI shall share the analysis of failures in UPI mandate transactions, duly classifying them into business declines and technical declines and further sub-classifying them as per their error descriptions to sponsor bank not later than 08:00 PM** **On 'T+1' day, after the closure of modification and mandate acceptance by applicant, Sponsor Bank shall share the final consolidated data (Annexure 'A') and the error description analysis report received from NPCI to Merchant Banker not later than 08:15 PM** **Merchant Banker shall share the final consolidated data as per the format mentioned in Annexure 'A' (by ensuring that point 4 of the 'detailed timelines of Activities to be adhered in T+6 listing - Phase II' is strictly adhered to) and the error description analysis report received from sponsor bank to SEBI not later than 09:00 PM**	
7.	Third party confirmation process to be initiated by Registrar not later than 09:00 am on T+2. SCSBs and Issuer Banks to provide confirmation on the third party applications to the registrar not later than 09:00 pm on T+2. Issuer, merchant banker and registrar to submit relevant documents to the stock exchange(s) except listing application, allotment details and demat credit and refund details for the purpose of listing permission. Registrar shall reconcile the compiled data received from the stock exchange(s), all SCSBs and Sponsor Bank (hereinafter referred to as the "reconciled data"). Registrar shall reject multiple applications determined as such, based on common PAN. Registrar to undertake "Technical Rejection" test based on electronic bid details and prepare list of technical rejection cases. **Merchant Banker shall submit a report of compliance with all activities in T+2 to SEBI not later than 10:00 PM.**	T+2

8.	**For every bid entered in the exchange(s) bidding platform, the audit trail shall be maintained by NPCI. The liability to compensate the investor in case of failed transactions shall be with the concerned entity in the 'ASBA with UPI as the payment mechanism' process (Sponsor Bank/ NPCI/ Issuer Banks) at whose end the lifecycle of the transaction has come to a halt.** **NPCI shall share the audit trail of all disputed transactions/investor complaints to the sponsor bank/Issuer banks.** **Merchant Banker shall obtain the audit trail from Issuer banks/Sponsor banks for analysis and fixation of liability.**	Issue opening date to 'T+2' (where T is issue closing date)
9.	Finalisation of technical rejection and minutes of the meeting between issuer, lead manager, registrar. Registrar shall finalise the basis of allotment and submit it to the designated stock exchange for approval. Designated Stock Exchange(s) to approve the basis of allotment. Registrar to prepare funds transfer schedule based on approved basis of allotment. Registrar / Issuer to initiate corporate action to carry out lock-in for pre-issue capital held in depository system. Registrar to issue funds transfer instructions to SCSBs. Registrar to issue funds transfer instructions to Sponsor Bank in two files, one for debit processing and the other for unblocking of funds. **Merchant Banker shall submit a report of compliance with all activities in T+3 to SEBI not later than 09:00 PM.**	T+3
10.	Registrar to receive confirmation for pre-issue capital lock-in from depositories. SCSBs and Sponsor Bank to credit the funds in public issue account of the issuer and confirm the same. Issuer shall make the allotment. Registrar / Issuer to initiate corporate action for credit of shares to successful allottees. Issuer and registrar to file allotment details with designated stock exchange(s) and confirm all formalities are complete except demat credit. Registrar to send bank-wise data of allottees, amount due on shares allotted, if any, and balance amount to be unblocked to SCSBs and Sponsor Bank. **Merchant Banker shall submit a report of compliance with all activities in T+4 to SEBI not later than 09:00 PM** **Sponsor bank, in coordination with NPCI and Issuer banks, shall share the data points 4 to 8 mentioned in Annexure 'B' with the Registrar.** **Registrar shall coordinate with Sponsor Bank/SCSB's and submit a comprehensive report on status of debit/unblock requests of allottees/Non-allottees not later than 08:00 PM as per the format mentioned in Annexure 'B' to Merchant Banker.** **Merchant Banker shall submit a comprehensive report on status of debit/ unblock requests (Annexure 'B') received from the Registrar** **to SEBI not later than 09:00 PM.**	T+4

11.	Registrar to receive confirmation of demat credit from depositories. Issuer and registrar to file confirmation of demat credit, lock-in and issuance of instructions to unblock ASBA funds, as applicable, with stock exchange(s). Issuer to make a listing application to stock exchange(s) and stock exchange(s) to give listing and trading permission. Issuer, merchant banker and registrar to initiate the process of publishing the allotment advertisement. Stock exchange(s) to issue commencement of trading notice. **Merchant Banker shall submit a report of compliance with all activities in T+5 to SEBI not later than 09:00 PM**	T+5
12.	Issuer, merchant banker and registrar to publish allotment advertisement before the commencement of trading, prominently displaying the date of commencement of trading, in all the newspapers where issue opening/closing advertisements have appeared earlier. Trading commences **Merchant Banker shall identify the non-adherence of timelines and processes ('T' to 'T+6' days) mentioned in 'detailed timelines of activities to be adhered in T+6 listing - Phase II' and submit a report to SEBI with a comprehensive analysis of entities responsible for the delay and the reasons associated with it.** **Merchant Banker should diligently follow all the activities mentioned in 'detailed timelines of activities to be adhered in T+6 listing - Phase II ' on daily basis from 'T' day to 'T+6' day.**	T+6

*** Working days will be all trading days of stock exchanges, excluding Sundays, and bank holidays**

Annexure 'A'

Exchange(s)	**Bank ASBA		Syndicate ASBA					
			**Online		UPI			
	No of Unique Applications	No of Shares Blocked	No of Unique Applications	No of Shares Blocked	No of Unique successful Applications	No of Shares successfully Blocked	No of Unique failed Application s, if any	No of Shares failed to get Blocked
BSE								
NSE								
Total								

** - Data to be obtained by merchant banker from registrar/exchange(s)

Annexure 'B'

S.No.			Count	Date of Activity
1.	Total No of unique applications received	Total		
		Bank ASBA		
		Online		
		UPI		

2.	Total No of Allottees	Total		
		Bank ASBA		
		Online		
		UPI		
3.	Total No of Non-Allottees	Total		
		Bank ASBA		
		Online		
		UPI		
4.	Out of total UPI Allottees (Debit execution file), How many records were processed successfully?		Count : No of shares: Amount:	
5.	Out of total UPI Allottees (Debit execution file), How many records failed?		Count : No of shares: Amount:	
6.	Out of total UPI Non-Allottees (Unblocking file), How many records were successfully unblocked?			
7.	Out of total UPI Non-Allottees (Unblocking file), How many records failed in unblocking?			
8.	Whether offline revoke is taken up with issuer banks due to failure of online unblock system? If yes, Share a separate list of bank-wise count and application numbers.			

Circular No.: NSDL/ POLICY/2019/0046 July 30, 2019	***Subject: SEBI Circular on Streamlining the Process of Public Issue of Equity Shares and convertibles- Implementation of Phase II of Unified Payments Interface with Application Supported by Blocked Amount.*** Attention of Participants is invited to NSDL Circular No. NSDL/ POLICY/2019/0042 dated July 17, 2019 regarding Streamlining the Process of Public Issue of Equity Shares and convertibles- Implementation of Phase II of Unified Payments Interface with Application Supported by Blocked Amount. In this regard, SEBI has issued a circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 on the subject matter. Copy of the same is enclosed. Participants are requested to take note of the above.

SEBI/HO/CFD/DIL2/CIR/P/2019/85 **July 26, 2019**

To

Recognized Stock Exchanges

Depositories

Registered Stock Brokers

Registered Merchant Bankers

Registered Registrars to an Issue and Share Transfer Agents

Registered Depository Participants

Registered Bankers to an Issue

National Payments Corporation of India

Dear Sir / Madam,

Sub: Streamlining the Process of Public Issue of Equity Shares and convertibles- Implementation of Phase II of Unified Payments Interface with Application Supported by Block Amount

1. This refers to SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, vide which SEBI had introduced the use of Unified Payments Interface (UPI) as a payment mechanism with Application Supported by Block Amount (ASBA) for applications in public issues by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants), with effect from January 1, 2019. Implementation of the same was to be carried out in a phased manner to ensure gradual transition to UPI with ASBA.

Implementation of Phase II

2. Accordingly, Phase II of the aforesaid Circular dated November 01, 2018 has become effective from July 1, 2019. Thereafter, for applications by retail individual investors through intermediaries, the existing process of, investor submitting bid- cum-application form with any intermediary along with bank account details, and movement of such application forms from intermediaries to Self-Certified Syndicate Banks (SCSBs) for blocking of funds, has been discontinued i.e. Channel III at Para 5.1 of Circular dated November 01, 2018 has been discontinued. For such applications only the UPI mechanism would be the permissible mode i.e. Channel IV at Para 5.1 of the said Circular.

Status of SCSBs on UPI

3. Applications through UPI in IPOs can be made only through the SCSBs / mobile applications (apps) whose name appears on the SEBI website – www.sebi.gov.in at the following path:

   Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI

   A list of SCSBs and mobile application, which, as on the date of this Circular, are live for applying in public issues using UPI mechanism is provided at Annexure 'A'. The said list shall be updated on SEBI website.

A list of SCSBs and mobile application, which, as on the date of this Circular, are live for applying in public issues using UPI mechanism is provided at Annexure 'A'. The said list shall be updated on SEBI website.

An investor shall ensure that when applying in IPO using UPI, the name of his Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI.

Further, he/she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

4. An application made using incorrect UPI handle or using a bank account of an SCSBs or bank which is not mentioned in the aforesaid list is liable to be rejected.
5. Investors whose bank is not live on UPI as on the date of this Circular, may use the other alternate channels available to them viz. submission of application form with SCSB or using the facility of linked online trading, demat and bank account (Channel I or II at Para 5.1 of Circular dated November 01, 2018).
6. Frequently asked questions (FAQs) regarding use of UPI with ASBA in public issue process can be accessed at the following path on the SEBI website – www.sebi.gov.in :

   Home » FAQs » FAQs on Primary Market Issuances » Use of Unified Payments Interface (UPI) with ASBA in public issue process
7. All entities involved in the process are advised to take necessary steps to ensure compliance with this circular.
8. This circular is being issued in exercise of the powers under section 11 read with section 11A of the Securities and Exchange Board of India Act, 1992.
9. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Issues and Listing".

Yours faithfully,

Narendra Rawat

General Manager

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Annexure-A

List of Self Certified SyndicateBanks on UPI 2.0*

Sr. No.	SCSBs live on UPI 2.0	Mobile Application to be used by investor	UPI Handles active
1	Allahabad Bank	BHIM	@upi
2	Andhra Bank	BHIM	@upi
3	Axis Bank Ltd	BHIM	@upi
		BHIM AXIS Pay	@axisbank
4	Bandhan Bank	BHIM	@upi
5	Bank of Baroda	BHIM	@upi
6	Bank of India	BHIM	@upi
7	Central Bank of India	BHIM	@upi
8	Canara Bank	BHIM	@upi
9	Citi Bank N.A	BHIM	@upi
10	Citi Union Bank	BHIM	@upi
11	Corporation Bank	BHIM	@upi
12	DBS Bank India Limited	BHIM	@upi
13	DCB Bank	BHIM	@upi
14	Dhanlakshmi Bank Limited	BHIM	@upi
15	GP Parsik Sahakari Bank Limited	BHIM	@upi
16	HDFC Bank Ltd.	BHIM	@upi
		HDFC BANK MOBILE BANKING APP- ANDROID ONLY	@hdfcbank
17	HSBC Bank	BHIM	@upi
		HSBC SIMPLY PAY (ANDROID & iOS)	@hsbc
18	ICICI Bank Ltd	BHIM	@upi
		ICICI BANK MOBILE BANKING APP (iMobile)-ANDROID ONLY	@icicibank
19	IDBI Bank Ltd.	BHIM	@upi
20	Indian Overseas Bank	BHIM	@upi
21	IndusInd Bank	BHIM	@upi
22	Janata Sahakari Bank Ltd.	BHIM	@upi

23	Karnataka Bank Limited	BHIM	@upi
24	Karur Vysya Bank Ltd.	BHIM	@upi
25	Kotak Mahindra Bank Ltd.	BHIM	@upi
26	Mehsana Urban Co-operative Bank Limited	BHIM	@upi
27	Oriental Bank of Commerce	BHIM	@upi
28	Punjab National Bank	BHIM	@upi
29	Punjab & Sind Bank	BHIM	@upi
30	RBL Bank Limited	BHIM	@upi
31	Rajkot Nagarik Sahakari Bank Ltd	BHIM	@upi
32	South Indian Bank	BHIM	@upi
33	State Bank of India	BHIM	@upi
		SBI MOBILE BANKING APP -ANDROID ONLY	@sbi
34	SVC Co-operative Bank Ltd.	BHIM	
35	Saraswat Co-operative Bank Limited	BHIM	@upi
36	The Ahmedabad Mercantile Co-Op. Bank Ltd.	BHIM	@upi
37	The Catholic Syrian Bank Limited	BHIM	@upi
38	The Federal Bank	BHIM	@upi
39	The Lakshmi Vilas Bank Limited	BHIM	@upi
40	The Surat People's Co-op Bank Ltd.	BHIM	@upi
41	TJSB Sahakari Bank Ltd	BHIM	
42	UCO Bank		
43	Union Bank of India		
44	United Bank of India		
45	YES Bank Ltd.		

As on June 28, 2019

Circular No.: NSDL/POLICY/2019/0042
July 17, 2019

Subject: SEBI Circular on Streamlining the Process of Public Issue of Equity Shares and convertibles- Implementation of Phase II of Unified Payments Interface with Application Supported by Blocked Amount.

Attention of Participants is invited to SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 regarding Streamlining the Process of Public Issue of Equity Shares and convertibles- Implementation of Phase II of Unified Payments Interface with Application Supported by Blocked Amount. Copy of the same is enclosed.

Participants are requested to take note of the above.

SEBI/HO/CFD/DIL2/CIR/P/2019/76 **June 28, 2019**

To

Recognized Stock Exchanges

Depositories

Registered Stock Brokers

Registered Merchant Bankers

Registered Registrars to an Issue and Share Transfer Agents

Registered Depository Participants

Registered Bankers to an Issue

National Payments Corporation of India

Dear Sir / Madam,

Sub: Streamlining the Process of Public Issue of Equity Shares and convertibles- Implementation of Phase II of Unified Payments Interface with Application Supported by Block Amount

1. This refers to SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, vide which SEBI had introduced the use of Unified Payments Interface (UPI) as a payment mechanism with Application Supported by Block Amount (ASBA) for applications in public issues by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants), with effect from January 1, 2019. Implementation of the same was to be carried out in a phased manner to ensure gradual transition to UPI with ASBA.
2. In order to ensure that the transition to UPI in ASBA is smooth for all the stakeholders, the timeline for implementation of Phase I of the aforesaid Circular was extended by 3 months i.e. till June 30, 2019 vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019.

Implementation of Phase II

3. Accordingly, Phase II of the aforesaid Circular dated November 01, 2018, shall become effective from July 1, 2019. Thereafter, for applications by retail individual investors through intermediaries, the existing process of, investor submitting bid-cum-application form with any intermediary along with bank account details, and movement of such application forms from intermediaries to Self-Certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued i.e. Channel III at Para 5.1 of Circular dated November 01, 2018 would discontinue. For such applications only the UPI mechanism would be the permissible mode i.e. Channel IV at Para 5.1 of the said Circular.
4. In Phase II, the existing timeline of T+6 days will continue, for a period of 3 months or floating of 5 main board public issues, whichever is later. The implementation of Phase III shall continue unchanged as per the aforesaid Circular from the date of completion of Phase II, as above.

Status of SCSBs on UPI

5. Applications through UPI in IPOs can be made only through the SCSBs / mobile applications (apps) whose name appears on the SEBI website – www.sebi.gov.in at the following path:

   Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI

A list of SCSBs and mobile application, which, as on the date of this Circular, are live for applying in public issues using UPI mechanism is provided at Annexure 'A'. The said list shall be updated on SEBI website.

An investor shall ensure that when applying in IPO using UPI, the name of his Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI.

Further, he/she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

6. An application made using incorrect UPI handle or using a bank account of an SCSBs or bank which is not mentioned in the aforesaid list is liable to be rejected.

7. Investors whose bank is not live on UPI as on the date of this Circular, may use the other alternate channels available to them viz. submission of application form with SCSB or using the facility of linked online trading, demat and bank account (Channel I or II at Para 5.1 of Circular dated November 01, 2018).

8. **Retention of forms by Intermediaries**

   Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer / Registrar to Issue. However, in case of Electronic forms, "printouts" of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

9. Frequently asked questions (FAQs) regarding use of UPI with ASBA in public issue process can be accessed at the following path on the SEBI website – www.sebi.gov.in :

   Home » FAQs » FAQs on Primary Market Issuances » Use of Unified Payments Interface (UPI) with ASBA in public issue process

10. All entities involved in the process are advised to take necessary steps to ensure compliance with this circular.

11. The aforesaid Circular dated November 1, 2018, and April 03, 2019 shall stand modified to the extent stated under this Circular.

12. This circular is being issued in exercise of the powers under section 11 read with section 11A of the Securities and Exchange Board of India Act, 1992.

13. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Issues and Listing".

Yours faithfully,

Narendra Rawat

General Manager

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narendrar@sebi.gov.in

Annexure-A

List of Self Certified Syndicate Banks on UPI 2.0*

Sr. No.	SCSBs live on UPI 2.0	Mobile Application to be used by investor	UPI Handles active
1	Allahabad Bank	BHIM	@upi
2	Andhra Bank	BHIM	@upi
3	Axis Bank Ltd	BHIM	@upi
4	Bank of Baroda	BHIM	@upi
5	Bank of India	BHIM	@upi
6	Central Bank of India	BHIM	@upi
7	Corporation Bank	BHIM	@upi
8	DBS Bank India Limited	BHIM	@upi
9	GP Parsik Sahakari Bank Limited	BHIM	@upi
10	HDFC Bank Ltd.	BHIM	@upi
		HDFC BANK MOBILE BANKING APP-ANDROID ONLY	@hdfcbank
11	HSBC Bank	BHIM	@upi
12	ICICI Bank Ltd	BHIM	@upi
		ICICI BANK MOBILE BANKING APP (iMobile)-ANDROID ONLY	@icicibank
13	IDBI Bank Ltd.	BHIM	@upi
14	IndusInd Bank	BHIM	@upi
15	Janata Sahakari Bank Ltd.	BHIM	@upi
16	Karur Vysya Bank Ltd.	BHIM	@upi
17	Kotak Mahindra Bank Ltd.	BHIM	@upi
18	Mehsana Urban Co-operative Bank Limited	BHIM	@upi
19	Oriental Bank of Commerce	BHIM	@upi
20	Punjab National Bank	BHIM	@upi
21	Punjab & Sind Bank	BHIM	@upi
22	RBL Bank Limited	BHIM	@upi
23	Rajkot Nagarik Sahakari Bank Ltd	BHIM	@upi
24	South Indian Bank	BHIM	@upi
25	State Bank of India	BHIM	@upi
26	SVC Co-operative Bank Ltd.	BHIM	@upi
27	Saraswat Co-operative Bank Limited	BHIM	@upi
28	The Ahmedabad Mercantile Co-Op. Bank Ltd.	BHIM	@upi
29	The Federal Bank	BHIM	@upi
30	The Lakshmi Vilas Bank Limited	BHIM	@upi
31	TJSB Sahakari Bank Ltd	BHIM	@upi
32	UCO Bank	BHIM	@upi
33	United Bank of India	BHIM	@upi
34	YES Bank Ltd.	BHIM	@upi

**As on June 28, 2019*

Circular No.: NSDL/ POLICY/2019/0040 July 10, 2019	***Subject: SEBI Circular on Framework for the process of accreditation of investors for the purpose of Innovators Growth Platform.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/67 dated May 22, 2019 (copy enclosed) regarding framework for the process of accreditation of investors for the purpose of Innovators Growth Platform. Investors having a demat account with NSDL, will make an application to its depository participant for recognition as an Accredited Investor (AI). Accordingly, participants are requested to take note that the applications shall be submitted by the investors to the participants, where they hold the demat account. The format for Application for Accreditation applicable to Individuals and Non-Individuals is enclosed at Annexure 1 & 2 respectively. Participants are requested to take note of the above. Further, the detailed procedure / guidelines for mapping the accredited investor in the system will be intimated separately.

CIRCULAR

SEBI/HO/CFD/DIL2/CIR/P/2019/67 **May 22, 2019**

To

All the Depositories

Recognized Stock Exchanges

Registered Merchant Bankers

Registered Stock Brokers

Registered Depository Participants

Dear Sir/Madam,

Sub: Framework for the process of accreditation of investors for the purpose of Innovators Growth Platform

1. Accredited Investors (AIs) for the limited purpose of Innovators Growth Platform ("IGP"), are investors whose holding in the Issuer Company, is eligible for the computation of at least 25% of the pre-issue capital in accordance with Regulation 283.(1) of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 ("ICDR Regulations").
2. Accordingly, the framework for the process of accreditation of investors is detailed below:

A. Eligibility

The following entities shall be eligible to be considered as AIs:

i. Any individual with total gross income of ₹ 50 lakhs annually and who has minimum liquid net worth of ₹ 5 crores; or

ii. Any body corporate with net worth of ₹ 25 crores.

B. Procedure for accreditation

(a) Responsibility of Stock Exchanges/Depositories

The investor, having a demat account with a Depository, will make an application to the Stock Exchanges/Depositories in the manner prescribed by them for recognition as an AI. The Stock Exchanges /Depositories may use the services of Brokers/Depository participants respectively for such purpose. However, Stock Exchanges/Depositories shall be responsible for verification and maintenance of the AI data.

(b) Documentation

Detailed Documentation required for accreditation is provided at Annexure 'A' of this Circular.

3. Validity of Accreditation

The accreditation granted by the Stock Exchange/Depository shall be valid for a period of three years from the date of issue of such accreditation unless the AI becomes ineligible due to change in his/her/its financial status in which case such AI shall inform the Stock Exchange/Depository of such ineligibility.

4. Responsibility of Merchant Bankers at the time of listing on IGP with regard to AIs

At the time of application by a Company for listing on IGP, the merchant bankers shall ensure due diligence with regard to eligibility of AIs and that their holding in the Company desirous of listing on IGP is in accordance with the Regulation 283.(1) of the ICDR Regulations.

5. The Exchanges / Depositories are directed to-

i. Implement the procedure for accreditation within 45 days from the date of issue of this Circular.

ii. Disseminate the provisions of this Circular on their website.

iii. Communicate to SEBI, the status of the implementation of the provisions of this circular.

6. Exchanges/Depositories are advised to make necessary amendments to the relevant bye-laws, rules and regulations.

7. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Narendra Rawat

General Manager

Corporation Finance Department

narendrar@sebi.gov.in

Annexure-A

For accreditation as an Accredited Investor for the purpose of Innovators Growth Platform, the investor having a demat account with a Depository shall submit the following documents with the Exchanges/ Depositories or Brokers/Depository Participants:

I. In case of Individual / HUF

i) Copy of PAN Card.

ii) Copy of Aadhaar Card or Copy of Valid Passport.

iii) Income tax return of last 3 financial years

iv) Certificate from practicing chartered accountant stating total gross income (annually) and liquid net worth as on date of application. Working of Liquid Net worth shall be given as an Annexure to the certificate. The same shall be calculated as follows:

Capital + Free Reserves

Less: non-allowable assets

(a) Fixed assets

(b) Pledged Securities

(c) Non-allowable securities (unlisted securities)

(d) Doubtful debts and advances*

(e) Prepaid expenses, losses

(f) Intangible assets

(g) 30% value of marketable securities

* Explanation – Includes debts/advances overdue for more than three months or given to associates and to related parties.

v) Where the individual has been debarred or disciplinary action has been taken against investor by SEBI, RBI or any other regulatory body, then the debarment period or disciplinary action should be over. In case of an Non Resident Indian, he or she shall confirm that he or she has not been restricted from accessing securities market by the country of jurisdiction where he or she resides.

vi) Declaration from investor which will state that:

(i) he/she/it, is not a wilful defaulter as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations, 2018.

(ii) he/she/it, is not a fugitive economic offender as defined under Regulation 2(1)(p) of SEBI (ICDR) Regulations, 2018.

(iii) he/she/it, is not in violation of Regulation 24 of SEBI (Delisting of Equity Shares) Regulation, 2009.

(iv) he/she/it, is not in violation of the restrictions imposed by SEBI under SEBI circular no. SEBI/HO/ MRD/DSA/CIR/P/2017/92 dated August 01, 2017.

(v) he/she/it, is in compliance with RBI regulations, if applicable.

(vi) that the investment in the Companies are in compliance with RBI norms, if applicable.

(vii) that the submissions made to the Exchange/Depository are true and correct and if found incorrect, the Exchange/Depository reserves the right to reject the application and take necessary action.

(viii) that in case of ineligibility due to change in the financial status of the Accredited Investor, he/she/it shall inform the Stock Exchange/Depository of such ineligibility.

II. In case of body corporate (including LLP)

i) Certificate of Incorporation.

ii) If the body corporate is registered with any regulatory body such as RBI, IRDA, etc., then certificate of such valid registration from such regulatory body.

iii) Copy of PAN card of body corporate.

iv) Copies of Financial Statements of last 3 financial years.

v) Copies of Income tax return of last 3 financial years.

vi) Certificate from statutory auditor of the body corporate stating net worth as on date of application. Working of Net worth shall be given as Annexure to the certificate.

vii) Certified copy of Board Resolution to make application for Accredited Investor as per IGP norms.

viii) Declaration from Managing Director/Designated Partner/authorized person that:

(i) the body corporate or its promoters/partners or directors are not wilful defaulter as defined under Regulation 2(1)(lll) of SEBI (ICDR) Regulations, 2018.

(ii) the promoters/partners or directors of the body corporate are not a fugitive economic offender as defined under Regulation 2(1)(p) of SEBI (ICDR) Regulations, 2018.

(iii) the body corporate or its promoters/partners or whole-time directors should not be in violation of the provisions of Regulation 24 of the SEBI Delisting Regulations, 2009.

(iv) the body corporate or its promoters/partners, its directors should not be in violation of the restrictions imposed by SEBI under SEBI circular no. SEBI/HO/ MRD/DSA/CIR/P/2017/92 dated August 01, 2017.

(v) the body corporate is in compliance with RBI Regulations, if applicable.

(vi) that the investment made in the Companies are within the limit prescribed by the RBI and if investments exceed the prescribed limit, then approval of RBI for the same has been obtained, in case the same is applicable .

(vii) that the submissions made to the Exchange/Depository are true and correct and if found incorrect, the Exchange/Depository reserves the right to reject the application and take necessary action.

(viii) that in case of ineligibility due to change in the financial status of the Accredited Investor, it shall inform the Stock Exchange/Depository of such ineligibility.

DP Logo	**APPLICATION FOR ACCREDITATION AS AN ACCREDITED INVESTOR** *(For Individuals/HUF)*	NSDL Technology, Trust & Reach

Client ID								
DP ID	I	N							Date	D	D	M	M	Y	Y	Y	Y

A. IDENTITY DETAILS

Name of the Applicant																				
PAN											Date of Birth *(Date of formation in case of HUF)*	D	D	M	M	Y	Y	Y	Y
(Any one of the below) *(Karta's in case of HUF)* Aadhaar Number ☐ or Passport Number ☐																				

B. Financial Details

Income Details * (please specify)

Total gross income per annum *(should be atleast Rs. 50 lakhs annually)*				And	Liquid Net Worth *(should be atleast Rs. 5 crores)*									
FY	YY	YY	₹		As on	D	D	M	M	Y	Y	Y	Y	
FY	YY	YY	₹		Amount (in ₹)	₹_____								
FY	YY	YY	₹											

* Certificate from practicing chartered accountant stating total gross income (annually) and liquid net worth

C. Documents submitted

☐ Copy of PAN Card
☐ Copy of Aadhaar Card or copy of valid Passport *(Karta's in case of HUF)*
☐ Income tax Return of last 3 financial years
☐ Certificate from practicing chartered accountant for networth computation as per specified format annexed with this form

D. Declaration

I declare, confirm and agree that:

(i) I am not a wilful defaulter as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations, 2018.

(ii) I am not a fugitive economic offender as defined under Regulation 2(1)(p) of SEBI (ICDR) Regulations, 2018.

(iii) I am not in violation of Regulation 24 of SEBI (Delisting of Equity Shares) Regulation, 2009.

(iv) I am not in violation of the restrictions imposed by SEBI under SEBI circular no. SEBI/HO/ MRD/DSA/CIR/P/2017/92 dated August 01, 2017.

(v) I am in compliance with RBI regulations, if applicable.

(vi) the investment in the Companies are in compliance with RBI norms, if applicable.

(vii) the submissions made to the Depository are true and correct and if found incorrect, the Depository reserves the right to reject the application and take necessary action.

(viii) in case of ineligibility due to change in my financial status as an Accredited Investor, I will inform the Depository of such ineligibility.

(ix) I have not been debarred or disciplinary action has not been taken by SEBI, RBI or any other regulatory body, if debarred then the debarment period or disciplinary action is over.

(x) I have not been restricted from accessing securities market by the country of jurisdiction where I reside (Applicable in case of a Non- Resident Indian).

Signature	

For Office Use Only (Not to be filled up by Applicant)

☐ Documents verified and Self-Attested Document copies received

Application Request No.:								
Name of Authorised Signatory:								
Signature of Authorised Signatory:								
Date:	D	D	M	M	Y	Y	Y	Y

Computation and Certification of Liquid Networth

1. This is to certify that the total gross income (annually) of Mr./Ms./Mrs. _____ for the Financial years 20__-__, 20__-__, and 20__-__ is ` _____, ` _____, & ` _____ respectively.
2. This is to certify that the liquid net worth of Mr./Ms./Mrs. _____ as on ___ / ___ / _____ as per the below statement of computation is ` _____.
3. It is further certified that the computation of the liquid Networth based on my/ our scrutiny of the books of accounts, records and documents is true and correct to the best of my/our knowledge and as per information provided to my/our satisfaction.

Sr. No.	Particulars	Amount
	Capital + Free Reserves (A)	
	Less: non-allowable assets	
(a)	Fixed assets	
(b)	Pledged Securities	
(c)	Non-allowable securities (unlisted securities)	
(d)	Doubtful debts and advances*	
(e)	Prepaid expenses, losses	
(f)	Intangible assets	
(g)	30% value of marketable securities	
	Less (Total) (B)	
	Total (₹) (A) - (B)	

* Explanation - Includes debts/advances overdue for more than three months or given to associates and to related parties.

Place:

Date:

For <Name of Accounting Firm>

<Name of Partner>

Chartered Accountant

Membership Number: <_____>

DP Logo	**APPLICATION FOR ACCREDITATION AS AN ACCREDITED INVESTOR** *[For Non-Individuals (including LLP)]*	NSDL Technology, Trust & Reach

Client ID								
DP ID	I	N							Date	D	D	M	M	Y	Y	Y	Y

A. IDENTITY DETAILS

Name of the Applicant										
PAN										

B. Financial Details

Net Worth*
(should be atleast ₹25 crores)

As on	D	D	M	M	Y	Y	Y	Y	**Amount**	₹ _____

* Certificate from statutory auditor calculating net worth amount

C. Documents submitted

- ☐ Copy of PAN Card of Body Corporate
- ☐ Copy of certificate of Incorporation
- ☐ Copy of registration from regulatory authority, if any.
- ☐ Copies of Financial Statements and Income tax return of last 3 financial years
- ☐ Certificate from statutory auditor calculating net worth amount.
- ☐ Certified copy of Board Resolution to make application for Accredited Investor as per IGP norms.

D. Declaration

I/We hereby declare, confirm and agree that:

(i) the body corporate or its promoters/partners or directors are not wilful defaulter as defined under Regulation 2(1)(lll) of SEBI (ICDR) Regulations, 2018.

(ii) the promoters/partners or directors of the body corporate are not a fugitive economic offender as defined under Regulation 2(1)(p) of SEBI (ICDR) Regulations, 2018.

(iii) the body corporate or its promoters/partners or whole-time directors should not be in violation of the provisions of Regulation 24 of the SEBI Delisting Regulations, 2009.

(iv) the body corporate or its promoters/partners, its directors should not be in violation of the restrictions imposed by SEBI under SEBI circular no. SEBI/HO/ MRD/DSA/CIR/P/2017/92 dated August 01, 2017.

(v) the body corporate is in compliance with RBI Regulations, if applicable.

(vi) the investment made in the Companies are within the limit prescribed by the RBI and if investments exceed the prescribed limit, then approval of RBI for the same has been obtained, in case the same is applicable.

(vii the submissions made to the Depository are true and correct and if found incorrect, the Depository reserves the right to reject the application and take necessary action.

(viii) in case of ineligibility due to change in our financial status as an Accredited Investor, we shall inform the Depository of such ineligibility.

E. Signature

Signature of Authorized Signatory with Seal (Managing Director/ Designated Partner/ Authorised person)	
Name (s)	

For Office Use (Not to be filled up by Applicant)

☐ Documents verified and Self-Attested document copies received

Application Request No.:	
Name of Authorised Signatory:	
Signature of Authorised Signatory:	
Date	D D M M Y Y Y Y

Circular No.: NSDL/ POLICY/2019/0030 May 24, 2019	**Subject: SEBI Circular on Framework for the process of accreditation of investors for the purpose of Innovators Growth Platform.** Attention of Participants is invited to SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/67 dated May 22, 2019 regarding framework for the process of accreditation of investors for the purpose of Innovators Growth Platform. Copy of the same is enclosed.

CIRCULAR

SEBI/HO/CFD/DIL2/CIR/P/2019/67 **May 22, 2019**

To

All the Depositories Recognized Stock Exchanges Registered Merchant Bankers Registered Stock Brokers Registered Depository Participants

Dear Sir/Madam,

Sub: Framework for the process of accreditation of investors for the purpose of Innovators Growth Platform

1. Accredited Investors (AIs) for the limited purpose of Innovators Growth Platform ("IGP"), are investors whose holding in the Issuer Company, is eligible for the computation of at least 25% of the pre-issue capital in accordance with Regulation 283.(1) of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 ("ICDR Regulations").
2. Accordingly, the framework for the process of accreditation of investors is detailed below:

   A. Eligibility

   The following entities shall be eligible to be considered as AIs:

   i. Any individual with total gross income of ? 50 lakhs annually and who has minimum liquid net worth of ? 5 crores; or

   ii. Any body corporate with net worth of ? 25 crores.

   B. Procedure for accreditation

   (a) Responsibility of Stock Exchanges/Depositories

   The investor, having a demat account with a Depository, will make an application to the Stock Exchanges/Depositories in the manner prescribed by them for recognition as an AI. The Stock Exchanges /Depositories may use the services of Brokers/Depository participants respectively for such purpose. However, Stock Exchanges/Depositories shall be responsible for verification and maintenance of the AI data.

   (b) Documentation

   Detailed Documentation required for accreditation is provided at Annexure 'A' of this Circular.

3. **Validity of Accreditation**

   The accreditation granted by the Stock Exchange/Depository shall be valid for a period of three years from the date of issue of such accreditation unless the AI becomes ineligible due to change in his/her/its financial status in which case such AI shall inform the Stock Exchange/Depository of such ineligibility.

4. **Responsibility of Merchant Bankers at the time of listing on IGP with regard to AIs**

   At the time of application by a Company for listing on IGP, the merchant bankers shall ensure due diligence with regard to eligibility of AIs and that their holding in the Company desirous of listing on IGP is in accordance with the Regulation 283.(1) of the ICDR Regulations.

5. The Exchanges / Depositories are directed to-

   i. Implement the procedure for accreditation within 45 days from the date of issue of this Circular.

   ii. Disseminate the provisions of this Circular on their website.

   iii. Communicate to SEBI, the status of the implementation of the provisions of this circular.

6. Exchanges/Depositories are advised to make necessary amendments to the relevant bye-laws, rules and regulations.

7. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Narendra Rawat
General Manager
Corporation Finance Department
narendrar@sebi.gov.in

Annexure-A

For accreditation as an Accredited Investor for the purpose of Innovators Growth Platform, the investor having a demat account with a Depository shall submit the following documents with the Exchanges/ Depositories or Brokers/Depository Participants:

I. In case of Individual / HUF

   i) Copy of PAN Card.

   ii) Copy of Aadhaar Card or Copy of Valid Passport.

   iii) Income tax return of last 3 financial years

   iv) Certificate from practicing chartered accountant stating total gross income (annually) and liquid net worth as on date of application. Working of Liquid Net worth shall be given as an Annexure to the certificate. The same shall be calculated as follows:

   Capital + Free Reserves Less: non-allowable assets

   (a) Fixed assets

   (b) Pledged Securities

   (c) Non-allowable securities (unlisted securities)

   (d) Doubtful debts and advances*

   (e) Prepaid expenses, losses

   (f) Intangible assets

   (g) 30% value of marketable securities

   * Explanation - Includes debts/advances overdue for more than three months or given to associates and to related parties.

   v) Where the individual has been debarred or disciplinary action has been taken against investor by SEBI, RBI or any other regulatory body, then the debarment period or disciplinary action

should be over. In case of an Non Resident Indian, he or she shall confirm that he or she has not been restricted from accessing securities market by the country of jurisdiction where he or she resides. vi) Declaration from investor which will state that:

(i) he/she/it, is not a wilful defaulter as defined under Regulation 2(1 of SEBI (ICDR) Regulations, 2018.

(ii) he/she/it, is not a fugitive economic offender as defined under Regulation 2(1)(p) of SEBI (ICDR) Regulations, 2018.

(iii) he/she/it, is not in violation of Regulation 24 of SEBI (Delisting of Equity Shares) Regulation, 2009.

(iv) he/she/it, is not in violation of the restrictions imposed by SEBI under SEBI circular no. SEBI/HO/ MRD/DSA/CIR/P/2017/92 dated August 01, 2017.

(v) he/she/it, is in compliance with RBI regulations, if applicable.

(vi) that the investment in the Companies are in compliance with RBI norms, if applicable.

(vii) that the submissions made to the Exchange/Depository are true and correct and if found incorrect, the Exchange/Depository reserves the right to reject the application and take necessary action.

(viii) that in case of ineligibility due to change in the financial status of the Accredited Investor, he/she/it shall inform the Stock Exchange/Depository of such ineligibility.

II. In case of body corporate (including LLP)

i) Certificate of Incorporation.

ii) If the body corporate is registered with any regulatory body such as RBI, IRDA, etc., then certificate of such valid registration from such regulatory body.

iii) Copy of PAN card of body corporate.

iv) Copies of Financial Statements of last 3 financial years.

v) Copies of Income tax return of last 3 financial years.

vi) Certificate from statutory auditor of the body corporate stating net worth as on date of application. Working of Net worth shall be given as Annexure to the certificate.

vii) Certified copy of Board Resolution to make application for Accredited Investor as per IGP norms.

viii) Declaration from Managing Director/Designated Partner/authorized person that:

(i) the body corporate or its promoters/partners or directors are not wilful defaulter as defined under Regulation 2(1)(lll) of SEBI (ICDR) Regulations, 2018.

(ii) the promoters/partners or directors of the body corporate are not a fugitive economic offender as defined under Regulation 2(1)(p) of SEBI (ICDR) Regulations, 2018.

(iii) the body corporate or its promoters/partners or whole-time directors should not be in violation of the provisions of Regulation 24 of the SEBI Delisting Regulations, 2009.

(iv) the body corporate or its promoters/partners, its directors should not be in violation of the restrictions imposed by SEBI under SEBI circular no. SEBI/HO/ MRD/DSA/ CIR/P/2017/92 dated August 01, 2017.

(v) the body corporate is in compliance with RBI Regulations, if applicable.

(vi) that the investment made in the Companies are within the limit prescribed by the RBI and if investments exceed the prescribed limit, then approval of RBI for the same has been obtained, in case the same is applicable .

(vii) that the submissions made to the Exchange/Depository are true and correct and if

found incorrect, the Exchange/Depository reserves the right to reject the application and take necessary action.

(viii) that in case of ineligibility due to change in the financial status of the Accredited Investor, it shall inform the Stock Exchange/Depository of such ineligibility.

Circular No.: NSDL/ POLICY/2019/0029 May 9, 2019	***Subject: SEBI Circular on Performance review of Public Interest Directors (PIDs).*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/MRD/ DOP2DSA2/CIR/P/2019/26 dated February 5, 2019 regarding Performance review of Public Interest Directors (PIDs). Copy of the same is enclosed.

CIRCULAR

SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/26

February 5, 2019

To

All Stock Exchanges, Clearing Corporations and Depositories. Sir/ Madam,

Subject: Performance review of Public Interest Directors (PIDs)

1. In respect of Public Interest Directors (PIDs) appointed in the governing board of Stock Exchanges, Clearing Corporations and Depositories (herein after referred as Market Infrastructure Institutions or MIIs), SEBI Board, in its meeting dated June 21, 2018, *inter alia*, decided that the tenure of PIDs may be extended by another 3 years, subject to performance review in the manner specified by the Board.
2. Based on decisions taken by SEBI Board, the clauses relating to tenure of PID were amended and have been provided in the Regulation 24(3) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 [SECC Regulations, 2018] and Regulation 25(3) of SEBI(Depositories and Participants) Regulations, 2018 [SEBI(D&P) Regulations, 2018] as under:

   Public interest directors shall be nominated for a term of three years, extendable by another term of three years, <u>subject to performance review</u> in the manner as may be specified by the Board:

   Provided that post the expiry of term(s) at the recognized stock exchange or the recognized clearing corporation / depository, *a public interest director may be nominated for a further term of three years in other recognized clearing corporation or recognized stock exchange, or a depository, only after a cooling-off period of one year:*

   Provided further that a person may be nominated as a public interest director for a maximum of three terms across recognized stock exchanges / recognized clearing corporations / depositories, subject to a maximum age limit of seventy five years.
3. For complying with the aforementioned regulation, while developing a framework for performance review of PIDs, MIIs need to consider the following:

   a. Policy for Performance review of PIDs:

   i. The Nomination and Remuneration committee (NRC) of the MIIs will be responsible for framing the performance review policy for PIDs.

   ii. Such performance review policy shall include criteria for performance evaluation, methodology adopted for such evaluation and analyzing the results, amongst others.

   iii. Performance review policy of PID shall include scope for both internal evaluation as well as external evaluation.

   iv. Further, as performance review is not a static process and requires periodical review, NRC shall also be responsible for reviewing such performance review policy, at least once in 3 years.

v. Such performance review policy and changes made therein, shall be approved by the governing board of MII.

b. **Guiding criteria of Performance Review:**

As a part of framing performance review policy, NRC shall be primarily responsible for formulation of performance evaluation criteria. The criteria for performance review of PIDs, which shall be considered for both internal evaluation and external evaluation, may be framed by NRC taking into consideration guiding principles provided at **Annexure A.** These principles would serve as a guidance for MIIs and the same may be adopted by respective MIIs, as considered appropriate, with additional principles, if any.

c. **Evaluation mechanism:**

i. PIDs shall be subjected to internal evaluation as well as external evaluation, carrying equal weightage.

ii. Internal evaluation: All the governing board members shall evaluate the performance of each PID, on an annual basis at the end of every financial year.

iii. External evaluation: PIDs shall also be subject to external evaluation during their last year of the term in a MII, by a management or a human resources consulting firm. The consultant shall take into consideration the performance of the PID for the entire tenure served in a given MII, at least up to 4 months before expiry of his/ her term. In order to avoid any bias or conflict of interest, external consultant should not be a related party or associated with the MII, the concerned PID or any other governing board members.

iv. Such performance review should be carried out in fair & objective manner and the review should be recorded with clarity and verifiable facts in a standardized format covering all the relevant criteria / aspects.

v. While evaluating conflict of interest of a PID, the governing board of MII shall also take into consideration provisions of Clause 2(d) of Schedule II Part H of SECC Regulations, 2018 and Clause 2(d) of Schedule II Part C of SEBI (D&P) Regulations, 2018 under the head 'Public Interest Director'; and conflict of interest, if any, of any PIDs should be disclosed to SEBI by the governing board with their comments/ views.

d. **Disclosure:** Performance evaluation criteria for PIDs shall be disclosed in their annual report as well as on the website of the concerned MII.

e. **Recommendation to SEBI:** After taking into account the performance of a PID in the concerned MII, on the basis of internal evaluation and external evaluation both carrying equal weightage, NRC shall consider and recommend extension of his / her tenure to the Governing Board of the MII. The Governing Board of the MII shall in-turn consider and recommend to SEBI if the tenure of the PID is desired to be extended by another term of three years.

f. In addition to the other requirements prescribed in performance review policy of the MIIs along-with norms specified in SECC Regulations, 2018 and SEBI (D&P) Regulations, 2018, the following may be considered by NRCs of MIIs:

i. It shall be ensured that the concerned PID hasn't remained absent for three consecutive meetings of the governing board and has attended seventy five per cent of the total meetings of the governing board in each calendar year; failing which PID shall be liable to vacate office.

ii. It shall be ensured that PIDs in the governing boards of MIIs are selected from diverse fields of work, in terms of their qualification and experience.

4. The application for extension of term of a PID shall be accompanied with the attendance details of PID in the meetings of various mandatory committees and of the governing board of the MII along-with specific reasons for seeking extension of his / her term as a PID. Such specific reasons shall include facts such as whether the concerned PID, during the term served, had identified any important issues concerning any matter which may involve conflict of interest, or have significant impact on functioning of MII, or may not be in the interest of securities market as a whole, and whether the PID had reported the same to SEBI.
5. In terms of SECC Regulations, 2018 and SEBI (D&P) Regulations, 2018, it is clarified that a minimum of two names shall be submitted by MIIs at the time of making request for appointment of PID and extension of the term of existing PID, including appointment of PID for the purpose of broad basing the governing board, against each such vacancy.
6. It is clarified that the aforementioned norms specify the minimum requirements that have to be complied with by MIIs, however the NRCs of MIIs may adopt additional and more stringent norms while framing a policy for performance review of PIDs. With regard to the detailed criteria for performance evaluation, as provided in Annexure A to the circular, the same shall serve as an illustrative guide for MIIs to frame performance evaluation criteria -both for internal as well as external evaluation, and the same may be adopted by MIIs as considered appropriate, with additional criteria, if any.
7. Additionally, with regard to tenure of PID, following is clarified:
   a. The term of existing PIDs serving in a MII for more than three years, can be extended, subject to his / her performance review and a maximum tenure of 6 years as PID in that particular MII.
   b. The term of existing PIDs, that have already served for six years or more in a single MII, shall not be eligible for further extension in that MII.
8. MIIs are directed to:
   c. take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;
   d. disseminate the provisions of this circular on their websites; and
   e. communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Report.

9. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 and Section 19 of the Depositories Act, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
10. This circular is available on SEBI website at www.sebi.gov.in at "Legal Framework—Circulars".

Yours faithfully,

Bithin Mahanta
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Annexure A to the circular

Guide for MIIs to frame criteria for performance review of PIDs:

a. ***Qualifications:*** The PID's qualification in area of law, finance, accounting, economics, management, administration or an other area relevant to the financial markets, including any recent updates in this regard.

b. ***Experience:*** The PID's prior experience in area of law, finance, accounting, economics, management, administration or any other area relevant to the financial markets, including any recent updates in this regard.

c. ***Knowledge and Competency:***

- Whether the PID has sufficient understanding and knowledge of the entity in which it operates and the applicable regulatory norms.
- Whether the PID has sufficient understanding of the role, responsibilities and obligations of PID under the relevant regulatory norms.
- How the PID fares across different competencies as identified for effective functioning of Board of the concerned MII (The MII may list various competencies and mark all PIDs against every such competency e.g. Constructive and analytical decision making abilities).
- Whether the PID has sufficient understanding of the risk attached with the business structure.

d. ***Fulfilment of functions:***

- Whether the PID understands and fulfils the functions as assigned to him/her by the Board and the regulatory norms.
- Whether the PID gives views and opinion on various regulatory matters when comments are invited by SEBI through various means.

e. ***Ability to function as a team:***

- Whether the PID is able to function as an effective team- member.
- Whether the PID listens attentively to the contributions of others and gives adequate weightage to the views and perception of other Board members.
- Whether the PID shares good interpersonal relationship with other directors.

f. ***Initiative:***

- Whether the PID actively takes initiative with respect to various areas.
- Whether the PID insists on receiving information necessary for decision making.
- Whether the concerned PID keeps himself well informed about the functioning of MII and the external environment in which it operates.
- Whether the PID remains updated in terms of developments taking place in regulatory areas.
- Whether the PID has identified any important issues concerning any matter which may involve conflict of interest for the concerned MII, or may have significant impact on their functioning, or may not be in the interest of securities market, and whether the PID reported same to SEBI.
- Whether the PID appropriately deals with critical matters.

g. ***A vailability and attendance:***

- Whether the PID is available for meetings of the Board and attends the meeting of Governing board and Committees regularly and timely, without delay. It must be ensured that the concerned PID hasn't remained absent for three consecutive meetings of the governing board and has attended seventy five per cent of the total meetings of the governing board in each calendar year; failing which the PID shall be liable to vacate office.

h. ***Commitment:*** Whether the PID is adequately committed to the Board and the MII.

i. ***Contribution:***

- Whether the PID has contributed effectively to the entity and in the Board meetings.

- Whether the PID participates in the proceedings of Board meetings keeping in mind the interests of various stakeholders.
- Whether the PID actively deliberates and contributes on proposed business propositions and strategic decisions taking into consideration pros and cons of such propositions, long term outlook, business goals, cost-benefit analysis, etc.

j. ***Integrity:***

- Whether the PID demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).
- Whether the PID strictly adhere to the provisions of the SEBI SECC Regulations, 2018, SEBI (D &P) Regulations, 2018 and any other regulatory provision, as applicable, along-with the code of conduct and code of ethics prescribed under other applicable regulatory norms.
- Whether disclosures such as dealing in securities and other regulatory disclosures are provided by the PID on timely basis.
- Confirmation on the PID being a Fit & Proper person.
- Confirmation that the PID doesn't disclose confidential information, including technologies, unpublished price sensitive information, unless such disclosure is expressly approved by the Board of directors or required under the applicable laws.

k. ***Independence:***

- Whether the PID is independent from the entity and the other directors and there is no conflict of interest.
- Confirmation as to non-association of the PID with relevant MII and its member.
- Whether the PID keeps regulators informed of material developments in the concerned MIIs functioning, from time to time.

l. ***Independent views and judgment:***

- Whether the PID exercises his/ her own judgment and voices opinion freely.
- Whether the PID's participation in decisions taken during meetings are unbiased, based on ethical judgment and are in strict conformity to the applicable regulatory norms.
- Whether the PID is committed to ensure that there is fairness and integrity in MIIs system, in letter as well as spirit.

Circular No.: NSDL/ POLICY/2019/0027 May 8, 2019	***Subject: SEBI Circulars on Committees at Market Infrastructure Institutions.*** Attention of Participants is invited to SEBI Circular nos. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 and SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/31 dated January 10, 2019 and February 15, 2019 respectively regarding Committees at Market Infrastructure Institutions. Copies of the same are enclosed.

CIRCULAR

SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/31

February 15, 2019

To

All Stock Exchanges, Clearing Corporations and Depositories. Sir/ Madam,

Subject: Advisory Committee at Market Infrastructure Institutions (MIIs)

1. SEBI, vide circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, *inter alia* provided functions, composition and quorum of the seven statutory committees at Market Infrastructure Institutions (MIIs).

2. Clause 6 of the aforesaid circular provides the overarching principles for composition and quorum of the statutory committee at MIIs, which is applicable to all committees at MIIs with an exception for Investor Grievance Redressal Committee (IGRC). This clause mainly prescribes that the number of PIDs shall not be less than the total of number of other members put together for the composition of the committees, quorum for the meeting of the committees and for validity of voting on a resolution in the meeting of the committee.
3. Based on representations received and the fact that the Advisory committee is the only committee wherein trading members, clearing members and depository participants can provide their suggestions to the concerned MIs on non-regulatory and operational matters, it has been decided that Clause 6 of the aforementioned circular shall not be applicable to the advisory committee at MIIs towards enabling wider participation of members of MIIs in the said advisory committee.
4. Accordingly, in partial modification to SEBI circular no. SEBI/HO/MRD/DOP2DSA2/ CIR/P/2019/13 dated January 10, 2019:
   a. Clause 6 of the aforementioned circular shall also not be applicable to Advisory Committee, along-with IGRC.
   b. Also the below stated clause provided in composition of advisory committee, at point A(5), B(5) and C(5) of the Annexure to the circular dated January 10, 2019, shall stand deleted:

   'The number of PIDs shall not be less than the total of number of shareholder directors and trading members / clearing members / depository participants [as applicable] put together[1].
5. MIIs are directed to:
   a. take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;
   b. bring the provisions of this circular to the notice of their members and also disseminate the same on their websites; and
   c. communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Report.
6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 and Section 19 of the Depositories Act, 1996, to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market.

This circular is available on SEBI website at www.sebi.gov.in at "Legal Framework— Circulars".

Yours faithfully

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CIRCULAR

SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13

January 10, 2019

To

All Stock Exchanges, Clearing Corporations and Depositories.

Sir/ Madam,

Subject: Committees at Market Infrastructure Institutions (MIIs)

1. The erstwhile Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 [SECC Regulations, 2012] and SEBI(Depositories and Participants) Regulations, 1996 [SEBI (D&P) Regulations, 1996], read-with circulars issued thereunder, prescribed Stock Exchanges, Clearing Corporations and Depositories (herein after referred as Market Infrastructure Institutions or MIIs) to constitute various committees in order to ensure effective oversight on the functioning of MIIs.
2. Based on decisions taken by SEBI Board in its meeting dated June 21, 2018, *inter alia* related to rationalization of statutory committees at MIIs, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 [SECC Regulations, 2018] and SEBI (Depositories and Participants) Regulations, 2018 [SEBI (D&P) Regulations, 2018], were notified on October 3, 2018 and the SECC Regulations, 2012 and SEBI (D&P) Regulations, 1996 were repealed.
3. Given that the scope of work of some of the committees at MIIs were inter-related and overlapping, SEBI Board, in its meeting dated June 21, 2018, *inter alia* decided to rationalize the constitution of existing regulatory committees at MIIs.
4. Accordingly, in respect of statutory committees at MIIs, the Regulation 29 of SECC Regulations, 2018 & Regulation 30 of SEBI (D&P) Regulations, 2018, reads as under:

   (1) Every recognised stock exchange /recognized clearing corporation or depositories [as applicable], shall constitute the committees as per sub-regulation (2) and sub-regulation (3).

   (2) Functional committee, comprising:

   a. Member selection committee;

   b. Investor grievance redressal committee; and

   c. Nomination and remuneration committee.

   (3) Oversight committees, comprising:

   a. Standing committee on technology;

   b. Advisory committee;

   c. Regulatory oversight committee; and

   d. Risk management committee.

   (4) The composition, quorum and functions of the committees under sub-regulation (2) and sub-regulation (3) of these regulations shall be in the manner as specified by the Board from time to time.
5. Considering that the committees at MIIs have been rationalised into aforementioned seven committees, based on consultation with MIIs, it has been decided that the functions of these seven committees, along-with the detailed composition of each committee shall be as provided at **Annexure A.**
6. Further, while the aforementioned annexure provides for the composition that is specific to each statutory committee at MII, the overarching principles for composition and quorum of the statutory committee at MIIs shall be as under, which shall be applicable to all committees with an exception for Investor Grievance Redressal Committee (IGRC):

   a. On each committees at MIIs, except IGRC, the number of Public Interest Directors (PIDs) shall not be less than the total of number of shareholder directors, Key Management Personnel (KMPs), independent external persons, etc. put together, wherever shareholder directors, KMPs, independent external persons, etc. are part of the concerned committee.

   b. PID shall be chairperson of each committee at MII.

   c. To constitute the quorum for the meeting of the MII committee, the number of PIDs on each of the committees at MIIs shall not be less than total number of other members (shareholder directors, KMPs, independent external persons, etc. as applicable) put together.

d. The voting on a resolution in the meeting of the committees at MIIs shall be valid only when the number of PIDs that have cast their vote on such resolution is equal to or more than the total number of other members (shareholder directors, KMPs, independent external persons, etc., as applicable) put together who have cast their vote on such resolution.

e. The casting vote in the meetings of the committees shall be with the chairperson of the committee.

f. Apart from that specifically provided in the Annexure, whenever required, a committee may invite Managing Director, other relevant KMPs and employees of the MII. However such invitee shall not have any voting rights.

As regards the composition and quorum of IGRC, the same shall be as prescribed in the enclosed Annexure A.

7. Further, MIIs are directed to adhere to the following:

a. Over and above the statutory committees mentioned at point 4 above, the committees that are mandated by relevant law for listed companies shall apply *mutatis mutandis* to MIIs.

b. MIIs shall lay down policy for the frequency of meetings, etc., for the statutory committees.

c. PIDs in Committees at MIIs:

i. SECC Regulations 2018 and SEBI (D&P) Regulations 2018 prescribe that a PID on the board of a MII shall not act simultaneously as a member on more than five committees of that MII.

ii. It is clarified that the above limitation on maximum number of committees that a PID can be member of, shall be applicable only to statutory committees prescribed by SEBI under SECC Regulations 2018 and SEBI (D&P) Regulations, 2018, and circulars issued thereunder. The said requirement shall not be applicable to committees constituted under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), 2015, amongst others.

iii. In case of non-availability of adequate number of PIDs in a MII, the relevant MII shall take steps to induct more PIDs in order to fulfil the requirement of composition of committees within a MII.

d. Meeting of PIDs:

i. As per code of conduct for PIDs provided in SECC Regulations 2018 & SEBI (D&P) Regulations 2018, the PIDs shall be required to meet separately every six months. It is added that all the PIDs shall necessarily attend all such meetings of PIDs

ii. The objective of such meetings, shall include *inter alia* reviewing the status of compliance with SEBI letters/ circulars, reviewing the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions, etc. PIDs shall also prepare a report on the working of the committees of which they are member and circulate the same to other PIDs. The consolidated report in this regard shall be submitted to the governing board of the MIIs. Further, PIDs shall identify the important issues which may involve conflict of interest for the MII or may have significant impact on the market and report the same to SEBI, from time to time.

e. Independent external persons in committees at MIIs:

i. The independent external persons forming a part of committees shall be from amongst the persons of integrity, having a sound reputation and not having any conflict of interest. They shall be specialists in the field of work assigned to the committee; however they shall not be associated in any manner with the relevant MII and its members.

ii. MIIs shall frame the guidelines for appointment, tenure, code of conduct, etc., of independent external persons. Extension of the tenure may be granted to independent external persons at the expiry of the tenure, subject to performance review in the manner prescribed by SEBI for PIDs. Further, the maximum tenure limit of Independent external persons in a committee

of MII shall be at par with that of PIDs, as prescribed under Regulation 24(3) of the SECC regulations 2018.

8. On the aspect related to commencement of operations by a newly recognised Stock exchange/ Clearing Corporation, it has been decided that the recognised stock exchange after grant of recognition can commence trading operations with a minimum of 25 trading members, in place of earlier requirement of minimum of 50 trading members. Similarly, a newly recognised clearing corporation can now commence clearing and settlement operations with a minimum of 10 clearing members, in place of earlier requirement of minimum of 25 clearing members.

9. As stated in Regulation 52 (1) of SECC Regulations, 2018, SEBI circular no. CIR/MRD/DSA/33/2012 dated December 13, 2012 and circular no. SEBI/HO/MRD/DSA/CIR/P/2016/30 dated January 22, 2016 stand repealed with the issuance of this circular. Further, following circulars stand partially amended as under:

   a. Clause 2 & 3 of SEBI circular no. CIR/MRD/DMS/ 03 /2014 dated January 21, 2014 on functions and composition of IT strategy committee of depositories, stands rescinded.

   b. Clause 3 of SEBI circular no. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017 and Clause no. 2 (B) of SEBI circular no. CIR/CDMRD/DEICE/CIR/P/2017/77 dated July 11, 2017 providing for composition and functions of former committees of MIIs, stands rescinded.

   c. Clause 5 of SEBI circular no. CIR/MRD/DP/ 1 /2015 dated January 12, 2015 on Risk management policy at depositories may be read as under:

      " The Depositories shall put in place mechanism to implement the Risk Management Framework through a Risk Management Committee which shall be headed by a Public Interest Director (PID)." Further, the responsibilities of the committee and other requirements of the circular, as provided in the said circular shall continue to be applicable to depositories.

   d. In SEBI circular no. SEBI/HO/CDMRD/DMP/CIR/P/2016/103 dated September 27, 2016, references to 'Risk management committee' shall be replaced with 'Membership selection committee'.

10. The MIIs shall submit a confirmation report to SEBI with regard to the formation and composition of the Committees listed out in the Annexure A and compliance with other norms prescribed in the circular, at the earliest but not later than three months from the date of this circular.

11. MIIs are directed to:

   a. take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;

   b. bring the provisions of this circular to the notice of their members and also disseminate the same on their websites; and

   c. communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Report.

12. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 and Section 19 of the Depositories Act, 1996, to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market.

This circular is available on SEBI website at www.sebi.gov.in at "Legal Framework— Circulars".

Yours faithfully

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Annexure A

A. Mandatory Committees for Stock Exchanges:

Sr no.	Name of Committee	Brief terms of reference	Composition
(I) Functional Committees:			
1.	**Member Selection Committee**	• To scrutinize, evaluate, accept or reject applications for admission of members and transfer of membership and approve voluntary withdrawal of membership. • Formulate the policy for regulatory actions including warning, monetary fine, suspension, withdrawal of trading, declaring a member as defaulter, expulsion, to be taken for various violations by the members of the exchange. • Based on the laid down policy, consider the cases of violations observed during inspection, etc. and impose appropriate regulatory measures on the members of the exchange. • While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the 'Principles of natural justice'. • Realize all the assets / deposits of the defaulter/expelled member and appropriate the same amongst various dues and claims against the defaulter/ expelled member in accordance with the Rules, Byelaws and Regulations of the Exchange • In the event both the clearing member and the constituent trading member are declared defaulter, then the membership selection committee of the stock exchange and that of the clearing corporation shall work together to realise the assets of both the clearing member and the trading member.	• A maximum of two Key Management Personnel (KMPs) of the exchange can be on the committee one of which shall necessarily be the Managing Director of the stock exchange. • The committee may also include independent external persons. • SEBI may nominate members in the Committee, if felt necessary in the interest of securities market. • The number of PIDs shall not be less than the total of number of shareholder directors, KMPs and independent external persons put together.
		• Admission or rejection of claims of client/ trading members/clearing members over the assets of the defaulter/expelled member. • Recommendation in respect of the claims to the Trustees of the IPF on whether the claim is to be paid out of IPF or otherwise. • To oversee contribution towards Core Settlement Guarantee Fund (SGF) of the Clearing Corporation	

2.	**Investor Grievance Redressal Committee (IGRC)**	• Dealing with the complaints referred to it by the stock exchange, hear the parties and resolve their complaints.	• The IGRC shall comprise of a single person for claims up to Rs. 25 Lakh, whereas, for claims above Rs. 25 Lakh, the IGRC shall comprise of three persons • The IGRC shall comprise of independent external persons with qualifications in the area of law, finance, accounts, economics, management or administration and experience in financial services, including securities market. • Further, the three member Committee shall comprise of at least one technical expert for handling complaints related to technology issues (such as internet based trading, algorithmic trading, etc.). • The members of IGRC shall not be associated with a trading member in any manner. • The disclosures and code of conduct prescribed under para 3.4 and 4 of SEBI circular Ref. No. CIR/MRD/DSA/24/2010 dated August 11, 2010, shall be applicable, as far as may be, to members of IGRC also.
3.	**Nomination & Remuneration Committee**	• Identifying a Key management personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018. • Laying down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI. • Determining the compensation of KMPs in terms of the compensation policy • Determining the tenure of a key management personnel, other than a director, to be posted in a regulatory department. • Selecting the Managing Director • Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director (PID).	• The Committee shall include only public interest directors. • However, independent external persons may be part of the committee for the limited purpose of recommendation relating to selection of Managing Director; wherein the number of PIDs shall not be less than the independent external persons.
		• Recommending whether to extend the term of appointment of the PID. • Besides the above, it will also discharge the function as Nomination & Remuneration Committee under the Companies Act, 2013 and SEBI (LODR) regulations, 2015 as amended from time to time.	

(II) Oversight Committees			
4.	**Standing Committee on Technology**	• Monitor whether the technology used remains up to date and meets the growing demands of the markets. • Monitor the adequacy of systems capacity and efficiency. • To look into the changes being suggested by the exchange to the existing software/ hardware. • Investigate into problems of computerized trading system, such as hanging/ slowdown/ breakdown. • Ensure that transparency is maintained in disseminating information regarding slowdown/ breakdown in Online Trading System. • Submit a report to the Governing Board, who shall deliberate on the report and take suitable action/ remedial measure. • Explain any stoppage beyond five minutes and report to the Board. The Exchange shall also issue a press release specifying the reasons for the breakdown. • Review the implementation of board approved cyber security and resilience policy and its framework • Such other matters as may be referred by the Governing Board of exchange and/or SEBI.	• The Committee shall include at least two independent external persons proficient in technology. • The number of PIDs shall not be less than the total of number of shareholder directors and independent external persons put together.
5.	**Advisory Committee**	• Advise the governing board on non-regulatory and operational matters including product design, technology, charges and levies.	• The number of PIDs shall not be less than the total of number of shareholder directors and trading members put together. • The Committee shall include trading members of the stock exchange. • The chairperson of the governing board shall be the head of the advisory committee. • The managing director shall be a permanent invitee to every meeting of the advisory committee.

6.	**Regulatory Oversight Committee**	• Oversee matters related to member regulation such as admission of members, inspection, disciplinary action, etc. • Oversee SEBI inspection observations on membership related issues. • Estimate the adequacy of resources dedicated to member regulation. • Oversee matters related to listing of securities such as admission of securities for trading, suspension/revocation, etc. • Oversee SEBI inspection observations on listing related issues. • Estimate the adequacy of resources dedicated to listing related function. • Oversee trading and surveillance related functions such as monitoring of market through order and trade level alerts, security level alerts, processing of alerts, price band changes, rumour verifications, shifting of securities to trade for trade segment, action against listed companies as a part of Surveillance Action, detailed investigations undertaken, disciplinary actions, etc., as may be applicable to the relevant segments of the exchange • Oversee SEBI inspection observations on surveillance related issues and also decisions taken in the periodic surveillance meeting at SEBI. • Estimate the adequacy of resources dedicated to trading and surveillance function. • Oversee matters related to product design and review the design of the already approved and running contracts. • Oversee SEBI inspection observation on Product Design related issues. • Estimate the adequacy of resources dedicated to Product design related function. • Review the actions taken to implement the suggestions of SEBI's Inspection Reports, place the same before the Governing Board of the stock exchange • To follow up, ensure compliance/ implementation of the inspection observations. • Supervising the functioning of Investors Services Cell of the exchange, which includes review of complaint resolution process, review of complaints remaining unresolved over long period of time, estimate the adequacy of resources dedicated to investor services, etc. • Supervise Investor Service Fund, including its utilization • Annual review of arbitrators and arbitration awards (both quantum and quality of the awards).	• The committee shall comprise of public interest director and independent external persons. • The number of PIDs shall not be less than the total of number of independent external persons put together. • Also shareholder director and key management personnel may be invitee to the committee.

		• Lay down procedures for the implementation of the Ethics Code • Prescribe reporting formats for the disclosures required under the Ethics Code. • Oversee the implementation of the code of ethics. • Periodically monitor the dealings in securities of the Key Management Personnel • Periodically monitor the trading conducted by firms/corporate entities in which the directors hold twenty percent or more beneficial interest or hold a controlling interest. • Monitor implementation of SECC Regulations and other applicable rules and regulations along-with SEBI Circulars and other directions issued thereunder • Review the fees and charges levied by the exchange • The head(s) of department(s) handling above matters shall report directly to the committee and also to the managing director. Any action against the head(s) of dept. shall be subject to an appeal to the committee, within such period as may be determined by the governing board.	
7.	**Risk Management Committee**	• To formulate a detailed risk management policy which shall be approved by the governing board. • To review the Risk Management Framework & risk mitigation measures from time to time. • To monitor and review enterprise-wide risk management plan and lay down procedures to inform Board members about the risk assessment and minimization procedures. • The head of the risk management department shall report to the risk management committee and to the managing director of the exchange. • The risk management committee shall monitor implementation of the risk management policy and keep the Board and the governing board informed about its implementation and deviation, if any.	• The risk management committee shall comprise only of the public interest directors and independent external persons, and shall report to the Governing Board. • The number of PIDs shall not be less than the total of number of independent external persons.
B. Mandatory Committees for Clearing Corporations:			
Sr no.	**Name of Committee**	**Brief terms of reference**	**Composition**
(I) **Functional Committees:**			
1.	**Membership Selection Committee**	• To scrutinize, evaluate, accept or reject applications for admission of members and transfer of membership and approve voluntary withdrawal of membership. • Also in case of clearing corporations with commodity segment, the committee shall also look into:	• A maximum of two key management personnel of the clearing corporation shall be on the committee one of which shall necessarily be the Managing Director of the clearing corporation. • The committee may also include independent external persons.

		o Approving enplanement & cancellation of Warehouse Service Providers/Vault Service Providers /Assayers, accreditation of warehouse, etc. o Reviewing the continuous functioning, monitoring, and compliance of norms by Warehouse Service Providers, Vault Service Providers and assayers. • Formulate policy for regulatory actions, including warning, monetary fine, suspension, deactivation of terminal, declaring a member as defaulter , expulsion, to be taken for various violations by the members of the clearing corporation. • Based on the laid down policy, the Committee shall consider the cases of violations observed during inspection, etc. and impose appropriate regulatory measure on the members of the clearing corporation. • While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the 'Principles of natural justice'. • Realize the assets / deposits of defaulter/ expelled member and appropriate amongst various dues and claims against the defaulter/ expelled member in accordance with the Rules, Byelaws and Regulations of the Clearing corporation • Admission /rejection of claims against such members over the assets of the defaulter/ expelled member. • To manage the Core Settlement Guarantee Fund (Core SGF) of the clearing corporation, including its investments as per norms laid down and ensure proper utilization of Core SGF.	• SEBI may nominate members in the Committee, if felt necessary in the interest of securities market. • The number of PIDs shall not be less than the total of number of shareholder directors, KMPs and independent external persons put together.
2.	**Investor Grievance Redressal Committee (IGRC)**	• To deal with the complaints referred to it by the Clearing Corporation, hear the parties and resolve their complaints / disputes.	• The IGRC shall comprise of a single person for claims up to Rs. 25 Lakh, whereas, for claims above Rs. 25 Lakh, the IGRC shall comprise of three persons • The IGRC shall comprise of independent external persons with qualifications in the area of law, finance, accounts, economics, management or administration and experience in financial services, including securities market.

			• The members of IGRC shall not be associated with a clearing member in any manner. • The disclosures and code of conduct prescribed under para 3.4 and 4 of SEBI circular Ref. No. CIR/MRD/DSA/24/2010 dated August 11, 2010, shall be applicable, as far as may be, to members of IGRC also.
3.	**Nomination and Remuneration Committee**	• Identifying a Key management personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018. • Lay down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI. • Determining the compensation of KMPs in terms of the compensation policy • Determining the tenure of a key management personnel, other than a director, to be posted in a regulatory department. • Selecting the Managing Director • Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director (PID). • Recommending whether to extend the term of appointment of the PID. • Besides the above, it will also discharge the function as Nomination & Remuneration Committee under the Companies Act, 2013 and SEBI (LODR) regulations, 2015 as amended from time to time.	• The Committee shall include only public interest directors. • However, independent external persons may be part of the committee for the limited purpose of recommendation relating to selection of Managing Director; wherein the number of PIDs shall not be less than the independent external persons.
(II) Oversight Committees			
4.	**Standing Committee on Technology**	• Monitor whether the technology used by the clearing corporation remains up to date and meets the growing demands. • Monitor the adequacy of system capacity and efficiency. • Look into the changes being suggested to the existing software/hardware. • Investigate into the problems computerised risk management / clearing & settlement system, such as hanging/ slowdown/ breakdown. • Ensure that transparency is maintained in disseminating information regarding slowdown/break down risk management / clearing & settlement system	• The Committee shall include at least two independent external persons proficient in technology. • The number of PIDs shall not be less than the total of number of shareholder directors and independent external persons put together.

		• The Committee shall submit a report to the Governing Board of the clearing corporation. The Board will deliberate on the report and suitable action/ remedial measure will be taken. • Any stoppage beyond five minutes will be explained and reported to the Board. The Clearing Corporation shall issue a press release specifying the reasons for the breakdown. • Review the implementation of board approved cyber security and resilience policy and its framework • Such other matters in the scope as may be referred by the Governing Board of the Clearing Corporation and/or SEBI.	
5.	**Advisory Committee**	Advise the governing board on non-regulatory and operational matters including product design, technology, charges and levies.	• The Committee shall comprise of clearing members of the clearing corporation. • The chairperson of the governing board shall be the head of the advisory committee • The managing director shall be a permanent invitee to every meeting of the advisory committee. • The number of PIDs shall not be less than the total of number of shareholder directors, and clearing members put together
6.	**Regulatory Oversight Committee**	• Oversee matters related to member regulation such as admission of members, inspection, disciplinary action, etc. • Oversee SEBI inspection observations on membership related issues. • Estimate adequacy of resources dedicated to member regulation • Monitor the disclosures made under Reg.35 of SCR(SECC) Regulations, 2018 • Review the actions taken to implement the suggestions of SEBI's Inspection Reports and place it before the Board of Clearing Corporation • To follow up and ensure compliance/ implementation of the inspection observations. • Supervising the functioning of Investors' Services Cell of the Clearing Corporation which includes review of complaint resolution process, review of complaints unresolved over long period of time, estimate the adequacy of resources dedicated to investor services, etc. • Lay down procedures for the implementation of the Code Prescribe reporting formats for the disclosures required under the Code. • Oversee the implementation of the code of ethics.	• The committee shall comprise of public interest director and independent external persons. • The number of PIDs shall not be less than the number independent external persons. • Also shareholder director and key management personnel may be invitee to the committee.

		• To periodically monitor the dealings in securities of the Key Management Personnel • To periodically monitor the trading conducted by firms/corporate entities in which the directors hold twenty percent or more beneficial interest or hold a controlling interest. • Reviewing the fees and charges levied by a Clearing Corporation • Monitoring implementation of SECC Regulations and other applicable rules and regulations along-with SEBI Circulars and other directions issued thereunder • The head(s) of department(s) handling the above matters shall report directly to the committee and also to the managing director. • Any action of a recognized clearing corporation against the aforesaid head(s) shall be subject to an appeal to the committee, within such period as may be determined by the governing board	
7.	**Risk Management Committee**	• To formulate a detailed risk management policy which shall be approved by the governing board. • To review the Risk Management Framework & risk mitigation measures from time to time. • To monitor and review enterprise-wide risk management plan and lay down procedures to inform Board members about the risk assessment and minimisation procedures • The head of the risk management department shall report to the risk management committee and to the managing director of the Clearing Corporation • The risk management committee shall monitor implementation of the risk management policy and keep the Board and the governing board informed about its implementation and deviation, if any.	• The risk management committee shall comprise of the public interest directors and independent external persons, and shall report to the Governing Board. • The number of PIDs shall not be less than the number independent external persons.
C. Mandatory Committees for Depositories:			
Sr no.	**Name of Committee**	**Brief terms of reference**	**Composition**
(I) FUNCTIONAL COMMITTEES :			
1	**Member Selection**	• To scrutinize, evaluate, accept or reject applications for admission of members, transfer of membership as well as approve voluntary withdrawal of membership. • Formulate policy to deal with any disciplinary matters relating to the Participants, Clients, Issuer or its Registrar and Transfer Agent, Clearing Members, Clearing Corporations and other users. This shall include termination / disciplinary action against participants, suspending, expelling or imposing penalty on	• A maximum of two key management personnel of the depositories can be on the committee one of which shall necessarily be the Managing Director of the depositories. • The committee may also include independent external persons. • SEBI may nominate members in the Committee, if felt necessary in the interest of securities market

		the participant, freezing the account of the participant, among others. • Based on the laid down policy, consider the cases of violations observed during inspection, etc. and impose appropriate regulatory measure on the members of the depositories. • While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the 'Principles of natural justice'.	• The number of PIDs shall not be less than the total of number of shareholder directors, KMPs and independent external persons put together.
2	**Investor Grievance Redressal Committee**	• Deal with the complaints referred to it by the depositories, hear the parties and resolve their complaints.	• The IGRC shall comprise of a single person for claims up to Rs. 25 Lakh, whereas, for claims above Rs. 25 Lakh, the IGRC shall comprise of three persons • The IGRC shall comprise of independent external persons with qualifications in the area of law, finance, accounts, economics, management or administration and experience in financial services, including securities market. • The members of IGRC shall not be associated with a depository participant in any manner. • The disclosures and code of conduct prescribed under para 3.4 and 4 of SEBI circular Ref. No. CIR/MRD/DSA/24/2010 dated August 11, 2010, shall be applicable, as far as may be, to members of IGRC also.
3	**Nomination and Remuneration Committee**	• Identifying a Key management personnel, other than personnel as specifically provided in its definition under SEBI (D&P) Regulations, 2018. • Lay down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI. • Determining the compensation of KMPs in terms of the compensation policy • Determining the tenure of a key management personnel, other than a director, to be posted in a regulatory department. • Selecting the Managing Director • Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director (PID). • Recommending whether to extend the term of appointment of the PID. • Besides the above, it will also discharge the function as Nomination & Remuneration Committee under the Companies Act, 2013 and SEBI (LODR) regulations, 2015 as amended from time to time.	• The Committee shall include only public interest directors. • However, independent external persons may be part of the committee for the limited purpose of recommendation relating to selection of Managing Director; wherein the number of PIDs shall not be less than the independent external persons.

(II) OVERSIGHT COMMITTEES :			
4	**Standing Committee on Technology**	• Monitor whether the technology used by the depository remains up to date and meets the growing demands • Monitor the adequacy of system capacity and efficiency • Look into the changes being suggested to the existing software/hardware • Investigate into the problems computerised depository system, such as hanging/ slowdown/ breakdown. • Ensure that transparency is maintained in disseminating information regarding slowdown/break down in the depository system • The Committee shall submit a report to the Governing Board of the depository. The Board will deliberate on the report and suitable action/ remedial measure will be taken. • Explain any system outage related incidents to the governing board. • Review the implementation of board approved cyber security and resilience policy and its framework • Such other matters in the scope as may be referred by the Governing Board of the depository and/or SEBI.	• The Committee shall include at least two independent external persons proficient in technology. • The number of PIDs shall not be less than the total of number of shareholder directors and independent external persons put together.
5	**Advisory Committee**	• To advise the Depository on non-regulatory and operational matters including technology, charges and levies, amongst others	• The number of PIDs shall not be less than the total of number of shareholder directors and depository participants put together. • The Committee shall comprise of depository participants of the depository. • The chairperson of the governing board shall be the head of the advisory committee • The managing director shall be a permanent invitee to every meeting of the advisory committee
6	**Regulatory Oversight Committee**	• To lay down procedures for the implementation of the Code of Ethics and prescribe the reporting formats for the disclosure required under the Code of Ethics • To oversee the implementation of the Code of Ethics • To periodically monitor the dealings in securities of the Key Management Personnel • To periodically monitor the trading conducted by firms/corporate entities in which the directors hold twenty percent or more beneficial interest or hold a controlling interest.	• The committee shall comprise of public interest director and independent external persons. • The number of PIDs shall not be less than the total of number of independent external persons put together. • Also shareholder director and key management personnel may be invitee to the committee.

		• To consider and decide on the criteria for admission, withdrawal of securities and continuous compliance requirements • To declare any security admitted into Depository as ineligible • To review complaint resolution process and status of redressal of grievances of demat account holders, depository participants, Issuers / RTAs with respect to depository operations. This shall include review of complaints remaining unresolved over long period of time, estimate the adequacy of resources, amongst others. • Annual review of arbitrators and arbitration awards (both quantum and quality of the awards). • To monitor compliance with SEBI (Depositories and Participants) Regulations, 2018 as amended from time to time and other applicable rules and regulations along-with SEBI Circulars and other directions issued thereunder. • To review the fees and charges levied by the Depository. • Review the actions taken to implement the suggestions of SEBI's Inspection Reports, place the same before the Governing Board of the depository • To follow up and ensure compliance/ implementation of the inspection observations	
7	**Risk Management Committee**	• To formulate a detailed risk management policy which shall be approved by the governing board. • To review the Risk Management Framework & risk mitigation measures from time to time. • To monitor and review enterprise-wide risk management plan and lay down procedures to inform Board members about the risk assessment and minimisation procedures. • The head of the risk management department shall report to the risk management committee and to the managing director of the depository. • The risk management committee shall monitor implementation of the risk management policy and keep the Board and the governing board informed about its implementation and deviation, if any. • Responsibilities and other requirements provided in SEBI circular Jan. 12, 2015	• The risk management committee shall comprise only of the public interest directors and independent external persons, and shall report to the Governing Board. • The number of PIDs shall not be less than the total of number of independent external persons.

Circular No.: NSDL/ POLICY/2018/0065 Date: November 12, 2018	***Subject: SEBI Circular on streamlining the process of public issue of equity shares and convertibles.*** Attention of Participants is invited to SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 regarding streamlining the process of public issue of equity shares and convertibles. Participants are requested to take note of the above.

CIRCULAR

SEBI/HO/CFD/DIL2/CIR/P/2018/138 November 1, 2018

To

Recognized Stock Exchanges Depositories

Registered Stock Brokers Registered Merchant Bankers

Registered Registrars to an Issue and Share Transfer Agents Registered Depository Participants Registered Bankers to an Issue National Payments Corporation of India

Dear Sir / Madam,

Sub: Streamlining the Process of Public Issue of Equity Shares and convertibles

1. SEBI, in its endeavor to provide an efficient mechanism for raising funds, has been continuously striving to streamline the process and methodologies associated with public issue fund raising process. Towards this end, the time duration from issue closure to listing was shortened from 12 working days to 6 working days with effect from January 01, 2016, making Application Supported by Blocked Amount (ASBA) mechanism as the sole payment mechanism in public issues.
2. As a part of the continuing efforts to further streamline the process, it has been decided, in consultation with the stake holders to introduce the use of Unified Payments Interface (UPI) as a payment mechanism with Application Supported by Block Amount (ASBA) for applications in public issues by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants). The proposed process would increase efficiency, eliminate the need for manual intervention at various stages, and will reduce the time duration from issue closure to listing by upto 3 working days.
3. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to UPI payment mechanism, the proposed alternate payment mechanism and consequent reduction in timelines is proposed to be introduced in a phased manner as under:
   - 3.1 Phase I: From January 01, 2019, the UPI mechanism for retail individual investors through intermediaries will be made effective along with the existing process and existing timeline of T+6 days. The same will continue, for a period of 3 months or floating of 5 main board public issues, whichever is later.
   - 3.2 Phase II: Thereafter, for applications by retail individual investors through intermediaries, the existing process of physical movement of forms from intermediaries to Self-Certified Syndicate Banks (SCSBs) for blocking of funds will be discontinued and only the UPI mechanism with existing timeline of T+6 days will continue, for a period of 3 months or floating of 5 main board public issues, whichever is later.
   - 3.3 Phase III: Subsequently, final reduced timeline will be made effective using the UPI mechanism.
4. New entities / mechanisms part of the public issue process using UPI with ASBA

   National Payments Corporation of India (NPCI): NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA);

Unified Payments Interface (UPI): UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.

Sponsor Bank: Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail investors into the UPI;

5. Channels for making application

5.1 For the purpose of public issues, UPI would allow facility to block the funds at the time of application. With the introduction of UPI as a payment mechanism, various channels for making application in public issue by various categories of investors, in Phase I would be as below:

Category of Investor	Channels for making application			
	Channel I	Channel II	Channel III	Channel IV
Retail Individual Investor (RII) Qualified Institutional Buyer (QIB) Non Institutional Investor (NII)	Investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank, or online, if such facility is provided by the SCSB. For such applications, the existing process of uploading of bid and blocking of funds in investors account by the SCSB would continue.	Investor may submit the bid- cum-application form online using the facility of linked online trading, demat and bank account (3- in-1 type accounts), provided by some of the brokers.	Investor may submit bid-cum-application form with any of the intermediary, along with details of his/her bank account for blocking of funds. For such applications, the intermediary would upload the bid in stock exchange bidding platform and forward the application form to a branch of SCSB for blocking of funds.*	A RII would also have the option to submit bid- cum-application form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. Not applicable Not applicable

5.2 *For Phase II and Phase III, the RIIs will have the option to use only Channel I, II and IV for making application in a public issue.

6. Timelines

6.1 An indicative process flow for applications in public issue submitted by retail individual investor is placed at Annexure I.

6.2 The revised indicative timelines for various activities in Phase I & II are specified at Annexure II and Annexure III, respectively, to this circular. The timelines for Phase III will be notified subsequently.

7. Process of becoming a Sponsor Bank

7.1 Banks desirous of becoming Sponsor Bank and to be eligible to be appointed as a Sponsor Bank by the Issuer shall complete the following formalities:

7.1.1 Register with SEBI as Bankers to an Issue in terms of SEBI (Bankers to an Issue) Regulations, 1994;

7.1.2 UPI certification as specified, with NPCI;

7.1.3 Mock trial run of the systems with stock exchange and RTAs, and

7.1.4 Certify to SEBI about readiness to act as a Sponsor Bank and for inclusion of their name in

SEBI's list of Sponsor Bank, as per the format specified in Annexure IV.

7.2 Such Banks shall submit the aforesaid certification to SEBI, latest by December 15, 2018, for uploading the names of such Sponsor Banks on SEBI website.

8. Process of UPI 2.0 Certification by Self Certified Syndicate Banks (SCSBs)

8.1 All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

8.1 For this purpose, all SCSBs shall undertake necessary certification with NPCI.

8.2 Certify to SEBI about readiness to provide facility to investor to make application using UPI as an alternate payment mechanism, as per the format specified in Annexure V.

8.4 All SCSBs shall submit the aforesaid certification to SEBI, latest by December 15, 2018, for uploading the names of such SCSBs on SEBI website.

9. Validation by Depositories

9.1 The details of investor viz. PAN, DP ID / Client ID, entered in the Stock Exchange platform at the time of bidding, shall be validated by the Stock Exchange/s with the Depositories on real time basis.

9.2 Stock Exchanges and Depositories shall put in place necessary infrastructure for this purpose.

10. Number of applications per bank account

10.1 In order to ensure parity across the various channels for submitted applications, it has been decided that an investor making application using any of the aforesaid channel, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues.

10.2 Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

10.3 Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation.

10.4 RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

11. Obligations of the Issuer

11.1 The issuer shall appoint one of the SCSBs as Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail investors into the UPI;

11.2 The Sponsor Bank appointed by the issuer may be the same as the bank with whom the public issue account has been opened.

12. Other requirements

12.1 The details of commission and processing fees payable to each intermediary and the timelines for payment shall be disclosed in the offer document.

12.2 The intermediaries shall provide necessary guidance to their investors in use of UPI while making applications in public issues.

12.3 All entities involved in the process shall co-ordinate with one another to ensure completion of listing of shares and commencement of trading in Phase I by T+6.

12.4 In Phase II, such entities shall aim to expeditiously complete the process of listing of shares and commencement of trading, in any case, not later than T+6.

12.5 The text of data fields required in the Application-cum-bidding-form relating to UPI and an

illustrative Application-cum-bidding-form is placed at Annexure VI to this Circular.

12.6 Merchant bankers shall ensure that appropriate disclosures with respect to UPI are made in offer documents and advertisements in accordance with this circular. Format for the advertisement will be issued separately.

12.7 All entities involved in the process are advised to take necessary steps to ensure compliance with this circular.

13. The various provisions and indicative timelines, prescribed vide the following circulars, shall stand modified to the extent stated under this circular:

13.1 SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009;

13.2 CIR/CFD/DIL/2/2010 dated April 06, 2010;

13.3 CIR/CFD/DIL/3/2010 dated April 22, 2010;

13.4 CIR/CFD/DIL/7/2010 dated July 13, 2010;

13.5 CIR/CFD/DIL/8/2010 dated October 12, 2010;

13.6 CIR/CFD/DIL/1/2011 dated April 29, 2011;

13.7 CIR/CFD/DIL/2/2011 dated May 16, 2011;

13.8 CIR/CFD/DIL/12/2012 dated September 13, 2012;

13.9 CIR/CFD/DIL/13/2012 dated September 25, 2012;

13.10 CIR/CFD/14/2012 dated October 04, 2012;

13.11 CIR/CFD/DIL/1/2013 dated January 02, 2013;

13.12 CIR/CFD/DIL/4/2013 dated January 23, 2013;

13.13 CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015

13.14 CIR/CFD/DIL/1/2016 dated January 01, 2016;

13.15 SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

14. This circular shall be applicable for all Red Herring Prospectus filed for public issues **opening on or after January 01, 2019.**

15. This circular is being issued in exercise of the powers under section 11 read with section 11A of the Securities and Exchange Board of India Act, 1992.

This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Issues and Listing".

Yours faithfully,
Narendra Rawat
Deputy General Manager
+91-22-26449383
narendrar@sebi.gov.in

Annexure - I

Indicative process flow for applications in public issue submitted by retail individual investor

1. Channels of submission of application forms

1.1. A retail individual investor (RII) can submit the application for subscribing to a public issue through the following channels:

1.1.1. Application submitted with Self Certified Syndicate Bank (SCSB) i.e. RIIs bank

(i) A RII may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. Rll's

bank, or online, if such facility is provided by the SCSB.

(ii) For such applications, the existing process of uploading of bid and blocking of funds in RII account by the SCSB would continue.

1.1.2. Application submitted with Intermediary

(i) A RII would continue to have the option to submit the bid-cum-application form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts), provided by some of the brokers.

(ii) RII would also continue to have the option of submission of bid-cum-application form with any of the intermediary, along with details of his/her bank account for blocking of funds. In such case, the intermediary would upload the bid in stock exchange bidding platform and forward the application form to a branch of SCSB for blocking of funds. This option would be available upto the conclusion of Phase I.

(iii) In addition to above channels, with effect from January 01, 2019, a RII would also have the option to submit bid-cum-application form with any of the intermediary and use his / her bank account linked UPI ID for the purpose of blocking of funds. The detailed process in this regard is as detailed hereunder.

2. Process for RII application submitted with intermediary with UPI as mode of payment

2.1. Bidding and validation process

2.1.1. Before submission of the application with the intermediary, the RII would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).

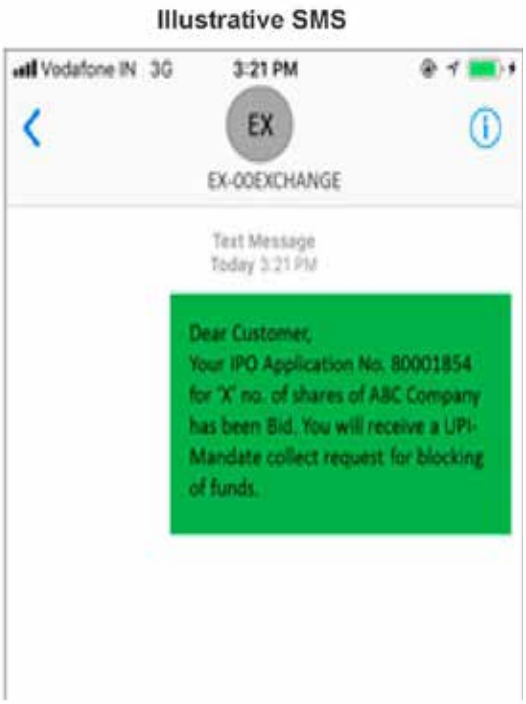
2.1.2. RII will fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediary.

2.1.3. The intermediary upon receipt of form will upload the bid details along with UPI ID in the stock exchange bidding platform.

2.1.4. Once the bid has been entered in the bidding platform, the exchange will undertake validation of the PAN and Demat Account details of RII with the depository.

2.1.5. Depository will validate the aforesaid bid details on a real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.

2.1.6. SMS from exchange to RII for bidding: Once the bid details are uploaded on the stock exchange platform, the stock exchange shall send an SMS to the RII regarding submission of his / her application, daily at the end of day basis, during bidding period. For the last day of bidding, the SMS may be sent out the next working day.



2.2. The Block Process

2.2.1. Post undertaking validation with depository, the stock exchange will, on a continuous basis, electronically share the bid details along with RIIs UPI ID, with the Sponsor Bank appointed by the issue.

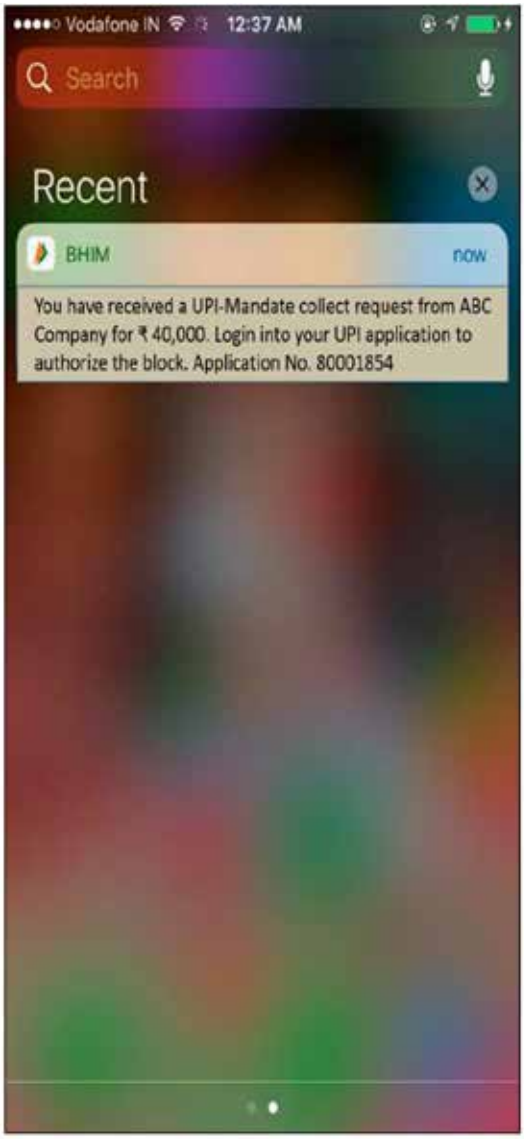
2.2.2. The Sponsor Bank will initiate a mandate request on the RII i.e. request the RII to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.

2.2.3. The request raised by the Sponsor Bank, would be electronically received by the RII as a SMS / intimation on his / her mobile no. / mobile app, associated with UPI ID linked bank account.

Graphical illustrative process of the investor receiving and approving mandate request

Block request intimation through UPI

Block request SMS to investor application



1. Investor UPI application screen

2. Sample of IPO details in attachment

3. Post verification of details above

4. Pre-confirmation page

5. Entering of UPI PIN

6. Confirmation page

7. Approved mandates visible in UPI application

Block confirmation SMS to investor

Block confirmation application intimation

2.2.4. The RII would be able to view the amount to be blocked as per his / her bid in such intimation. The RII would also be able to view an attachment wherein the IPO bid details submitted by RII will be visible. After reviewing the details properly, RII would be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the IPO.

2.2.5. Upon successful validation of block request by the RII, as above, the said information would be electronically received by the RIIs' bank, where the funds, equivalent to application amount, would get blocked in RIIs account. Intimation regarding confirmation of such block of funds in RIIs account would also be received by the RII.

2.2.6. The information containing status of block request (e.g. - accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with stock exchange. The block request status would also be displayed on stock exchange platform for information of the intermediary.

2.2.7. The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.

2.2.8. RIIs would continue to have the option to modify or withdraw the bid till the closure of the bidding period. For each such modification of bid, RII will submit a revised bid and shall receive a mandate request from sponsor bank to be validated as per the process indicated above.

2.3. Post issue closure - Finalization of basis of allotment of shares, debit of blocked amount, credit of shares and listing

2.3.1. Post closure of the offer, the stock exchange would share the bid details with RTA. Further, stock exchange would also provide RTA the final file received from Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

2.3.2. The RTA, based on information of bidding and blocking received from stock exchange, would undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

2.3.3. Upon approval of basis of allotment, RTA will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

2.3.4. Upon confirmation of receipt of funds in the public issue account, shares would be credited to the RII's account. RII will be notified for full/partial/no allotment. For partial allotment the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the RII.

2.3.5. Thereafter, Stock Exchanges will issue the listing and trading approval and trading will commence next working day.

Annexure - II

Indicative Timeline Schedule for Various Activities under Phase I

Sr. No.	Details of activities	Due Date (working day*)
1.	i. an SCSB, with whom the bank account to be blocked, is maintained ii. a syndicate member (or sub-syndicate member) iii. a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker') iv. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) v. a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity) Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as 'Intermediaries'), and intending to use UPI, shall also enter their UPI ID in the bid-cum-application form.	Issue opening date to issue closing date (where T is issue closing date)
2.	The aforesaid entities shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. (i) For applications submitted to SCSB: After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and block funds available in the bank account specified in the form, to the extent of the application money specified. (ii) For applications submitted to intermediaries, without using UPI: After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). (iii) For applications submitted to intermediaries, with use of UPI for payment: After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s). Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange. Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.	Issue opening date to issue closing date (where T is issue closing date)

3.	For retail applications submitted to intermediaries, with use of UPI for payment: Stock Exchange to share bid details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank to initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.	
4.	Issue Closes	T (Issue closing date)
5.	Stock exchange(s) shall allow modification of selected fields (till 01:00 PM) in the bid details already uploaded. For retail applications submitted to intermediaries without UPI and QIB & NII application submitted to intermediaries: Intermediaries to forward a schedule as per format given below along with the application forms to designated branches of the respective SCSBs for blocking of funds.	

Field No.	Details
1.	Symbol
2.	Intermediary Code
3.	Intermediary Name
4.	Bank Code
5.	Bank Name
6.	Location Code
7.	Application No
8.	Category
9.	PAN
10.	DP ID
11.	Client ID
12.	Quantity
13.	Amount
14.	Order No
15.	Exchange

(*The character length for each of fields of the schedule to be forwarded by the intermediaries along with each application form to the designated branches of the respective SCSBs for blocking of funds shall be uniformly prescribed by the stock exchange(s))

Designated branches of SCSBs may not accept schedule and applications after T+1 day.

SCSBs to begin blocking of funds.

Registrar to give bid file received from stock exchanges containing the application number and amount to all the SCSBs who may use this file for validation / reconciliation at their end.

For retail applications submitted to intermediaries with use of UPI for payment:

Sponsor Bank may not accept bid details from Stock Exchanges post T+1.

Sponsor Bank to initiate request for blocking of funds to investor.

6.	For retail applications submitted to intermediaries with use of UPI for payment: Sponsor Bank to initiate request for blocking of funds of investor, with confirmation cut off-time of 12:00 p.m. All pending requests at the cut-off time would lapse. Applicant to accept mandate request for blocking of funds prior to cut off-time of 12:00 p.m. Sponsor Bank send confirmation of funds blocked (Final Certificate) to the registrar through stock exchange by end of the day. For retail applications submitted to intermediaries without UPI and QIB & NII application submitted to intermediaries:	T+2
	SCSBs to send confirmation of funds blocked (Final Certificate) to the registrar by end of the day. For all applications submitted to SCSB The respective SCSB to send confirmation of funds blocked (Final Certificate) to the registrar. Issuer, merchant banker and registrar to submit relevant documents to the stock exchange(s) except listing application, allotment details and demat credit and refund details for the purpose of listing permission. Registrar shall reconcile the compiled data received from the stock exchange(s), all SCSBs and Sponsor Bank (hereinafter referred to as the "reconciled data"). Registrar shall reject multiple applications determined as such, based on common PAN. Registrar to undertake "Technical Rejection" test based on electronic bid details and prepare list of technical rejection cases.	
7.	Finalisation of technical rejection and minutes of the meeting between issuer, lead manager, registrar. Registrar shall finalise the basis of allotment and submit it to the designated stock exchange for approval. Designated Stock Exchange(s) to approve the basis of allotment. Registrar to prepare funds transfer schedule based on approved basis of allotment. Registrar / Issuer to initiate corporate action to carry out lock-in for pre-issue capital held in depository system. Registrar and merchant banker to issue funds transfer instructions to SCSBs and Sponsor Bank.	T+3
8.	Registrar to receive confirmation for pre-issue capital lock-in from depositories. SCSBs and Sponsor Bank to credit the funds in public issue account of the issuer and confirm the same. Issuer shall make the allotment. Registrar / Issuer to initiate corporate action for credit of shares to successful allottees. Issuer and registrar to file allotment details with designated stock exchange(s) and confirm all formalities are complete except demat credit. Registrar to send bank-wise data of allottees, amount due on shares allotted, if any, and balance amount to be unblocked to SCSBs and Sponsor Bank.	T+4

9.	Registrar to receive confirmation of demat credit from depositories. Issuer and registrar to file confirmation of demat credit, lock-in and issuance of instructions to unblock ASBA funds, as applicable, with stock exchange(s). Issuer to make a listing application to stock exchange(s) and stock exchange(s) to give listing and trading permission. Issuer, merchant banker and registrar to publish allotment advertisement before the commencement of trading, prominently displaying the date of commencement of trading, in all the newspapers where issue opening/closing advertisements have appeared earlier. Stock exchange(s) to issue commencement of trading notice.	T+5
10.	Trading commences	T+6
	* Working days will be all trading days of stock exchanges, excluding Sundays, and bank holidays	

Annexure - III

Timeline Schedule for Various Activities under Phase II

Sr. No.	Details of activities	Due Date (working day*)
1.	An investor, intending to subscribe to a public issue, shall submit a completed bid-cum-application form to any of the following entities: vi. an SCSB, with whom the bank account to be blocked, is maintained vii. a syndicate member (or sub-syndicate member) viii. a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’) ix. a depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity) x. a registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity) Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as 'Intermediaries'), and intending to use UPI, shall also enter their UPI ID in the bid-cum-application form.	Issue opening date to issue closing date (where T is issue closing date)

2.	The aforesaid entities shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. (iv) For applications submitted to SCSB: After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and block funds available in the bank account specified in the form, to the extent of the application money specified. (v) For applications submitted to intermediaries, without using UPI: After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). (vi) For applications submitted to intermediaries, with use of UPI for payment: After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s). Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID, Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange. Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.	
3.	For retail applications submitted to intermediaries, with use of UPI for payment: Stock Exchange to share bid details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank to initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.	opening date to issue closing date (where T is issue closing date)
4.	Issue Closes	T (Issue closing date)

<table>
<tr>
<td>5.</td>
<td>For retail applications submitted to intermediaries with use of UPI for payment:
Sponsor Bank may not accept bid details from Stock Exchanges post 11:00 a.m.
Sponsor Bank to initiate request for blocking of funds of investor, with confirmation cut off-time of 12:00 p.m.
All pending requests at the cut-off time would lapse.
Applicant to accept mandate request for blocking of funds prior to cut off-time of 12:00 p.m.
Sponsor Bank to send confirmation of funds blocked (Final Certificate) to the registrar through stock exchange.
For QIB & NII application submitted to intermediaries:
Intermediaries to forward a schedule as per format given below along with the application forms to designated branches of the respective SCSBs for blocking of funds.
Intermediaries to forward a schedule as per format given below along with the application forms to designated branches of the respective SCSBs for blocking of funds.
<table>
<tr><th>Field No.</th><th>Details</th></tr>
<tr><td>1.</td><td>Symbol</td></tr>
<tr><td>2.</td><td>Intermediary Code</td></tr>
<tr><td>3.</td><td>Intermediary Name</td></tr>
<tr><td>4.</td><td>Bank Code</td></tr>
<tr><td>5.</td><td>Bank Name</td></tr>
<tr><td>6.</td><td>Location Code</td></tr>
<tr><td>7.</td><td>Application No</td></tr>
<tr><td>8.</td><td>Category</td></tr>
<tr><td>9.</td><td>PAN</td></tr>
<tr><td>10.</td><td>DP ID</td></tr>
<tr><td>11.</td><td>Client ID</td></tr>
<tr><td>12.</td><td>Quantity</td></tr>
<tr><td>13.</td><td>Amount</td></tr>
<tr><td>14.</td><td>Order No</td></tr>
<tr><td>15.</td><td>Exchange</td></tr>
</table>
(*The character length for each of fields of the schedule to be forwarded by the intermediaries along with each application form to the designated branches of the respective SCSBs for blocking of funds shall be uniformly prescribed by the stock exchange(s))
Designated branches of SCSBs may not accept schedule and applications after T+1 day (11:00 a.m.)
SCSBs to begin blocking of funds.</td>
<td>T+1</td>
</tr>
<tr>
<td></td>
<td>Registrar to give bid file received from stock exchanges containing the application number and amount to all the SCSBs who may use this file for validation / reconciliation at their end.
The respective SCSB to send confirmation of funds blocked (Final Certificate) to the registrar.
For all applications submitted to SCSB
The respective SCSB to send confirmation of funds blocked (Final Certificate) to the registrar.</td>
<td></td>
</tr>
</table>

6.	Issuer, merchant banker and registrar to submit relevant documents to the stock exchange(s) except listing application, allotment details and demat credit and refund details for the purpose of listing permission. Registrar shall reconcile the compiled data received from the stock exchange(s), all SCSBs and Sponsor Bank (hereinafter referred to as the "reconciled data"). Registrar shall reject multiple applications determined as such, based on common PAN. Registrar to undertake "Technical Rejection" test based on electronic bid details and prepare list of technical rejection cases.	T+2
7.	Finalisation of technical rejection and minutes of the meeting between issuer, lead manager, registrar. Registrar shall finalise the basis of allotment and submit it to the designated stock exchange for approval. Designated Stock Exchange(s) to approve the basis of allotment. Registrar to prepare funds transfer schedule based on approved basis of allotment. Registrar / Issuer to initiate corporate action to carry out lock-in for pre-issue capital held in depository system. Registrar and merchant banker to issue funds transfer instructions to SCSBs and Sponsor Bank.	T+3
8.	Registrar to receive confirmation for pre-issue capital lock-in from depositories. SCSBs and Sponsor Bank to credit the funds in public issue account of the issuer and confirm the same. Issuer shall make the allotment. Registrar / Issuer to initiate corporate action for credit of shares to successful allottees. Issuer and registrar to file allotment details with designated stock exchange(s) and confirm all formalities are complete except demat credit. Registrar to send bank-wise data of allottees, amount due on shares allotted, if any, and balance amount to be unblocked to SCSBs and Sponsor Bank.	T+4
9.	Registrar to receive confirmation of demat credit from depositories. Issuer and registrar to file confirmation of demat credit, lock-in and issuance of instructions to unblock ASBA funds, as applicable, with stock exchange(s). Issuer to make a listing application to stock exchange(s) and stock exchange(s) to give listing and trading permission. Issuer, merchant banker and registrar to publish allotment advertisement before the commencement of trading, prominently displaying the date of commencement of trading, in all the newspapers where issue opening/closing advertisements have appeared earlier. Stock exchange(s) to issue commencement of trading notice.	T+5
10.	Trading commences	T+6
	* Working days will be all trading days of stock exchanges, excluding Sundays, and bank holidays	

Annexure - IV

CERTIFICATION BY SELF CERTIFIED SYNDICATE BANKS (SCSBs) FOR

IMPLEMENTATION OF ASBA

Note: All banks which are desirous of acting as SCSBs for ASBA facility are required to submit to SEBI a certificate as per the format provided hereunder. Upon receipt of this certificate, the bank's name shall be included by SEBI in the list of eligible SCSBs who can accept application from investors.

Format of certificate to be submitted by SCSBs

(i) We, **[Name of the Bank]**, hold a valid certificate of registration as a Banker to an Issue under the SEBI (Bankers to an Issue) Regulations, 1994. Our SEBI registration number is _____ valid up to _____ .

(ii) We have an arrangement with at least one of the stock exchange(s) that provide the electronic bidding system, through a web enabled interface, for uploading details of ASBA (hereinafter referred to as "the Stock Exchange(s)").

(iii) We hereby confirm that we have completed the UPI 2.0 certification process with National Payments Corporation of India (NPCI) as an Issuer/Issuer & Acquirer/Acquirer. We have also received a sign off from NPCI on same for go live and are interested to become an SCSB. The certification done and sign off received from NPCI consists of the cases inclusive ASBA use case.

(iv) We have undertaken the mock trial run of our systems for ASBA, with the Stock Exchange(s) and Registrar(s) and have satisfied ourselves that we have adequate systems/ infrastructure in place at our Controlling Branch/ Designated Branches to fulfill our responsibilities/ obligations as envisaged in the ASBA facility within the timelines specified therein. These responsibilities/ obligations, inter-alia, include:

a. Collection of physical and/ or electronic ASBA from the ASBA investors.

b. Capturing relevant details from the physical and/ or electronic ASBA.

c. Blocking funds to the extent of application money in the bank account specified in the ASBA till finalisation of the basis of allotment or withdrawal/failure of the issue or withdrawal/ rejection of the application, as the case may be.

d. Uploading details of the ASBA in the electronic bidding system of the Stock Exchange(s), sending to and receiving from the Registrar(s) data pertaining to the ASBA and the issue, in a secured form.

e. Ensuring that there is a proper segregation of applications/ amount/ data issue- wise in respect of various issues that may be open simultaneously.

f. Unblocking funds in the bank account specified in the ASBA upon receipt of request from Registrar(s) and releasing the funds in favour of the issuer or unblocking of funds on withdrawal/ rejection of the ASBA, and

g. Unblocking funds in the bank account specified in the ASBA upon receipt of information on withdrawal/ failure of the issue from the post issue merchant bankers through Registrar to an issue.

(v) We have systems in place to ensure that the amount blocked by us in the bank account specified in the ASBA shall be available at all times, for the purpose of giving it to the issuer upon finalization of the basis of allotment.

(vi) We are responsible for any omission or commission on our part while discharging our role as envisaged in the ASBA facility.

(vii) We have systems in place to satisfactorily redress complaints arising out of errors or delays on our part to capture data, block or release funds, etc. In this regard, we will be governed by SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 and Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018.

(viii) We have identified our Controlling Branch and Designated Branch(es), the names and contact details of which are enclosed herewith.

(ix) We have identified the following official of our bank as the nodal officer for the purpose of ASBA facility:

Name: _____

Designation: _____

Branch: _____

Address: _____

Phone number(s): _____

E-mail ID: _____

(x) We undertake to inform changes, if any, in the aforesaid details furnished to SEBI, on as and when basis.

I, _____ on behalf of _____ , hereby confirm that we fulfill / undertake to fulfill all the conditions stated above for becoming a SCSB.

Name and Signature of Authorized official of the Bank

Annexure - V

CERTIFICATION BY SPONSOR BANKS FOR IMPLEMENTATION OF ASBA

Note : All banks which are desirous of acting as Sponsor Banks for ASBA facility are required to submit to SEBI a certificate as per the format provided hereunder. Upon receipt of this certificate, the bank's name shall be included by SEBI in the list of eligible Sponsor Banks who can act as Sponsor Bank in a Public issue.

Format of certificate to be submitted by Sponsor Banks

(xi) We, [Name of the Bank], hold a valid certificate of registration as a Banker to an Issue under the SEBI (Bankers to an Issue) Regulations, 1994. Our SEBI registration number is valid up to.

(xii) We have an arrangement with at least one of the stock exchange(s) that provides the electronic bidding system, through a web enabled interface, wherein the stock exchange will be able to share the bid details along with the investors UPI ID;

(xiii) We hereby confirm that we have completed the UPI 2.0 certification process with National Payments Corporation of India (NPCI) as an Issuer/Issuer & Acquirer/Acquirer. We have also received a sign off from NPCI on same for go live and are interested to become a Sponsor Bank.

(xiv) We have undertaken the mock trial run of our systems for acting as Sponsor Banks for ASBA, with the Stock Exchange(s) and Registrar(s) and have satisfied ourselves that we have adequate systems/ infrastructure in place to fulfill our responsibilities/ obligations as envisaged in the role of a Sponsor Bank in the ASBA facility within the timelines specified therein. These responsibilities/ obligations, inter-alia, include:

a. To initiate the mandate collect requests to all investor PSPs with the proper tags;

b. To send back the file to the exchanges containing status of blocking for all investors;

c. To initiate the debit requests post finalization of the allotment file;

d. To share debit execution status with Exchange post allotment execution;

e. To provide reverse MIS to the Exchanges on the collect Mandate/ Debit Execution status Unblocking funds in the bank account specified in the ASBA upon receipt of information on withdrawal/ failure of the issue from the post issue merchant bankers through Registrar to an issue.

(xv) We are responsible for any omission or commission on our part while discharging our role as envisaged in the ASBA facility.

(xvi) We have identified the following official of our bank as the nodal officer for the purpose of UPI in ASBA facility:

Name: _____

Designation: _____

Branch: _____

Address: _____

Phone number(s): _____

E-mail ID: _____

(xvii) We undertake to inform changes, if any, in the aforesaid details furnished to SEBI, on as and when basis.

I, on behalf of _____ , hereby confirm that we fulfill / undertake to fulfill all the conditions stated above for becoming a Sponsor Bank.

Name and Signature of Authorized official of the Bank

Annexure - VI

Data fields required in Application-Cum-Bidding-Form and Revision form relating to UPI

1. Main Application form

1.1. Payment details - UPI ID with maximum length of 45 characters

1.2. Acknowledgement Slip for SCSB / Broker / RTA / DP 1.2.1. Payment details to include UPI ID

1.3. Acknowledgement Slip for Bidder 1.3.1. Payment details to include UPI ID

2. Overleaf of Main Application Form

2.1. Bidder's Undertaking and confirmation

2.2. Instructions with respect to payment / payment instrument

3. Bid Revision Application Form

3.1. Payment details - UPI ID with maximum length of 45 characters

3.2. Acknowledgement Slip for SCSB / Broker / RTA / DP

3.2.1. Payment details to include UPI ID

3.3. Acknowledgement Slip for Bidder

3.3.1. Payment details to include UPI ID

4. Overleaf of Bid Revision Application Form

4.1. Instructions with respect to payment / payment instrument

Illustrative format for Application-Cum-Bidding Form and Revision form

TEAR HERE

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC OFFER - R

Registered Office: xxxxxxxxxxxxxxxxxxxxxxxxxxxx Tel xxxxxxxxxxx Fax xxxxxxxxxxxxxxx
Corporate Office xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx Tel: +xxxxxxxxxxxxxxxx Fax xxxxxxxxxxxxxx
Contact Person xxxxxxxxxxxxx Fax xxxxxxxxxxxxxx E-mail xxxxxxxxxxxxxx Website xxxxxxxxxxxxxx
Corporate Identity Number: xxxxxxxxxxxxxx

FOR RESIDENT INDIAN INVESTORS, INCLUDING RESIDENT QIBs, NON-INSTITUTIONAL BIDDERS, RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

To,
The Board of Directors
XYZ LIMITED

100% BOOK BUILT OFFER
ISIN : XXXXXXXXX

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	REGISTERED BROKER/SCSB/CDP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. /Ms./M/s.

Address

Email

Tel. No. (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures only)										
									Bid Price			Retail Discount			Net Price			"Cut-off" (Please ✓ tick)
	8	7	6	5	4	3	2	1	3	2	1	3	2	1	3	2	1	
Option 1																		☐
(OR) Option 2																		☐
(OR) Option 3																		☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

- ☐ Individual(s) - IND
- ☐ Hindu Undivided Family - HUF*
- ☐ Bodies Corporate - CO
- ☐ Systemically Important NBFCs
- ☐ Banks & Financial Institutions - FI
- ☐ Mutual Funds - MF
- ☐ National Investment Fund - NIF
- ☐ Insurance Companies - IC
- ☐ Insurance Funds
- ☐ Venture Capital Funds (VCF)
- ☐ Alternative Investment Fund - AIF
- ☐ Other QIBs - OTH
- ☐ Non Resident Indian - NRI (Non repatriation basis)
- ☐ All entities other than QIBs, Bodies Corporates and Individuals - NOH

*HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS [IN CAPITAL LETTERS]

PAYMENT OPTION : ☐ FULL PAYMENT ☐ PART PAYMENT

Amount blocked (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

OR

UPI Id (Maximum 45 characters)

I/WE (ON BEHALF OF JOINT BIDDERS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDER'S UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT BIDDERS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	SYNDICATE MEMBER / REGISTERED BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorise the SCSB to do all acts as are necessary to make the application in the Offer	
	1)	
	2)	
Date : ____________, 2018	3)	

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC OFFER - R

Acknowledgement Slip for Syndicate Member/Registered Broker/SCSB/CDP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount blocked (₹ in figures) | ASBA Bank A/c No./UPI Id

Bank Name & Branch

Received from Mr./Ms./M/s.

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC OFFER - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Blocked (₹)			

Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No./UPI Id

Bank Name & Branch

Bid cum Application Form No.

Important Note : Application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.

XYZ LIMITED

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

BIDDER'S UNDERTAKING AND CONFIRMATION FOR BID CUM APPLICATION FORM

(IN CASE OF A JOINT APPLICATION, THE CONFIRMATIONS, AUTHORISATIONS, UNDERTAKINGS AND REPRESENTATIONS MADE BY THE FIRST BIDDER WILL BE DEEMED TO HAVE BEEN MADE ON BEHALF OF ALL JOINT BIDDERS. THE FIRST BIDDER SHALL BE LIABLE FOR ALL THE OBLIGATIONS ARISING OUT OF THE OFFER OF EQUITY SHARES.)

On the basis of the Red Herring Prospectus dated xx, xxxx (the **"RHP"**) filed with the Registrar of Companies of xxxx (the **"RoC"**), General Information Document for investing in public issues ("**GID**") and having studied the attached details as per the Abridged Prospectus, I/We hereby apply for Allotment to me/us of the Equity Shares in the Offer upto my/our Bids for maximum number of Equity Shares at or above the Offer Price, to be discovered through the Book Building Process. I/We hereby confirm that I am/We are eligible person(s) to invest in the Offer in accordance with applicable laws. The amount payable on Bidding has been blocked with the relevant SCSB. I/We agree to accept the Equity Shares Bid for, or such lesser number as may be allotted to me/us subject to the terms of the RHP, Abridged Prospectus, the GID, the Bid cum Application Form and other applicable laws. I/We undertake that I/We will sign all such other documents and do all such acts, if any, necessary on my/our part to enable me/us to be registered as the holder(s) of the Equity Shares which may be Allotted and to register my/our address as given in the depository records and to place my/our name on the register of members of the Company. I/We note that in case of QIB Bidders, only (i) the SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject Bids (including on technical grounds) at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing, whereas it has a right to reject it from Non-Institutional Bidders and Retail Individual Bidders based only on technical grounds and/or as specified in the Abridged Prospectus, GID and the RHP. I/We authorise the Company to make the necessary changes in this Bid cum Application Form and the RHP for filing of the Prospectus with the RoC without intimation to me/us and use this Bid cum Application Form as the application form for the purpose of the Offer.

I/WE CONFIRM THAT: EITHER I am/We are Indian national(s) resident in India and I am/We are not applying for the said Equity Shares as nominees of any person resident outside India or foreign nationals OR I am/We are Indian national(s) resident in India and I am/We are applying for the said Equity Shares as power of attorney holder(s) of non-resident Indian(s) as mentioned on non-repatriation basis OR I am/We are Indian national(s) resident outside India and I am/We are applying for the said Equity Shares on my/our own behalf through NRO account on non-repatriation basis. I am/we are, or at any time the Equity Shares are purchased will be, the beneficial owner of such Equity Shares.

FOR QIB BIDDERS: We confirm that the Bid size/maximum Equity Shares applied for by us do not exceed the relevant regulatory approvals/limits. We are not prohibited from accessing capital markets under related any order/ ruling/ judgment of any regulatory, judicial or any other authority, including Securities and Exchange Board of India ("**SEBI**") or under the provisions of any law, regulation or statute.

Further: 1) In accordance with ASBA process provided in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI ICDR Regulations**") and as disclosed in the RHP, I/We authorise (a) the members of the Syndicate (in Specified Locations only) or the Registered Brokers (at Broker Centers) or the SCSBs or the RTAs (at Designated RTA Locations) or the CDPs (at Designated CDPs Locations), as the case may be, to do all acts as are necessary to make the application in the Offer, including uploading my/our Bid, blocking or unblocking of funds in the bank account maintained with the SCSB as specified in the Bid cum Application Form including through UPI mode (as applicable) transfer of funds to the Public Offer Account on receipt of instruction from Registrar to the Offer, after finalisation of Basis of Allotment, and (b) the Registrar to the Offer to issue instruction to the SCSBs to unblock the funds in the specified bank account upon finalisation of the Basis of Allotment. 2) In case the amount available in the specified bank account is insufficient as per the highest Bid option, the SCSB shall reject the application. 3) I/We hereby authorise the members of the Syndicate (in Specified Locations only) or the Registered Brokers (at Broker Centres) or the SCSBs or the RTAs (at Designated RTA Locations) or the CDPs (at Designated CDP Locations), as the case may be, to make relevant revisions as may be required to be done in the Bid, in the event of a revision of the Price Band.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer. For further details, see *"Offer Procedure"* and *"Offer Procedures - Part B - General Information Document for investing in Public Issues - Section 3 - Category of investors eligible to participate in an issue"* at pages [●] and [●] of the RHP, respectively.

INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM

1. Name of sole/ first Bidder should be exactly the same as it appears in the depository records. In case of joint Bids, only the name of the first Bidder (which should also be the first name in which the beneficiary account is held) should be provided in the Bid cum Application Form. The Bid means an 'Indication to make an Offer' and not 'an Offer'.
2. The first Bidder, should mention his/ her PAN allotted under the Income Tax Act, DP ID and Client ID except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by Investors who are exempt from the requirement of obtaining/ specifying their PAN for transacting in the securities market and by persons residing in the state of Sikkim, the Bidders, or in the case of Bid in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/ her PAN allotted under the Income Tax Act. Any Bid cum Application Form without the PAN is liable to be rejected other than as specified above.
3. Based on the PAN, DP ID and Client ID provided by the Bidders, the Registrar to the Offer will obtain Demographic Details registered with depository participants to be used, among other things, for Allotment, technical rejections or unblocking of ASBA Account. Hence, Bidders are advised to immediately update any change in their Demographic Details as appearing on the records of the Depository Participant to ensure accuracy of records. Please note that failure to do so could result in failure in allotment of Equity Shares, delays in unblocking of ASBA Account at the Bidder's sole risk and neither the Syndicate or the Registered Brokers or the Registrar to the Offer or RTAs/CDPs or the SCSBs nor the Company shall have any responsibility and undertake any liability for the same.
4. **Bid Lot and Price Band:** The face value of Equity Shares is ₹ [●] each. The Price Band and the minimum Bid Lot will be decided by the Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the Book Running Lead Managers ("the **BRLMs**") and the minimum Bid Lot will be decided by the Company in consultation with the BRLMS and will be advertised in all editions of [•] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in the place where our Registered Office is located) at least five working days prior to the Bid/Offer Opening Date, and shall be made available to the BSE Limited ("**the BSE**") and The National Stock Exchange of India Limited ("**the NSE**" together with BSE, the "**Stock Exchanges**") for the purposes of uploading on their respective websites. In case of any revision to the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of the Price Band, subject to the Bid/Offer Period not exceeding a total 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the BRLMs a total at the terminals of the Member of the Syndicate and by intimation to SCSBs, the Registered Brokers, CRTAs and CDPs.

   Maximum and Minimum Bid Size: In case of resident Retail Individual Bidders, such number of Equity Shares in multiples of the minimum Bid Lot such that the Bid Amount does not exceed ₹ 200,000/-. Bids at the Cut-Off Price indicate their agreement to purchase the Equity Shares at the Offer Price, as determined at the completion of the Book Building Process. In case of Non-Institutional Bidders and QIB Bidders, the minimum Bid size shall be such number of Equity Shares in multiples of the minimum Bid Lot such that Bid Amount exceeds ₹ 200,000/-. The maximum Bid by any Bidder should not exceed the investment limits prescribed for them by applicable laws.
5. Please tick Category as applicable to ensure proper upload of Bid in Stock Exchange system.
6. Please tick investor status as applicable. Please ensure investor status is updated in your depository records.
7. **Cheques/Demand Draft/Cash/stock invest/money orders/postal orders will not be accepted**. NRI Bidders Bidding on a non-repatriation basis by using Resident Bid cum Application Form are required to authorise their SCSB to block their Non-Resident Ordinary (NRO) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. All Bidders including the NRI Bidders bidding on a non repatriation basis can obtain the Bid cum Application Form from the Registered and Corporate Office of the Company or from any of the members of the Syndicate or CDPs or RTAs or Registered Brokers from the Bidding Centres. Bidders to please ensure that SCSB where the ASBA Account is maintained has notified at least one branch in the location where Bid cum Application Forms will be deposited by Designated Intermediaries.
8.
   - Please note that application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.
   - QIB and Non Institutional Investors cannot use UPI mechanism to apply.
   - **For Retail Individual Investors applying using UPI-**
     - **Please ensure that your Bank is offering UPI facility for Public Issues**
     - **Please mention UPI Id clearly in CAPITAL LETTERS only**
     - **UPI Id cannot exceed 45 characters**
     - **Please ensure that you are using your UPI Id only and not the UPI of any third party**
9. Only the first Bidder is required to sign the Bid cum Application Form /Revision Form. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Signature of ASBA Account holder is mandatory. If the first Bidder is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Necessary revisions in the Bidder's undertaking and instructions will be required depending upon the jurisdiction in which the sale of shares is proposed.
10. **Other Instructions:** a. Bids must be made only in the prescribed Bid cum Application Form; b. Bids must be completed in full, in BLOCK LETTERS in ENGLISH. Bidders should note that the members of the Syndicate, Registered Broker, CDPs, RTAs, and/or SCSBs will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms; and c. Ensure that all applicable documents in support of the Bid are attached with the Bid cum Application Form.
11. The Bidders may note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding systems of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database, the Bid cum Application Form is liable to be rejected.

    You will be sent the RHP either in physical form or electronic form or both. You may not distribute or forward these documents and these documents are subject to the disclaimers and restrictions contained in or accompanying them. This Common Bid cum Application Form is being Offered to you on the basis that you (i) confirm that the representations, warranties, agreements and acknowledgment set out in "Other Regulatory and Statutory Disclosures" and "Offer Procedure" on pages [●] and [●] respectively of the RHP, and (ii) agree to abide by (1) this Common Bid cum Application Form and (2) the RHP, together with the terms and conditions contained therein.

Note : Terms used but not defined herein shall have the meaning assigned to such terms in the RHP. For detailed instructions for filling the various fields of this Bid cum Application Form, please refer to the GID, which is available on the websites of the Book Running Lead Managers and the Stock Exchanges.

TEAR HERE

	COMPANY CONTACT DETAILS	REGISTRAR TO THE OFFER CONTACT DETAILS
• In case of queries related to Allotment/ credit of Allotted Equity Shares, the Bidders should contact Registrar to the Offer. • In case of Bids submitted to the SCSBs, the Bidders should contact the relevant SCSB • In case of queries related to upload of Bids submitted to the Syndicate/RTAs/Registered Brokers/CDPs, as applicable the Bidders should contact the relevant Designated Intermediary.	**XYZ LIMITED** **Registered Office:** xxxxxxxxxxxxxx xxxxxxx **Tel**: xxxxx **Fax**: xxxxx **Corporate Office**: xxxxxxxxxxx **Tel**: xxxxxxxxxxx **Contact Person**: xxxxxxxxxxx **Tel**: xxxxxxxxxxx **Fax**: xxxxxxxxxxx **E-mail**: xxxxxxxxxxx **Website**: xxxxxxxxxxx **Corporate Identity Number:** xxxxxxxxxxx	**XXXXXXXX** xxxxxxxxx xx **Tel**: +xxxxxx, **Fax:** xxxxx **E-mail**: xxxxxxxxxxx **Investor Grievance E-mail:**xxxxxxxxxxx **Website**: xxxxxxxxxxx **Contact Person:** xxxxxxxxxxx **SEBI Registration No.:**xxxxxxxxxxx

XYZ LIMITED

COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC OFFER - R

Registered Office: xxxxxxxxxxxxxxxxxxxxxxxx Tel: xxxxxxxxxx / Fax: xxxxxxxxxxxxxx
Corporate Office: xxxxxxxxxxxxxxxxxxxxxxxx Tel: xxxxxxxxxx Fax: xxxxxxxxxxxxxx
Contact Person: xxxxxxxxxxxx Fax: xxxxxxxxxxxx E-mail: xxxxxxxxxxxx Website: xxxxxxxxxxxx
Corporate Identity Number: xxxxxxxxxxxx

FOR RESIDENT INDIAN INVESTORS, INCLUDING RESIDENT QIBS, NON-INSTITUTIONAL BIDDERS, RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

To,
The Board of Directors
XYZ LIMITED

100% BOOK BUILT OFFER
ISIN : XXXXXXXXX

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | REGISTERED BROKER / SCSB / CDP / RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr./Ms./M/s.

Address

Email

Tel. No. (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)								Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures Only)										"Cut-off" (Please ✓ tick)
									Bid Price			Retail Discount			Net Price			
	8	7	6	5	4	3	2	1	3	2	1	3	2	1	3	2	1	
Option 1																		☐
(OR) Option 2																		☐
(OR) Option 3																		☐

OLD BID

5. TO (REVISED BID) (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)								Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures Only)										"Cut-off" (Please ✓ tick)
									Bid Price			Retail Discount			Net Price			
	8	7	6	5	4	3	2	1	3	2	1	3	2	1	3	2	1	
Option 1																		☐
(OR) Option 2																		☐
(OR) Option 3																		☐

REVISED BID

6. PAYMENT DETAILS [IN CAPITAL LETTERS] PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Additional Amount Blocked (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

OR

UPI Id (Maximum 45 characters)

I/WE (ON BEHALF OF JOINT BIDDERS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT BIDDERS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date : ____________, 2018

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorise the SCSB to do all acts as are necessary to make the application in the Offer.

1)
2)
3)

SYNDICATE MEMBER / REGISTERED BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC OFFER - R

Acknowledgement Slip for Syndicate Member/ Registered Broker/SCSB/CDP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Blocked (₹) | ASBA Bank A/c No./UPI Id

Bank Name & Branch

Received from Mr./Ms./M/s.

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED- BID REVISION FORM - INITIAL PUBLIC OFFER - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Blocked (₹)			

Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No./UPI Id

Bank Name & Branch

Bid cum Application Form No.

Important Note : Application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.

XYZ LIMITED

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

BIDDER'S UNDERTAKING FOR REVISION FORM

I/We (on behalf of joint applicants, if any) confirm that the Acknowledgement Slip for my/our Bids are enclosed for the revisions which are being requested. I/We agree to be bound by all the terms & conditions mentioned in the Bid cum Application Form submitted earlier by me/us.

I/We (on behalf of joint applicants, if any) authorise you to reject this Bid Revision Form, in case any of the details of my/our existing Bids as appearing on the electronic book building system do not tally with the details given in this Revision Form.

INSTRUCTIONS FOR FILLING UP THE REVISION FORM

1. Name of sole/ first Bidder should be exactly the same as it appears in the depository records.
2. Please ensure that the Bid options provided are in the same order as that provided in the Bid cum Application Form submitted earlier.
3. In case there is no change in the particular Bid option, please write "NO CHANGE". In case you want to cancel the Bid option, please write "CANCELLED".
4. Bidders, please ensure that your SCSB where the ASBA Account is maintained has notified an SCSB Branch in the city where Bid cum Application Form is being submitted.
   Revision of Bids in case of Revision of Price Band: In case of an upward revision in the Price Band, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid; or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000/- if the Bidder wants to continue to Bid at Cut-off Price), with the SCSBs/members of the Syndicate/Registered Brokers/RTAs/CDPs to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000/-, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for, shall be adjusted downwards for the purpose of Allotment, such that no additional amount would be required to be blocked and the Bidder is deemed to have approved such revised Bid at Cut-off Price. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have bid at Cut-off Price, could either revise their Bid or the excess amount blocked at the time of bidding would be unblocked from the ASBA Account after the Allotment is finalised.
5. Only the first Bidder is required to sign the Bid cum Application Form /Revision Form. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. If the first Bidder is not the account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Signature of the ASBA Account holder is mandatory.
6.
   - Please note that application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.
   - QIB and Non Institutional Investors cannot use UPI mechanism to apply.
   - **For Retail Individual Investors applying using UPI-**
     - **Please mention that same UPI Id used in the Bid cum application form**
     - **Please mention UPI Id clearly in CAPITAL LETTERS only**
     - **UPI Id cannot exceed 45 characters**
     - **Please ensure that you are using your UPI Id only and not the UPI Id of any third party**
7. **Other Instructions:** a. Revision to Bids must be made only in the prescribed Revision Form, as applicable; b. Revision Form must be completed in full, in BLOCK LETTERS in ENGLISH. Bidders should note that the Syndicate Member/ SCSBs/Registered Brokers/RTAs/CDPs will not be liable for errors in data entry due to incomplete or illegible Revision Forms; c. Ensure that Acknowledgement Slip for your Bid and any other applicable documents in support of the revision are attached with the Revision Form; and d. Bidders shall only be required to issue instruction to block the revised amount in excess of their original blocked amount based on the cap of the revised Price Band upon an upward revision of their Bid.

OFFER STRUCTURE

Particulars	QIBs*	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for allocation	Not more than[●] Equity Shares	Not less than [●] Equity Shares or Offer less allocation to QIBs and Retail Individual Investors	Not less than [●] Equity Shares or Offer less allocation to QIBs and Non-Institutional Investors
Percentage of Offer size available for allocation	Not more than 50% of the Offer size shall be available for allocation to QIBs. Up to 5% of the net QIB Category (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Category	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders shall be available for allocation	Not less than 35% of the Offer or the Offer less allocation to QIBs and Non Institutional Investors shall be available for allocation
Basis of Allotment if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate, subject to minimum Bid Lot. For details, see "***Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIIs***" on page [●]
Mode of Bidding	Through ASBA process only (other than Anchor Investors)		
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Category
Trading Lot	One Equity Share		
Who can Apply	Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than category III FPIs), scheduled commercial banks, mutual funds registered with the SEBI, venture capital funds registered with SEBI, FVCIs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial development corporations, systemically important non-banking financial companies registered with the RBI and having a worth of more than ₹ 5,000 million as per the last audited financial statements, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts and any category III FPIs registered with SEBI	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs
Terms of Payment****	***In case of Anchor Investors:*** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ***In case of all other Bidders:*** Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders (other than Anchor Investors) that is specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form		

Circular No.: NSDL/ POLICY/2018/0046 Date: August 27, 2018	***Subject: SEBI Circular on streamlining the process of public issue under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, SEBI (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008 and SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015.*** Attention of Participants is invited to SEBI Circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 regarding Streamlining the process of public issue under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (SEBI ILDS), SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 (SEBI NCRPS), SEBI (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008 (SEBI SDI) and SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 (SEBI ILDM).

CIR/DDHS/P/ 121/2018 **Date: August 16, 2018**

To
Recognized Stock Exchanges (other than commodity stock exchanges)
Self-Certified Syndicate Banks, Depositories
Merchant Bankers, Stock Brokers
Registrars to an Issue and Share Transfer Agents
Depository Participants, Bankers to an Issue

Dear Sir/Madam,

Sub.: Streamlining the process of public issue under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (SEBI ILDS), SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations. 2013 (SEBI NCRPS). SEBI (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008 (SEBI SDI) and SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 (SEBI ILDM)

1. In order to make the existing process of issuance of debt securities, NCRPS and SDI easier, simpler and cost effective for both issuers and investors under the SEBI ILDS, SEBI ILDM, SEBI NCRPS and SEBI SDI regulations respectively, it has been decided to reduce the time taken for listing after the closure of the issue to 6 working days as against the present requirement of 12 working days and details with respect to the same are specified in this circular.

2. Submission of application form:

2.1. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms.

2.2. An investor, intending to subscribe to a public issue, shall submit a completed bid-cum-application form to Self-Certified Syndicate Banks (SCSBs), with whom the bank account to be blocked is maintained or any of the following intermediaries:

a) A syndicate member (or sub-syndicate member)

b) A stock broker registered with a recognised stock exchange

c) A depository participant ('DP')

d) A registrar to an issue and share transfer agent ('RTA')

3. **Role of SCSBs and intermediaries:**

3.1. The SCSBs or the above intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

3.2. For applications submitted by investors to SCSB: After accepting the form, SCSB shall capture and upload details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking of funds available in the bank account specified in the form, to the extent of the application money specified.

3.3. For applications submitted by investors to other intermediaries: After accepting the application form, respective intermediary shall capture and upload details in the electronic bidding system as specified by the stock exchange(s).

3.4. The SCSBs or intermediaries shall provide guidance to their investors on making applications in public issues and are advised to take necessary steps to ensure compliance with this circular.

4. **Role of Stock Exchanges:**

4.1. Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID, Client ID and PAN, by the end of each bidding day and bring the inconsistencies to the notice of SCSBs or intermediaries concerned, for rectification and re-submission within the time specified by stock exchange(s).

4.2. Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code in the bid details already uploaded on a daily basis upto timeline as has been specified.

4.3. The stock exchanges shall develop the systems to facilitate the investors to view the status of their public issue applications on their websites and sending the details of pplications and allotments through SMS and E-mail alerts to the investors.

5. **Other requirements:**

5.1. The character length for each of fields of the schedule to be forwarded by the intermediaries along with each application form to the designated branches of the respective SCSBs for blocking of funds shall be uniformly prescribed by the stock exchange(s) and the format of the schedule shall be as under:

Field number	Details
1.	Symbol
2.	Bid Date
3.	Intermediary Code
4.	Intermediary name
5.	Bank code
6.	Bank name
7.	Location Code
8.	Application No.
9.	Category
10.	PAN
11.	DP ID
12.	Client ID
13.	Quantity
14.	Series
15.	Amount
16.	Stock exchange

5.2. **Timelines:** The revised indicative timelines for various activities are specified in **Annexure-A** to this circular. The SCSBs, stock exchanges, depositories and intermediaries shall co-ordinate with one another to ensure completion of listing of debt securities, NCRPS, SDI and commencement of trading by T+6.

6. The responsibilities of SCSBs, stock exchanges, depositories and intermediaries and the indicative timelines prescribed shall stand modified to the extent stated in the SEBI circular CIR. /IMD/DF-1/20/2012 dated July 27, 2012.

7. This circular shall be applicable for all public issues of debt securities, NCRPS and SDI **opening on or after October 01, 2018.**

8. This circular is being issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

This Circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework".

Yours faithfully,

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Deputy General Manager

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Annexure-A

Indicative timeline schedule for various activities

Serial number	Details of Activities	Due Date (working day*)
1	Issue Closes	T (Issue closing date)
2.	a) Stock exchange(s) shall allow modification of selected fields (till 01:00 PM) in the bid details already uploaded. b) Registrar to get the electronic bid details from the stock exchanges by end of the day. c) SCSBs to continue / begin blocking of funds. d) Designated branches of SCSBs may not accept schedule and applications after T+1 day. e) Registrar to give bid file received from stock exchanges containing the application number and amount to all the SCSBs who may use this file for validation/ reconciliation at their end.	T+1
3	a) Issuer, merchant banker and registrar to submit relevant documents to the stock exchange(s) except listing application, allotment details and demat credit and refund details for the purpose of listing permission. b) SCSBs to send confirmation of funds blocked (Final Certificate) to the registrar by end of the day. c) Registrar shall reconcile the compiled data received from the stock exchange(s) and all SCSBs (hereinafter referred to as the "reconciled data"). d) Registrar to undertake "Technical Rejection" test based on electronic bid details and prepare list of technical rejection cases.	T+2

4.	a) Finalization of technical rejection and minutes of the meeting between issuer, lead manager, registrar. b) Registrar shall finalise the basis of allotment and submit it to the designated stock exchange for approval. c) Designated Stock Exchange to approve the basis of allotment. d) Registrar to prepare funds transfer schedule based on approved basis of allotment. e) Registrar and merchant banker to issue funds transfer instructions to SCSBs.	T+3
5	a) SCSBs to credit the funds in public issue account of the issuer and confirm the same. b) Issuer shall make the allotment. c) Registrar/Issuer to initiate corporate action for credit of debt securities, NCRPS, SDI to successful allottees. d) Issuer and registrar to file allotment details with designated stock exchange(s) and confirm all formalities are complete except demat credit. e) Registrar to send bank-wise data of allottees, amount due on debt securities, NCRPS, SDI allotted, if any, and balance amount to be unblocked to SCSBs.	T+4
6	a) Registrar to receive confirmation of demat credit from depositories. b) Issuer and registrar to file confirmation of demat credit and issuance of instructions to unblock ASBA funds, as applicable, with stock exchange(s). c) The lead manager(s) shall ensure that the allotment, credit of dematerialised debt securities, NCRPS, SDI and refund or unblocking of application monies, as may be applicable, are done electronically. d) Issuer to make a listing application to stock exchange(s) and stock exchange(s) to give listing and trading permission. e) Stock exchange(s) to issue commencement of trading notice.	T+5
7	Trading commences	T+6
*** Working days shall be all trading days of stock exchanges excluding Sundays and bank holidays in Mumbai.**		